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# GEELY

吉利汽車控股有限公司

## GEELY AUTOMOBILE HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 175)

### PLACING OF NEW SHARES UNDER GENERAL MANDATE

#### Placing Agents

**BofA SECURITIES** 

**Goldman Sachs**

 **HSBC**

**Morgan Stanley**

 **UBS**

#### PLACING OF NEW SHARES

The Board is pleased to announce that on 29 May 2020 (before trading hours), the Company and the Placing Agents entered into the Placing Agreement, pursuant to which the Company agreed to appoint the Placing Agents, and the Placing Agents agreed to act (on a several but not joint nor joint and several basis) as placing agents for the purpose of procuring, on a best effort basis, as agents of the Company, places for 600,000,000 Placing Shares at the Placing Price of HK\$10.8 per Placing Share on the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represent approximately 6.51% of the issued share capital of the Company as at the date of this announcement and approximately 6.11% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to completion of the Placing save for the allotment and issue of the Placing Shares).

Assuming that the Placing Shares are issued in full under the Placing, the gross proceeds and net proceeds to be received by the Company from the Placing, after deducting related fees and expenses, are estimated to be approximately HK\$6,480 million and HK\$6,447 million respectively, representing a net issue price of approximately HK\$10.745 per Placing Share. The Company intends to apply such net proceeds for business development and general working capital of the Group.

**Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the conditions precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **PLACING OF NEW SHARES**

The Board is pleased to announce that on 29 May 2020 (before trading hours), the Company and the Placing Agents entered into the Placing Agreement, pursuant to which the Company agreed to appoint the Placing Agents, and the Placing Agents agreed to act (on a several but not joint nor joint and several basis) as placing agents for the purpose of procuring, on a best effort basis, as agents of the Company, places for 600,000,000 Placing Shares at the Placing Price of HK\$10.8 per Placing Share on the terms and subject to the conditions set out in the Placing Agreement.

The principal terms of the Placing Agreement are summarized below:

### **THE PLACING AGREEMENT**

#### **Date**

29 May 2020

#### **Parties**

- (1) the Company (as the issuer); and
- (2) the Placing Agents.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Placing Agents is independent of, and not connected with, the Company and connected persons of the Company.

## **Number of Placing Shares**

The Placing Agents agreed to act (on a several but not joint nor joint and several basis) as agents of the Company to procure, on a best effort basis, places for 600,000,000 new Shares at the Placing Price (excluding brokerage, the SFC transaction levy and the Stock Exchange trading fee payable by the places), on the terms and subject to the conditions set out in the Placing Agreement. The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$12,000,000.

The Placing Shares represent approximately 6.51% of the issued share capital of the Company as at the date of this announcement and approximately 6.11% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to completion of the Placing save for the allotment and issue of the Placing Shares).

## **Placing Price**

The Placing Price is HK\$10.8 per Share and represents:

- i. a discount of approximately 7.85% to the closing price of HK\$11.72 per Share as quoted on the Stock Exchange on 28 May 2020, being the Last Trading Day; and
- ii. a discount of approximately 9.97% to the average closing price of approximately HK\$12.00 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined after arm's length negotiations among the Company and the Placing Agents with reference to the prevailing market price of the Shares and market demand for the Placing Shares.

## **Rights of the Placing Shares**

The Placing Shares will, on allotment and issue, be free from all liens, charges and encumbrances, and together with all rights attaching to them as at the issue date of the Placing Shares, including the right to receive all dividends declared, made or paid on the record date of which falls on or after the issue date of the Placing Shares. The Placing Shares will rank *pari passu* in all respects with other existing Shares upon issuance.

## **Independence of the Places**

Pursuant to the Placing Agreement, the Placing Agents will procure the Placing Shares to be placed to not less than six places, who/which will be professional, institutional and/or other investors selected and/or procured by or on behalf of the Placing Agents. It is not expected that any placee will become a substantial shareholder of the Company as a result of the Placing.

The places to be procured by the Placing Agents and their ultimate beneficial owners are or will be (as the case may be) independent of and not connected with the Company and connected persons of the Company.

### **Conditions of the Placing**

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

If the above condition has not been satisfied on or before 8:00 a.m. (Hong Kong time) on the Closing Date (or such other date as the Company and the Placing Agents may agree in writing), the Placing Agreement shall terminate and neither the Company nor the Placing Agents shall have any claim against the other in respect of the Placing save for any antecedent breach or any rights and remedies accrued prior to such termination.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares on the Stock Exchange.

### **Termination Events**

Notwithstanding anything contained in the Placing Agreement, if at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

- (1) there develops, occurs or comes into force:
  - (i) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
  - (ii) any event, or series of events beyond the reasonable control of the Placing Agents (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, the People's Republic of China, the Cayman Islands, the United Kingdom, the European Union or the United States, or the declaration by Hong Kong, the People's Republic of China, the Cayman Islands, the United Kingdom, the European Union or the United States of war or a state of emergency or calamity or crisis; or
  - (iii) any change or development in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and

foreign exchange markets, interbank markets and credit markets) which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

- (iv) any change or development in local, national or international securities market conditions or currency exchange rates or exchange controls which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
  - (v) any suspension of dealings in the Shares during the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and the Placing Agents may agree in writing) whatsoever (other than as a result of the Placing); or
  - (vi) any moratorium, suspension, restriction or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, NYSE Amex Equities, the Shanghai Stock Exchange, the London Stock Exchange, the Singapore Stock Exchange, the Tokyo Stock Exchange or the Shenzhen Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (2) (i) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement (or, in the case of any such representations, warranties and undertakings which are not qualified by materiality, any breach of any of such representations, warranties and undertakings in any material respect) comes to the knowledge of the Placing Agents; (ii) any event occurs or any matter arises on or after the date hereof and prior to the completion of the Placing on the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of the representations, warranties and undertakings set out in the Placing Agreement untrue or incorrect; or (iii) there has been a breach of, or failure to perform, any other provision of the Placing Agreement in any material respect on the part of the Company; or
- (3) there is any adverse change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) as a whole which in the sole opinion of the Placing Agents is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith;

then and in any such case, the Placing Agents may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8.00 a.m. (Hong Kong time) on the Closing Date.

## **Completion of the Placing**

The Company expects that the Placing will be completed on the Closing Date or as soon as practicable thereafter or such other time and/or date as the Placing Agents and the Company may agree in writing.

## **General mandate to issue the Placing Shares**

The Placing Shares will be issued under the General Mandate, pursuant to which the Directors are authorised to allot and issue up to 921,262,654 new Shares, representing 10% of the number of issued Shares as at 25 May 2020.

Since the grant of the General Mandate on 25 May 2020 and up to the date of this announcement, the Directors have not exercised their power to allot and issue any new Shares pursuant to such General Mandate. Accordingly, the allotment and issue of the Placing Shares will not be subject to any further approval by the Shareholders.

## **LOCK-UP UNDERTAKINGS**

The Company has undertaken to the Placing Agents that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, neither the Company nor any person acting on its behalf will:

- (a) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (a) above; or
- (c) announce any intention to enter into or effect any such transaction described in (a) or (b) above,

unless with the prior written consent of the Placing Agents.

## EFFECT ON THE SHAREHOLDING STRUCTURE

Assuming there is no change to the issued share capital of the Company from the date of this announcement to the date of completion of the Placing, the shareholding structure of the Company before and after completion of the Placing is summarised as follows:

	Before completion of Placing		After completion of Placing	
	No. of Shares	%	No. of Shares	%
<b>Substantial shareholders</b>				
Mr. Li and his associates <sup>(Note 1)</sup>	4,042,618,000	43.88	4,042,618,000	41.20
<b>Directors (other than Mr. Li)</b>				
Mr. An Cong Hui	4,966,000	0.05	4,966,000	0.05
Mr. Ang Siu Lun, Lawrence	4,000,000	0.04	4,000,000	0.04
Mr. Gui Sheng Yue	14,585,000	0.16	14,585,000	0.15
Mr. Lee Cheuk Yin, Dannis	900,000	0.01	900,000	0.01
Mr. Li Dong Hui, Daniel	2,104,000	0.02	2,104,000	0.02
Mr. Wang Yang	1,000,000	0.01	1,000,000	0.01
Mr. Yang Jian	6,000,000	0.07	6,000,000	0.06
<b>Public shareholders</b>				
Placees	–	–	600,000,000	6.11
Other Shareholders	<u>5,136,453,540</u>	<u>55.75</u>	<u>5,136,453,540</u>	<u>52.35</u>
Total	<u><b>9,212,626,540</b></u>	<u><b>100</b></u>	<u><b>9,812,626,540</b></u>	<u><b>100</b></u>

Notes:

- (1) These 4,042,618,000 Shares represent the interest in the Company held by beneficially by Mr. Li (as to 23,140,000 Shares) and through companies beneficially and controlled by Mr. Li and his associates (as to 4,019,478,000 Shares).
- (2) The percentage figures included in the shareholding structure have been subject to rounding adjustment.

## EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any other equity fund raising activity in the past twelve-month period immediately preceding the date of this announcement.

## REASONS FOR THE PLACING

The Directors consider that the Placing represents an opportunity to raise capital for the Company while broadening its Shareholders and capital base in face of meeting dynamic challenges with uncertainties in the foreseeable future. The Directors are of the view that the Placing would strengthen the financial position of the Group and provide working capital to the Group.

The Directors consider that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## USE OF PROCEEDS FROM THE PLACING

Assuming that the Placing Shares are issued in full under the Placing, the gross proceeds and net proceeds to be received by the Company from the Placing, after deducting related fees and expenses, are estimated to be approximately HK\$6,480 million and HK\$6,447 million respectively, representing a net issue price of approximately HK\$10.745 per Placing Share.

The Company intends to apply such net proceeds for business development and general working capital of the Group.

## INFORMATION ON THE COMPANY

The Group is principally engaged in the research and development, manufacturing and trading of automobiles, automobile parts and related automobile components, and investment holding.

Reference is made to the Company's announcement dated 10 February 2020. As at the date of this announcement, the Company is still considering different options and optimal structures of the potential transaction. The Company will update the market when there is any new development.

**Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the conditions precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“2020 AGM”	the annual general meeting of the Company held on 25 May 2020;
“Board”	the board of Directors;



“Closing Date”	5 June 2020 or such other date as the Company and the Placing Agents may agree in writing;
“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 175);
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“General Mandate”	the general authority granted to the Directors to issue up to 921,262,654 Shares, representing 10% of the total number of Shares in issue as at date of the 2020 AGM pursuant to an ordinary resolution passed at the 2020 AGM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Last Trading Date”	28 May 2020, being the last full trading day prior to the date of the Placing Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial Shareholder together with his associates holding 43.88% interests in the total issued share capital of the Company as at the date of this announcement;
“Placing”	the placing of the Placing Shares by the Placing Agents to places at the Placing Price pursuant to the Placing Agreement;
“Placing Agents”	Merrill Lynch (Asia Pacific) Limited, Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, Morgan Stanley & Co. International Plc and UBS AG Hong Kong Branch;
“Placing Agreement”	the placing agreement dated 29 May 2020 entered into among the Company and the Placing Agents in relation to the Placing;

“Placing Price”	HK\$10.8 per Placing Share;
“Placing Shares”	the Shares to be placed by the Placing Agents pursuant to the Placing;
“PRC”	the People’s Republic of China;
“Securities Act”	the U.S. Securities Act of 1933, as amended;
“SFC”	Securities and Futures Commission;
“Shares”	ordinary share(s) of HK\$0.02 each in the share capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

On behalf of the Board  
**Geely Automobile Holdings Limited**  
**David C. Y. Cheung**  
*Company Secretary*

Hong Kong, 29 May 2020

*As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Yang Jian (Vice Chairman), Mr. Li Dong Hui, Daniel (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Mr. An Cong Hui, Mr. Ang Siu Lun, Lawrence and Ms. Wei Mei, and the independent non-executive directors of the Company are Mr. Lee Cheuk Yin, Dannis, Mr. Yeung Sau Hung, Alex, Mr. An Qing Heng and Mr. Wang Yang.*