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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)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE LYNK & CO FINANCING ARRANGEMENTS

Financial Adviser to Geely Automobile Holdings Limited



Independent Financial Adviser to Geely Automobile Holdings Limited



LYNK & CO FINANCING ARRANGEMENTS – LYNK & CO FINANCE COOPERATION AGREEMENT

On 3 November 2017, Genius AFC and LYNK & CO Sales entered into the LYNK & CO Finance Cooperation Agreement pursuant to which Genius AFC will provide vehicle financing services to the LYNK & CO Dealers and LYNK & CO Retail Customers to assist them to buy LYNK & CO-branded vehicles.

Under the terms of the LYNK & CO Finance Cooperation Agreement, after commencement of the LYNK & CO Wholesale Financing Business, Genius AFC will enter into individual Wholesale Facility Agreements with the LYNK & CO Dealers. The Wholesale Facility Agreements will govern the financing terms between Genius AFC and the LYNK & CO Dealers. The aggregate maximum transaction amounts between Genius AFC and the LYNK & CO Dealers will be subject to the Wholesale Annual Caps, which for the years ending 31 December 2018, 2019 and 2020 are approximately RMB13.2 billion, RMB24.5 billion and RMB24.2 billion, respectively.

Genius AFC will also enter into the Retail Loan Cooperation Agreements with the LYNK & CO Dealers, pursuant to which such dealers shall recommend their retail customers (i.e. the LYNK & CO Retail Customers) to use Genius AFC for the obtaining of vehicle loans to finance their purchase of LYNK & CO-branded vehicles. After the commencement of the LYNK & CO Retail Financing Business, Genius AFC will enter into individual Retail Loan Agreements with the LYNK & CO Retail Customers, and the Retail Loan Agreements will govern the financing terms between Genius AFC and the LYNK & CO Retail Customers. The aggregate maximum transaction amounts between Genius AFC and the LYNK & CO Retail Customers will be subject to the Retail Annual Caps, which for the years ending 31 December 2018, 2019 and 2020 are approximately RMB9.5 billion, RMB20.6 billion and RMB23.3 billion, respectively.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Genius AFC is owned as to 80% by the Company and 20% by BNPP PF.

As at the date of this announcement, LYNK & CO Sales is a wholly owned subsidiary of LYNK & CO, which is a joint venture of the Company established and owned as to 50%, 20% and 30% by Zhejiang Jirun, Zhejiang Haoqing and VCI, respectively. Zhejiang Haoqing and VCI are owned as to 90% and 99% by Geely Holding, which in turn is beneficially wholly owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial Shareholder holding approximately 44.04% of the total issued share capital of the Company as at the date of this announcement. As such, LYNK & CO Sales is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Although the LYNK & CO Dealers and the LYNK & CO Retail Customers, who are parties to the Wholesale Facility Agreements, the Retail Loan Cooperation Agreements and the Retail Loan Agreements (as the case may be), are independent third parties to the Company and its connected persons, the LYNK & CO Financing Arrangements are deemed to be connected transactions of the Company under Rule 14A.23 of the Listing Rules for the reason that the LYNK & CO Dealers and the LYNK & CO Retail Customers will use the loans provided by Genius AFC to purchase vehicles from LYNK & CO Sales, which is a connected person of the Company under the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) for each of the Wholesale Annual Caps and the Retail Annual Caps exceed 5% on an annual basis, the entering into of the LYNK & CO Financing Arrangements is subject to the reporting, announcement, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Mr. Li, Mr. Yang Jian, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui, each an executive Director, are considered to have material interests in the LYNK & CO Financing Arrangements by virtue of their interests and/or directorship in Geely Holding. As a result, Mr. Li, Mr. Yang Jian, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui have abstained from voting on the Board resolutions for approving the LYNK & CO Financing Arrangements (including the Wholesale Annual Caps and the Retail Annual Caps).

Mr. Li and his associates together holding 3,948,604,000 Shares (representing approximately 44.04% of the total issued share capital of the Company), Mr. Yang Jian and his associates together holding 14,475,000 Shares (representing approximately 0.16% of the total issued share capital of the Company), Mr. Li Dong Hui, Daniel and his associates together holding 4,200,000 Shares (representing approximately 0.05% of the total issued share capital of the Company), and Mr. An Cong Hui and his associates together holding 16,280,000 Shares (representing approximately 0.18% of the total issued share capital of the Company) as at the date of this announcement, will all abstain from voting on the resolutions to be proposed at the EGM to approve the LYNK & CO Financing Arrangements (including the Wholesale Annual Caps and the Retail Annual Caps).

An Independent Board Committee has been formed to advise the Independent Shareholders with respect to the LYNK & CO Financing Arrangements, and VBG Capital Limited has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) information on the LYNK & CO Financing Arrangements; (ii) a letter from the Independent Board Committee and the recommendations of the Independent Financial Adviser in respect of the LYNK & CO Financing Arrangements; and (iii) a notice of the EGM will be despatched to the Shareholders on or about 8 December 2017.

LYNK & CO FINANCING ARRANGEMENTS – THE LYNK & CO FINANCE COOPERATION AGREEMENT

On 3 November 2017, Genius AFC and LYNK & CO Sales entered into the LYNK & CO Finance Cooperation Agreement, the details of which are set out below:

Date

3 November 2017

Parties

(i) Genius AFC; and

(ii) LYNK & CO Sales

Genius AFC is a vehicle financing company established in the PRC, and is beneficially owned as to 80% and 20% by the Company and BNPP PF, respectively. Genius AFC is principally engaged in the provision of vehicles financing services in the PRC.

As at the date of this announcement, LYNK & CO Sales is a wholly owned subsidiary of LYNK & CO, which is a joint venture of the Company established and owned as to 50%, 20% and 30% by Zhejiang Jirun, Zhejiang Haoqing and VCI, respectively. Zhejiang Haoqing and VCI are owned as to 90% and 99% by Geely Holding, which in turn is beneficially wholly owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial Shareholder holding approximately 44.04% of the total issued share capital of the Company as at the date of this announcement. As such, LYNK & CO Sales is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

LYNK & CO Sales is a private limited liability company incorporated in the PRC and will be principally engaged in the sales and marketing of LYNK & CO-branded vehicles and provision of after-sale services.

Subject matter

The LYNK & CO Finance Cooperation Agreement sets out the terms under which Genius AFC will provide vehicle financing services to the LYNK & CO Dealers and LYNK & CO Retail Customers, including (i) wholesale financing to the LYNK & CO Dealers to assist them to buy LYNK & CO-branded vehicles and eventually selling such vehicles to the LYNK & CO Retail Customers; and (ii) retail financing to the LYNK & CO Retail Customers to assist them to buy LYNK & CO-branded vehicles from the LYNK & CO Dealers.

Term

The LYNK & CO Finance Cooperation Agreement shall have an initial term of three years and shall then continue unless and until terminated by either party by giving at least 6 months prior written notice. Such continuation/renewal shall be pre-approved by (i) the regulators of the Company (i.e. the Stock Exchange); and (ii) the Independent Shareholders.

Termination

LYNK & CO Sales may terminate the LYNK & CO Finance Cooperation Agreement at any time if (i) Genius AFC becomes insolvent; or (ii) Genius AFC materially breaches, or materially fails to comply with, the LYNK & CO Finance Cooperation Agreement and such failure is not capable of remedy or is capable of remedy but is not remedied within 30 days of LYNK & CO Sales giving Genius AFC written notice of such breach subject to the remediation clause under the LYNK & CO Finance Cooperation Agreement.

Genius AFC may terminate the LYNK & CO Finance Cooperation Agreement at any time if (i) LYNK & CO Sales becomes insolvent; or (ii) LYNK & CO Sales materially breaches, or materially fails to comply with, the LYNK & CO Finance Cooperation Agreement or any other agreement entered into or in connection with the LYNK & CO Finance Cooperation Agreement and such failure is not capable of remedy or is capable of remedy but is not remedied within 30 days of Genius AFC giving LYNK & CO Sales written notice of such breach subject to the remediation clause under the LYNK & CO Finance Cooperation Agreement.

Conditions precedent

The LYNK & CO Finance Cooperation Agreement shall take effect upon:

- (i) the approval of the Independent Shareholders on the LYNK & CO Financing Arrangements; and
- (ii) the approval of the Stock Exchange on the LYNK & CO Financing Arrangements, as required.

Principal terms regarding the mode of cooperation between Genius AFC and LYNK & CO Sales

(i) Cooperation

LYNK & CO shall (a) use its reasonable endeavours to procure the LYNK & CO Dealers to use the LYNK & CO Wholesale Financing and the LYNK & CO Retail Financing provided by Genius AFC; (b) for a financed LYNK & CO Dealer, use its reasonable endeavours to grant subsidies to the benefit of such LYNK & CO Dealer in order to promote the LYNK & CO Wholesale Financing Business; and (c) for a LYNK & CO Dealer who is covered by the LYNK & CO Retail Financing, use its reasonable endeavours to grant subsidies for the promotional campaigns in relation to the LYNK & CO Retail Financing offered by Genius AFC to the LYNK & CO Retail Customers from such LYNK & CO Dealer, provided that the final choice of financial partner shall always be made by the LYNK & CO Dealers or the LYNK & CO Retail Customers. Genius AFC shall not be the exclusive provider of vehicle loans and other services particularly described in the LYNK & CO Finance Cooperation Agreement in the PRC to the LYNK & CO Dealers or the LYNK & CO Retail Customers, and other providers are and will also be appointed by LYNK & CO Sales to provide similar services. Notwithstanding the foregoing, under the same conditions, Genius AFC shall be the preferred partner of LYNK & CO Sales.

Pursuant to the LYNK & CO Finance Cooperation Agreement, the parties have agreed to work together to undertake promotional activities, incentives and training to increase the finance penetration of Genius AFC and the sale of LYNK & CO-branded vehicles in the PRC.

(ii) Pricing policy

Genius AFC shall ensure that the terms of the Wholesale Facility Agreement and the Retail Loan Agreement are competitive at all times during the term of the LYNK & CO Finance Cooperation Agreement, and such terms shall be in line with general auto finance market practice. Genius AFC shall remain the sole decision maker for the final pricing of the services to be applied to the LYNK & CO Dealers and the LYNK & CO Retail Customers.

The interest rates, at the time of each setting, for the loans to be provided by Genius AFC to the LYNK & CO Dealers and the LYNK & CO Retail Customers shall be higher than the lending base rates published by the PBOC for similar types of loans under similar terms and conditions, provided that all relevant laws and regulations are complied with.

(iii) Lending risk

All lending risk assessments and decisions shall be the sole responsibility of Genius AFC, and such decisions shall conform to applicable regulatory requirements. The extension of financing in any form to any LYNK & CO Dealer or any LYNK & CO Retail Customer is subject to satisfactory credit risk assessment in accordance with the Genius AFC's credit risk management procedures (one example would be assessing the debt-to-asset ratio of LYNK & CO Dealer) and all other internal risk policies as from time to time determined by Genius AFC at its sole discretion.

(iv) Term of the loan and credit limit

The maximum term of a loan to a LYNK & CO Dealer shall be 360 days. The maximum term of a loan to a LYNK & CO Retail Customer shall be 60 months.

(v) Subsidies

Genius AFC shall provide financing to all the LYNK & CO Dealers according to the sales objectives and regional coverage agreed with LYNK & CO Sales. LYNK & CO Sales may from time to time offer LYNK & CO Dealers support with their vehicle financing and stocking costs and may choose to pay the interest accruing under the relevant Wholesale Facility Agreement on behalf of the LYNK & CO Dealer for an agreed period of time.

(vi) Security

Under the Wholesale Facility Agreement and the Retail Loan Agreement, acceptable securities may include security deposits, security over the LYNK & CO Dealers' or LYNK & CO Retail Customers' vehicles and/or other types of guarantees.

Principal terms to be applied to the Wholesale Facility Agreements and the Retail Loan Agreements

(i) Wholesale Facility Agreements

After commencement of the LYNK & CO Wholesale Financing Business, Genius AFC will enter into individual Wholesale Facility Agreements with the LYNK & CO Dealers, pursuant to which Genius AFC will provide LYNK & CO Wholesale Financing to such LYNK & CO Dealers to facilitate their purchase of LYNK & CO-branded vehicles. The terms of the Wholesale Facility Agreements (including, among others, pricing policy, loan term and credit limits etc.) that Genius AFC will enter into with such LYNK & CO Dealers are expected to be consistent with the terms of the LYNK & CO Finance Cooperation Agreement as disclosed above.

Wholesale Annual Caps

There are no historical figures for the LYNK & CO Wholesale Financing as the LYNK & CO Wholesale Financing Business to be carried out by Genius AFC is expected to commence in the first quarter of 2018. The table below sets out the Wholesale Annual Caps for each of the three years ending 31 December 2020:

| | Estimated annual caps for the year ending 31 December | | |
|--|--|--------------|--------------|
| | 2018 | 2019 | 2020 |
| | RMB' million | RMB' million | RMB' million |
| LYNK & CO Wholesale Financing – Maximum new financing amounts to be provided by Genius AFC to LYNK & CO Dealers | 13,215 | 24,450 | 24,191 |

Basis of determination of the Wholesale Annual Caps

For determining the proposed Wholesale Annual Caps, Genius AFC has taken into account (i) the projected units of LYNK & CO-branded vehicles to be purchased by the LYNK & CO Dealers for each of the years ending 31 December 2018, 2019 and 2020; (ii) the expected average selling price of the LYNK & CO-branded vehicles to the LYNK & CO Dealers for each of the years ending 31 December 2018, 2019 and 2020; and (iii) the estimated dealers' coverage by Genius AFC's LYNK & CO Wholesale Financing Business for each of the years ending 31 December 2018, 2019 and 2020.

(ii) *Retail Loan Agreements*

Genius AFC will enter into the Retail Loan Cooperation Agreements with the LYNK & CO Dealers. Pursuant to the Retail Loan Cooperation Agreements to be entered into between Genius AFC and the LYNK & CO Dealers, the LYNK & CO Dealers shall recommend their retail customers (i.e. the LYNK & CO Retail Customers) to use Genius AFC for the obtaining of vehicle loans to finance their purchase of LYNK & CO-branded vehicles.

After the commencement of the LYNK & CO Retail Financing Business, Genius AFC will enter into individual Retail Loan Agreements with the LYNK & CO Retail Customers, pursuant to which Genius AFC will provide LYNK & CO Retail Financing to such LYNK & CO Retail Customers to facilitate their purchase of LYNK & CO-branded vehicles. The terms of the Retail Loan Agreements (including, among others, pricing policy, loan term and credit limits etc.) that Genius AFC will enter into with such LYNK & CO Retail Customers are expected to be consistent with the terms of the LYNK & CO Finance Cooperation Agreement as disclosed above.

Retail Annual Caps

There are no historical figures for the LYNK & CO Retail Financing as the LYNK & CO Retail Financing Business to be carried out by Genius AFC is expected to commence in the first quarter of 2018. The table below sets out the Retail Annual Caps for each of the three years ending 31 December 2020:

| | Estimated annual caps for the year ending 31 December | | |
|--|--|---------------------|---------------------|
| | 2018 | 2019 | 2020 |
| | <i>RMB' million</i> | <i>RMB' million</i> | <i>RMB' million</i> |
| LYNK & CO Retail Financing Business | | | |
| – Maximum new financing amounts to be provided by Genius AFC to LYNK & CO Retail Customers | 9,544 | 20,601 | 23,295 |

Basis of determination of the Retail Annual Caps

For determining the proposed Retail Annual Caps, Genius AFC has taken into account (i) the projected number of units of LYNK & CO-branded vehicles to be purchased by the LYNK & CO Retail Customers for each of the years ending 31 December 2018, 2019 and 2020; (ii) the expected average retail selling price of LYNK & CO-branded vehicles for each of the years ending 31 December 2018, 2019 and 2020; and (iii) the estimated retail coverage by Genius AFC's LYNK & CO Retail Financing Business for each of the three years ending 31 December 2018, 2019 and 2020.

RELEVANT INTERNAL CONTROL MEASURES

Internal control within Genius AFC

Based on customer requirements, all loan and product pricing proposals (including any subsequent modifications) are prepared by Genius AFC's sales and marketing department. In order to ensure that the aforesaid pricing basis for the LYNK & CO Finance Cooperation Agreement are adhered to, the finance department of Genius AFC will regularly monitor the fluctuations of the interest rates in the market, which include, among others, the PBOC lending base rates, in order to ensure the interest rates offered for the loan proposals will be higher than the PBOC lending base rates for similar types of loans under similar terms and conditions. All loan and product pricing proposals prepared by Genius AFC's sales and marketing department must be validated by Genius AFC's finance, operations, risks, and information technology departments, and afterwards brought up to a sales and marketing committee for final approval. Such committee includes members who are the heads of various key departments of Genius AFC.

Internal control within the Group

The internal audit department of the Group will also regularly conduct assessment on the internal control measures for all continuing connected transactions of the Company to ensure such internal control measures have been adhered to and are effective. The independent non-executive Directors will also conduct review on all continuing connected transactions every year and confirm that the transactions have been entered into in the ordinary and usual course of business of the Group; on normal commercial terms or better; and according to the agreements governing them on terms that are fair and reasonable and in the interests of the Independent Shareholders as a whole. The Company also engages its independent auditor to report on all continuing connected transactions every year. The independent auditor review and confirm whether all continuing connected transactions have been approved by the Board; were in accordance with the pricing policies of the relevant agreement governing the transactions; and have not exceeded the relevant annual caps.

REASONS FOR AND BENEFITS OF THE LYNK & CO FINANCING ARRANGEMENTS

The Group is principally engaged in the manufacturing and trading of automobiles and automobile parts and related automobile components.

As at the date of this announcement, LYNK & CO Sales is a wholly owned subsidiary of LYNK & CO, which is a joint venture of the Company established and owned as to 50%, 20% and 30% by Zhejiang Jirun, Zhejiang Haoqing and VCI, respectively, for the manufacturing and sale of LYNK & CO-branded vehicles, and the provision of after-sale services. Please refer to the announcement of the Company dated 4 August 2017 for further details in relation to the establishment of LYNK & CO.

As mentioned in the interim report of the Company for the six months ended 30 June 2017, the new "LYNK & CO" brand, which emphasises key brand concepts like "personalised", "open platform" and "full connectivity", and its innovative business model are key parts of the Group's strategy to

expand into the premium vehicle segment and the global market. The Company expects that its new global brand “LYNK & CO” should put the Group in a much stronger position to compete in the global automobile market.

Genius AFC is a vehicle financing company owned as to 80% by the Company and 20% by BNPP PF, and is principally engaged in providing finance to vehicle dealers and retail customers for the purchase of automobiles.

In line with the practice of major global automobile companies, most of the PRC automobile companies have established vehicle financing subsidiaries or associated companies to provide vehicle financing services to their customers. With the expertise of BNPP PF coupled with the experience of the Group in the automobile business in the PRC, it is expected that Genius AFC will enable LYNK & CO to enhance its services to its customers and strengthen its competitiveness in the market. Furthermore, as the business of Genius AFC is still at a relatively early development stage, the LYNK & CO Financing Arrangements will also allow Genius AFC to build up its market reputation, in addition to the finance cooperation arrangements with Volvo Car Cooperation as announced by the Company in its announcement dated 11 December 2015, by cooperating with LYNK & CO Sales to provide vehicle financing solutions to the LYNK & CO Dealers and the LYNK & CO Retail Customers. The entering into of the LYNK & CO Financing Arrangements will therefore enable the Group, through Genius AFC, to gain market share in the PRC automobile financing industry and to benefit from the fast-growing auto financing business in the PRC.

The Board (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Adviser) is of the view that the terms of the LYNK & CO Financing Arrangements (including the Wholesale Annual Caps and the Retail Annual Caps) were negotiated on an arm’s length basis and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Genius AFC is owned as to 80% by the Company and 20% by BNPP PF.

As at the date of this announcement, LYNK & CO Sales is a wholly owned subsidiary of LYNK & CO, which is a joint venture of the Company established and owned as to 50%, 20% and 30% by Zhejiang Jirun, Zhejiang Haoqing and VCI, respectively. Zhejiang Haoqing and VCI are owned as to 90% and 99% by Geely Holding, which in turn is beneficially wholly owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial Shareholder holding approximately 44.04% of the total issued share capital of the Company as at the date of this announcement. As such, LYNK & CO Sales is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Although the LYNK & CO Dealers and the LYNK & CO Retail Customers, who are parties to the Wholesale Facility Agreements, the Retail Loan Cooperation Agreements and the Retail Loan Agreements (as the case may be), respectively, are independent third parties to the Company and its connected persons, the LYNK & CO Financing Arrangements are deemed to be connected transactions of the Company under Rule 14A.23 of the Listing Rules for the reason that the LYNK & CO Dealers and the LYNK & CO Retail Customers will use the loans provided by Genius AFC to purchase new vehicles from LYNK & CO Sales, which is a connected person of the Company under the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) for each of the Wholesale Annual Caps and the Retail Annual Caps exceed 5% on an annual basis, the entering into of the LYNK & CO Financing Arrangements is subject to the reporting, announcement, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Mr. Li, Mr. Yang Jian, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui, each an executive Director, are considered to have material interests in the LYNK & CO Financing Arrangements by virtue of their interests and/or directorship in Geely Holding. As a result, Mr. Li, Mr. Yang Jian, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui have abstained from voting on the Board resolutions for approving the LYNK & CO Financing Arrangements (including the Wholesale Annual Caps and the Retail Annual Caps).

Mr. Li and his associates together holding 3,948,604,000 Shares (representing approximately 44.04% of the total issued share capital of the Company), Mr. Yang Jian and his associates together holding 14,475,000 Shares (representing approximately 0.16% of the total issued share capital of the Company), Mr. Li Dong Hui, Daniel and his associates together holding 4,200,000 Shares (representing approximately 0.05% of the total issued share capital of the Company), and Mr. An Cong Hui and his associates together holding 16,280,000 Shares (representing approximately 0.18% of the total issued share capital of the Company) as at the date of this announcement, will all abstain from voting on the resolutions to be proposed at the EGM to approve the LYNK & CO Financing Arrangements (including the Wholesale Annual Caps and the Retail Annual Caps).

An Independent Board Committee has been formed to advise the Independent Shareholders with respect to the LYNK & CO Financing Arrangements, and VBG Capital Limited has been appointed as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) information on of the LYNK & CO Financing Arrangements; (ii) a letter from the Independent Board Committee and the recommendations of the Independent Financial Adviser in respect of the LYNK & CO Financing Arrangements; and (iii) a notice of the EGM will be despatched to the Shareholders on or about 8 December 2017.

DEFINITIONS

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below:–

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|-----------------------|---|
| “associate(s)” | has the meaning ascribed to it in the Listing Rules |
| “BNPP PF” | BNP Paribas Personal Finance, a subsidiary of the BNP Paribas Group, which is engaged in customer credit and mortgage lending activities |
| “Board” | the board of Directors |
| “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 ascribed thereto under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the LYNK & CO Financing Arrangements (including the Wholesale Annual Caps and the Retail Annual Caps) |
| “Geely Holding” | 浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited), a private limited liability company incorporated in Zhejiang Province, the PRC, and is owned as to 90% by Mr. Li and as to 10% by Mr. Li Xing Xing, the son of Mr. Li, respectively, as at the date of this announcement |
| “Genius AFC” | 吉致汽車金融有限公司 (Genius Auto Finance Co., Ltd.), a vehicle financing company established under the laws of PRC, which the Company and BNPP PF are interested in 80% and 20% of its registered capital, respectively |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |

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| “Independent Board Committee” | the independent committee of the Board, which comprises all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders on the terms of the LYNK & CO Financing Arrangements (including the Wholesale Annual Caps and the Retail Annual Caps) |
| “Independent Financial Adviser” | VBG Capital Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the LYNK & CO Financing Arrangements (including the Wholesale Annual Caps and the Retail Annual Caps) |
| “Independent Shareholders” | Shareholder(s) other than Mr. Li, Mr. Yang Jian, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui and their respective associates |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “LYNK & CO” | 領克投資有限公司 (LYNK & CO Investment Co., Ltd.*), a Chinese-foreign equity joint venture of the Company established in the PRC and owned as to 50%, 20% and 30% by Zhejiang Jirun, Zhejiang Haoqing and VCI as at the date of this announcement |
| “LYNK & CO Finance Cooperation Agreement” | the cooperation agreement entered into between Genius AFC and LYNK & CO Sales on 3 November 2017 which sets out, among other things, the terms on which Genius AFC will supply vehicle financing services to the LYNK & CO Dealers and LYNK & CO Retail Customers, including (i) wholesale financing to the LYNK & CO Dealers to assist them to buy LYNK & CO-branded vehicles and eventually selling such vehicles to the LYNK & CO Retail Customers; and (ii) retail financing to the LYNK & CO Retail Customers to assist them to buy LYNK & CO-branded vehicles from the LYNK & CO Dealers |
| “LYNK & CO Financing Arrangements” | the parcel of arrangements which includes (i) the cooperation arrangements as stipulated in the LYNK & CO Finance Cooperation Agreement; (ii) the LYNK & CO Wholesale Financing Business; and (iii) the LYNK & CO Retail Financing Business |
| “LYNK & CO Retail Customer(s)” | retail customers who purchase LYNK & CO-branded vehicles from the LYNK & CO Dealers |

| | |
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| “LYNK & CO Retail Financing” | the provision by Genius AFC of vehicle loans and other financing to the LYNK & CO Retail Customers to assist them to buy LYNK & CO-branded vehicles from the LYNK & CO Dealers |
| “LYNK & CO Retail Financing Business” | one of the principal businesses to be carried out by Genius AFC regarding the provision of the LYNK & CO Retail Financing |
| “LYNK & CO Sales” | 領克汽車銷售有限公司 (LYNK & CO Auto Sales Company Limited*), a limited company established in the PRC and a wholly owned subsidiary of LYNK & CO as at the date of this announcement |
| “LYNK & CO Dealer(s)” | enterprises that are authorised under the terms of a franchise dealer agreement with LYNK & CO Sales to sell LYNK & CO-branded vehicles to LYNK & CO Retail Customers |
| “LYNK & CO Wholesale Financing” | the provision by Genius AFC of vehicle loans and other financing to the LYNK & CO Dealers to assist them to buy LYNK & CO-branded vehicles from LYNK & CO Sales |
| “LYNK & CO Wholesale Financing Business” | one of the principal businesses to be carried out by Genius AFC regarding the provision of the LYNK & CO Wholesale Financing |
| “Mr. Li” | Mr. Li Shu Fu, an executive Director and a substantial Shareholder holding 44.04% interests in the issued share capital of the Company as at the date of this announcement |
| “PBOC” | the People’s Bank of China (中國人民銀行) |
| “percentage ratio(s)” | has the meaning ascribed to it under Rule 14.07 of the Listing Rules |
| “PRC” or “China” | the People’s Republic of China, and for the purposes of this announcement excluding Hong Kong, the Macau Special Administrative Region, and Taiwan |
| “Retail Annual Caps” | the proposed annual caps (representing the annual new financing amounts to be provided by Genius AFC to the LYNK & CO Retail Customers) in respect of the LYNK & CO Retail Financing Business for each of the financial years ending 31 December 2018, 2019 and 2020 as set out under the paragraph headed “Retail Annual Caps” |

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| “Retail Loan Agreement(s)” | financing agreements to be entered into between Genius AFC and the LYNK & CO Retail Customers which set out the terms of the loans to be provided by Genius AFC to the LYNK & CO Retail Customers for their purchase of LYNK & CO-branded vehicles |
| “Retail Loan Cooperation Agreement” | cooperation agreements to be entered into between Genius AFC and the LYNK & CO Dealers which govern, among other things, the arrangements between Genius AFC and the LYNK & CO Dealers in promoting the sale of the LYNK & CO Dealers and provision of vehicle loans from Genius AFC to the LYNK & CO Retail Customers |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Shareholder(s)” | the holder(s) of the Share(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “VCI” | 沃爾沃汽車(中國)投資有限公司 (Volvo Car (China) Investment Company Limited*), a limited liability company established in the PRC and a subsidiary of Volvo Car Corporation |
| “Volvo Car Corporation” | an automobile manufacturer established in 1927 and headquartered in Gothenburg, Sweden, and a wholly owned subsidiary of Volvo Car AB which is indirectly controlled by Geely Holding as at the date of this announcement |
| “Volvo Car AB” | Volvo Car AB, a limited liability company incorporated in Sweden which is indirectly controlled by Geely Holding as at the date of this announcement |
| “Wholesale Annual Caps” | the proposed annual caps (representing the annual new financing amounts to be provided by Genius AFC to the LYNK & CO Dealers) in respect of the LYNK & CO Wholesale Financing Business for each of the financial years ending 31 December 2018, 2019 and 2020 as set out under the paragraph headed “Wholesale Annual Caps” |
| “Wholesale Facility Agreement(s)” | financing agreements to be entered into between Genius AFC and the respective LYNK & CO Dealers which set out the terms of the loans to be provided by Genius AFC to such LYNK & CO Dealers for their purchase of LYNK & CO-branded vehicles |

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| “Zhejiang Haoqing” | 浙江豪情汽車製造有限公司 (Zhejiang Haoqing Automobile Manufacturing Company Limited*), a private company incorporated in the PRC and is a 90% owned subsidiary of Geely Holding as at the date of this announcement |
| “Zhejiang Jirun” | 浙江吉潤汽車有限公司 (Zhejiang Jirun Automobile Company Limited*), a limited liability company established in the PRC and an indirect 99% owned subsidiary of the Company as at the date of this announcement |
| “%” | per cent |

By order of the Board
Geely Automobile Holdings Limited
David C.Y. Cheung
Company Secretary

* *For identification purposes only*

Hong Kong, 3 November 2017

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, the non-executive director of the Company is Mr. Carl Peter Edmund Moriz Forster 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.