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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)

### **DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF 49.9% OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF PROTON AND DHG**

**Financial Adviser to Geely Automobile Holdings Limited**



**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**

### **BALLAS**

C A P I T A L

A subsidiary of Crosby

#### **THE PROTON ACQUISITION AND THE DHG ACQUISITION**

The Board is pleased to announce that on 20 January 2023 (after trading hours), Linkstate (as purchaser), a direct wholly-owned subsidiary of the Company, and GIHK (as seller) entered into the Proton Agreement, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the Proton Sale Shares at a consideration of RMB1,063 million and the Sale Loan at a consideration of US\$56,390,000 (equivalent to approximately RMB393.7 million).

On the same day, Linkstate and GIHK also entered into the DHG Agreement, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the DHG Sale Shares at a nominal consideration of US\$1.00.

Immediately after completion of the acquisition of the Proton Sale Shares and the DHG Sale Shares, the Group will hold 49.9% of the issued and paid-up ordinary share capital of each of Proton and DHG, and will account for their financial results by way of equity method.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, the sole shareholder of GIHK is Geely Holding, which is ultimately beneficially wholly-owned by Mr. Li and his associate.

Mr. Li is an executive Director and a substantial shareholder holding approximately 42.15% of the total issued share capital of the Company as at the date of this announcement. As such, GIHK is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Transactions exceeds 5% but is lower than 25%, the Transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and connected transactions of the Company under Chapter 14A of the Listing Rules. Therefore, the Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

## **GENERAL**

Mr. Li, Mr. Li Dong Hui, Daniel, Mr. An Cong Hui and Mr. Gan Jia Yue, each an executive Director, are considered to be interested in the Transactions by virtue of their interests and/or directorship in Geely Holding and/or Proton. As a result, each of Mr. Li, Mr. Li Dong Hui, Daniel, Mr. An Cong Hui and Mr. Gan Jia Yue has abstained from voting on the Board resolutions for approving the Transactions.

The Independent Board Committee has been formed to advise the Independent Shareholders with respect to the Transactions. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, (i) further information of the Transactions; (ii) the recommendation of the Independent Board Committee in respect of the Transactions; (iii) the advice of the Independent Financial Adviser on the Transactions; and (iv) other information as required under the Listing Rules together with the notice of the EGM, will be despatched to the Shareholders on or before 10 March 2023 (which is more than 15 business days after the publication of this announcement) after taking into account the time required for preparing and gathering the relevant information to be contained in the circular.

**Completion of the Transactions is subject to the satisfaction of the conditions precedent under the respective agreements, and therefore, the Transactions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

On 20 January 2023, Linkstate (as purchaser), a direct wholly-owned subsidiary of the Company, and GIHK (as seller) entered into the Proton Agreement, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the Proton Sale Shares at a consideration of RMB1,063 million and the Sale Loan at a consideration of US\$56,390,000 (equivalent to approximately RMB393.7 million).

On the same day, Linkstate and GIHK also entered into the DHG Agreement, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the DHG Sale Shares at a nominal consideration of US\$1.00.

## **PROTON AGREEMENT**

### **Date**

20 January 2023 (after trading hours)

### **Parties**

Vendor: GIHK

Purchaser: Linkstate

### **Subject matter**

Pursuant to the Proton Agreement, Linkstate conditionally agreed to acquire, and GIHK conditionally agreed to sell the Proton Sale Shares and the Sale Loan, for an aggregate cash consideration of approximately RMB1,456.7 million (the “**Aggregate Consideration**”). The annual interest rate of the Sale Loan is 6%. Details of Proton are set out in the paragraph headed “Information of the Target Companies – Principal businesses of Proton and DHG – Proton” below.

Immediately after completion of the Proton Acquisition, the Group will hold 49.9% of the issued and paid-up ordinary share capital of Proton and will account for Proton’s financial results by way of equity method.

### **Aggregate Consideration**

The Aggregate Consideration comprises: (i) RMB1,063 million for the Proton Sale Shares (the “**Equity Consideration**”); and (ii) US\$56,390,000 (equivalent to approximately RMB393.7 million) for the Sale Loan. The Aggregate Consideration shall be paid to GIHK by electronic transfer of immediately available funds on the Proton Closing Date.

The Equity Consideration was determined after arm’s length negotiations between Linkstate and GIHK with reference to the appraised value of RMB1,063 million for 49.9% of the equity interest in Proton as at 30 November 2022 as determined by an independent valuer using the market approach.

The consideration of the Sale Loan was determined after arm's length negotiations between Linkstate and GIHK with reference to the loan principal amount of US\$56,390,000 (equivalent to approximately RMB393.7 million).

It is expected that the Aggregate Consideration will be funded by internal cash reserve of the Group.

### **Conditions precedent**

Completion of the Proton Acquisition will be subject to and conditional upon the fulfillment or waiver (as the case may be) of the following conditions on or before the Long Stop Date:

- (a) the representations and warranties made by GIHK remaining true, accurate and complete and not misleading at the date of the Proton Agreement and the Proton Closing Date;
- (b) Linkstate being satisfied, in its absolute opinion, with the results of such enquiries, investigations and due diligence reviews of the legal, business affairs, operations and financial position of the Proton Group by Linkstate or any of its officers, employees, agents, professional advisers or other agents as Linkstate in its discretion deems necessary, desirable or appropriate to undertake;
- (c) GIHK, Linkstate and each member of the Proton Group having obtained all required approvals, consents, waivers, permissions, or exemptions from the government authorities, banks, other financial institutions and/or third parties in connection with the execution and performance of the Transaction Documents and the transactions contemplated thereby (including but not limited to those related to the transfer of the Proton Sale Shares and the Sale Loan, and any waivers of notice requirements under constitutional documents), and such approvals, consents, waiver, permission or exemption remaining in full force and effect as of the completion of the Proton Acquisition;
- (d) no change, event or circumstances having occurred since the date of the Proton Agreement and all times up to the Proton Closing Date which has or may have a material adverse effect;
- (e) the Independent Shareholders having passed the ordinary resolution to approve the Transaction Documents and the transactions contemplated thereunder at the EGM to be convened and held in accordance with the requirements of the Listing Rules;
- (f) no notice, order, judgement, action or proceeding of any court, arbitrator, government authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated under the Transaction Documents or which is reasonably likely to materially and adversely affect the right of Linkstate to own the legal and beneficial title to the Proton Sale Shares and the Sale Loan, free from liens, following the Proton Closing Date;

- (g) the obtaining of the confirmation from the relevant rating agency that the transactions contemplated under the Proton Agreement shall not have any impact on the ratings of the Sukuk Wakalah Programme; and
- (h) the obtaining of a certified true copy of the resolutions of the board of directors of Proton, *inter alia*: (1) approving the registration of the transfer of the Proton Sale Shares; (2) if applicable, accepting the resignation of the directors of Proton nominated by GIHK; and (3) appointing such persons as Linkstate may nominate as the replacement directors of Proton to take effect on the Proton Closing Date.

Linkstate may in its absolute discretion waive any or all of the conditions precedent (other than item (e) above) at any time before the Long Stop Date by notice in writing to GIHK.

### **Completion of the Proton Acquisition**

Completion of the Proton Acquisition will take place within ten (10) Business Days after all the conditions precedent to the Proton Agreement have been fulfilled or waived (as the case may be) or such other date as the parties may agree in writing.

### **DHG AGREEMENT**

#### **Date**

20 January 2023 (after trading hours)

#### **Parties**

Vendor: GIHK

Purchaser: Linkstate

#### **Subject matter**

Pursuant to the DHG Agreement, GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the DHG Sale Shares at a nominal consideration of US\$1.00. Details of DHG and its background information are set out in the paragraph headed “Information of the Target Companies – Principal businesses of Proton and DHG – DHG” below.

Immediately after completion of the DHG Acquisition, the Group will hold 49.9% of the issued and paid-up ordinary share capital of DHG and will account for DHG’s financial results by way of equity method.

## **Consideration**

The consideration for the DHG Acquisition is US\$1.00. This consideration shall be paid to GIHK by electronic transfer of immediately available funds on the DHG Closing Date.

Such nominal consideration was determined after arm's length negotiations between Linkstate and GIHK taking into account the nil appraised value of 49.9% equity interest in DHG as at 30 November 2022 as determined by an independent valuer using the asset-based approach and the relevant applicable legal requirements.

It is expected that the consideration will be funded by internal cash reserve of the Group.

## **Conditions precedent**

Completion of the DHG Acquisition will be subject to and conditional upon the fulfillment or waiver (as the case may be) of the following conditions on or before the Long Stop Date:

- (a) the representations and warranties made by GIHK remaining true, accurate and complete and not misleading at the date of the DHG Agreement and the DHG Closing Date;
- (b) Linkstate being satisfied, in its absolute opinion, with the results of such enquiries, investigations and due diligence reviews of the legal, business affairs, operations and financial position of DHG by Linkstate or any of its officers, employees, agents, professional advisers or other agents as Linkstate in its discretion deems necessary, desirable or appropriate to undertake;
- (c) GIHK, Linkstate and DHG having obtained all required approvals, consents, waivers, permissions, or exemptions from the government authorities, banks, other financial institutions and/or third parties in connection with the execution and performance of the Transaction Documents and the transactions contemplated thereunder, and such approvals, consents, waiver, permission or exemption remaining in full force and effect as of the completion of DHG Acquisition;
- (d) no change, event or circumstances having occurred since the date of the DHG Agreement and all times up to the DHG Closing Date which has or may have a material adverse effect on DHG and GIHK;
- (e) the Independent Shareholders having passed the ordinary resolution to approve the Transaction Documents and the transactions contemplated thereunder at the EGM to be convened and held in accordance with the requirements of the Listing Rules;

- (f) the obtaining of a certified true copy of the resolutions of the board of directors of DHG, evidencing the approval by DHG of: (1) the registration of the transfer of the DHG Sale Shares; (2) if applicable, accepting the resignation of the directors of DHG nominated by GIHK; and (3) appointing such persons as Linkstate may nominate as the replacement directors of DHG to take effect on the DHG Closing Date; and
- (g) the completion of the Proton Acquisition.

Linkstate may in its absolute discretion waive any or all of the conditions precedent (other than items (e) and (g) above) at any time before the Long Stop Date by notice in writing to GIHK.

### **Completion of the DHG Acquisition**

Completion of the DHG Acquisition will take place within ten (10) Business Days after all the conditions precedent to the DHG Agreement have been fulfilled or waived (as the case may be) or such other date as the parties may agree in writing.

### **INFORMATION ON THE PARTIES TO THE TRANSACTIONS**

GIHK is a limited liability company incorporated in Hong Kong, which is an investment holding company. Geely Holding is the sole shareholder of GIHK.

Linkstate is a limited liability company incorporated in the British Virgin Islands, which is an investment holding company and a direct wholly-owned subsidiary of the Company.

### **INFORMATION OF THE TARGET COMPANIES**

#### **Principal businesses of Proton and DHG**

##### ***Proton***

Proton is a limited liability company incorporated in Malaysia in 1983. The principal activities of Proton include the manufacture and sale of motor vehicles of its own brand in Southeast Asia. As at the date of this announcement, Proton is owned as to 50.1% by DRBH and 49.9% by GIHK. DRBH is a public company incorporated in Malaysia, the shares of which have been listed on the Bursa Securities since 4 September 1992 (stock name: DRBHCOM). It is a large and diversified conglomerate in Malaysia with key businesses in six core sectors: automotive, aerospace and defence, postal, banking, services and properties. DRBH is involved in the entire automotive value chain, including designing, assembling, distributing, component manufacturing, repairing and retailing.

## DHG

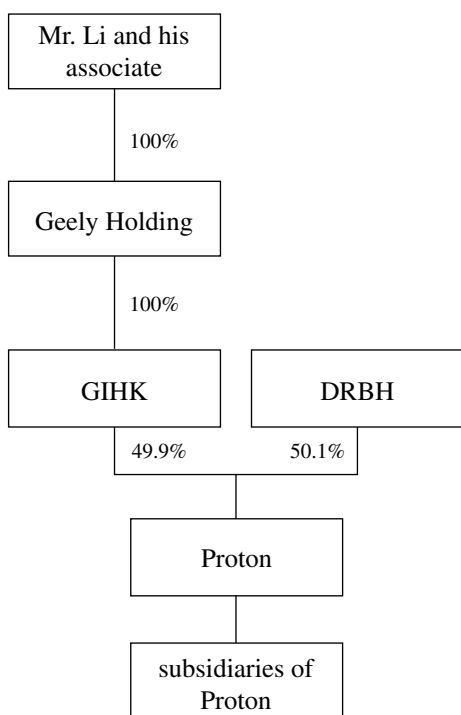
DHG is an investment holding company and is owned as to 50.1% by DRBH and as to 49.9% by GIHK as at the date of this announcement. DHG was incorporated by DRBH and GIHK to restructure the intercompany debt in the amount of approximately RM1,616.4 million (equivalent to approximately RMB2,551.3 million) (the “Debt”) between Proton (as borrower) and PONSB (a wholly-owned subsidiary of Proton, as lender). In order to set off against the Debt, Proton issued non-convertible redeemable preference shares to DHG and DHG issued the same number of non-convertible redeemable preference shares to PONSB at the same consideration equivalent to the Debt amount. No voting right is attached to the aforesaid non-convertible redeemable preference shares, which can only be redeemed at the discretion of the issuer when it has sufficient funds.

### Shareholding structures of Proton Group and DHG

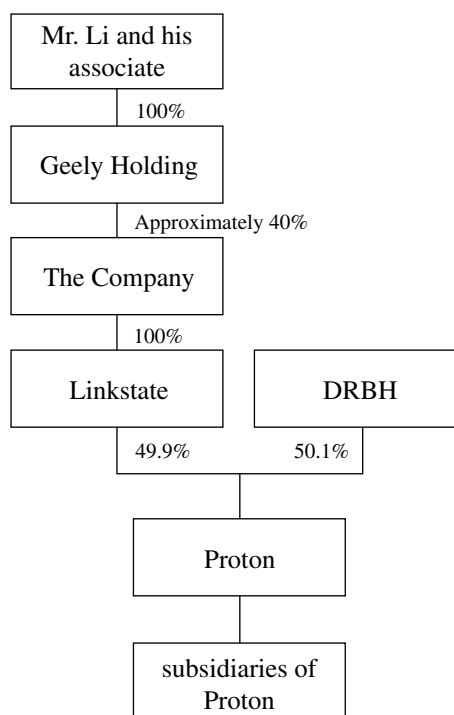
The following charts set out the shareholding structures of the Proton Group and DHG as at the date of this announcement and immediately after completion of the Transactions:

#### Proton Group

As at the date of this announcement



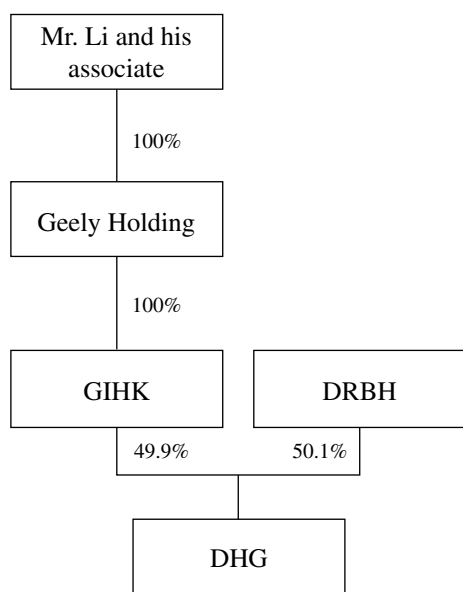
Immediately after completion of the Proton Acquisition



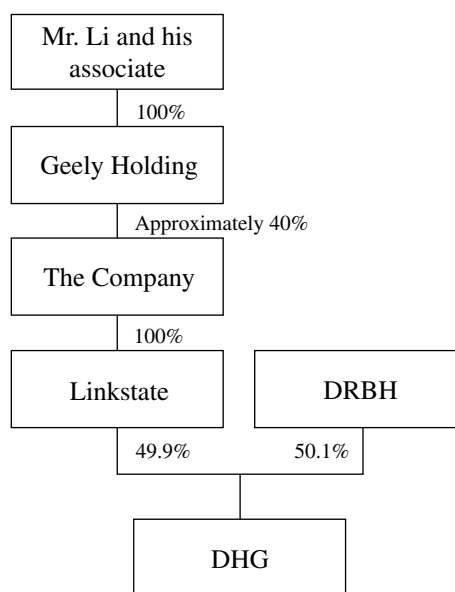


## DHG

As at the date of this announcement



Immediately after completion of the DHG Acquisition



## Financial information of Proton and DHG

### Proton

Set out below is the consolidated financial information of Proton for the years/period as indicated below prepared under the MFRS:

	For the year ended 31 December				For the nine months ended 30 September	
	2020 (Audited)		2021 (Audited)		2022 (Unaudited)	
	<i>RM in million</i>	<i>RMB in million</i>	<i>RM in million</i>	<i>RMB in million</i>	<i>RM in million</i>	<i>RMB in million</i>
(Loss)/Profit before taxation	(15.0)	(23.6)	11.0	17.3	93.1	146.9
(Loss)/Profit after taxation	(15.3)	(24.2)	74.1	117.0	87.5	138.1
					<b>As at 30 September 2022 (Unaudited)</b>	
					<i>RM in million</i>	<i>RMB in million</i>
Net asset value					3,076.7	4,856.1

As at 30 September 2022, the total assets of Proton Group mainly comprised property, plant and equipment for manufacturing purposes, inventories, other investment as well as deposits, bank and cash balances. The total liabilities of Proton Group mainly comprised trade and other payables as well as borrowings.

As at 30 September 2022, there were shareholders' loans including principals and interests incurred, which were recorded in trade and other payables of the Proton Group, at amount of approximately RM476.2 million (equivalent to approximately RMB751.6 million) and US\$70.8 million (equivalent to approximately RMB494.4 million) due to DRBH and GIHK, respectively.

There are no reported material differences in the profit/(loss) before tax, profit/(loss) after tax, and net asset value of Proton under MFRS and IFRS based on confirmation from the auditor of Proton.

### ***DHG***

DHG is an investment holding company. Under the MFRS, DHG recorded audited losses of approximately RM6,000 (equivalent to approximately RMB9,470.1) and RM8,000 (equivalent to approximately RMB12,626.9) before and after taxation for the year ended 31 December 2020 and 2021, respectively. For the nine months ended 30 September 2022, DHG recorded unaudited losses of approximately RM5,000 (equivalent to approximately RMB7,891.8) before and after taxation. As at 30 September 2022, the unaudited total assets of DHG mainly represented investment in non-convertible redeemable preference shares issued by Proton of approximately RM1,616.4 million (equivalent to approximately RMB2,551.3 million). There was no amount due from or due to shareholders of DHG as at 30 September 2022. For more information of DHG, please refer to "Information of the Target Companies – Principal businesses of Proton and DHG – DHG" above.

There are no reported material differences in the profit/(loss) before tax, profit/(loss) after tax, and total assets of DHG under MFRS and IFRS based on confirmation from the auditor of DHG.

### **Financial effect of the Transactions**

Immediately after completion of the acquisition of the Proton Sale Shares and the DHG Sale Shares, the Group will hold 49.9% of the issued and paid-up ordinary share capital of each of Proton and DHG, and will account for their financial results by way of equity method.

As at the date of this announcement, Proton issued redeemable convertible preference shares of 1,200,000,000 and 300,000,000 (the "**Preference Shares**") at an aggregate consideration of RM1,500.0 million (equivalent to approximately RMB2,367.5 million) to Govco Holdings and DRBH, respectively, for its financing purpose. Assuming the Preference Shares are fully converted into ordinary shares of Proton, the interest in Proton held by the Group after completion of the Transactions will be diluted to 19.4%. Neither Govco Holdings nor DRBH is entitled to call for the conversion of the Preference Shares, and only Proton has the option to convert the Preference Shares

wholly or partially into its ordinary shares subject to unanimous consent of all of its shareholders. As at the date of this announcement, it is confirmed by Proton that it has no intention for such conversion.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

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

As disclosed in the section headed “Information of the Target Companies”, Proton is principally engaged in the manufacture and sale of motor vehicles of its own brand (the “**Proton-branded Vehicles**”) in Southeast Asia.

The Proton-Geely strategic partnership has begun in 2017 since GIHK acquired 547,020,534 ordinary shares, representing 49.9% of the issued and paid-up ordinary share capital of Proton (namely, the Proton Sale Shares) at approximately US\$108.0 million (equivalent to approximately RMB754.1 million). It provided an opportunity for Proton to have access to the platforms and technologies of Geely Holding, which laid a solid foundation for the subsequent success of Proton. Besides, the unique background of DRBH, which sets footprints in the entire automotive value chain in Malaysia and owns 50.1% of the issued and paid-up ordinary share capital of Proton as at the date of this announcement, also provides important support for Proton’s business development.

By leveraging the strong support from the shareholders, Proton brand maintains high reputation and popularity in Southeast Asia. The market share of Proton brand in terms of sales volume reached 20.1% and 4.8% in Malaysia market and ASEAN market for the nine months ended 30 September 2022, respectively, which are calculated on the basis of data sourced from MAA and Segment Y.

The Proton Acquisition provides a valuable opportunity for the Group to enter the passenger vehicle market of right-hand drive models in Southeast Asia. By leveraging the resources and experiences of Proton, the Group will be able to further strengthen its business development in Southeast Asia after completion of the Proton Acquisition. The Group will continue to collaborate with Proton in the development of electric vehicle models under Proton brand in the future.

The DHG Acquisition is intertwined with the Proton Acquisition because the incorporation of DHG is solely for the purpose of Proton Group’s internal debt restructuring. For more information, please refer to “Information of the Target Companies – Principal businesses of Proton and DHG – DHG” above. The original subscription price paid by GIHK for the DHG Sale Shares is RM499 (equivalent to approximately RMB787.6).

The Group currently sells automobile parts and components and provide R&D and technology licensing services to the Geely Holding Group in relation to the manufacture of Proton-branded Vehicles. After completion of the Proton Acquisition, the Group will directly sell automobile parts and components and provide R&D and technology licensing services to the Proton Group, which will

then cease to be a connected person of the Company. The above arrangement will reduce the number of continuing connected transactions between the Group and the Geely Holding Group and thus reduce the Group's reliance on the Geely Holding Group.

Each of GIHK and DRBH has provided shareholder's loans to the Proton Group for the development of Proton Group's automotive business in Southeast Asia. As at 30 September 2022, there were shareholders' loans including principals and interests incurred, which were recorded in trade and other payables of the Proton Group, at amount of approximately RM476.2 million (equivalent to approximately RMB751.6 million) and US\$70.8 million (equivalent to approximately RMB494.4 million) due to DRBH and GIHK, respectively. Such shareholder's loans are used primarily for the development and operation of automotive business of the Proton Group in Southeast Asia. Pursuant to the Deed of Assignment to be executed upon completion of the Proton Acquisition, GIHK will assign and transfer the Sale Loan to Linkstate. Such shareholder's loans will maintain the funding sources and working capital of the Proton Group for further development of the automotive business, which will in turn contribute to the overall financial results of the Group by way of equity method.

After completion of the Proton Acquisition, the Group will continue to support the business development of Proton and will consider to provide further financial assistance pro-rata to its interest in Proton. The Company will comply with the relevant requirements under the Listing Rules on the provision of such financial assistance to Proton when they arise.

Having considered the above reasons and benefits of the Transactions, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) consider that the Transactions are on normal commercial terms and the terms of the Transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, the sole shareholder of GIHK is Geely Holding, which is ultimately beneficially wholly-owned by Mr. Li and his associate.

Mr. Li is an executive Director and a substantial shareholder holding approximately 42.15% of the total issued share capital of the Company as at the date of this announcement. As such, GIHK is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Transactions exceeds 5% but is lower than 25%, the Transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and connected transactions of the Company under Chapter 14A of the Listing Rules. Therefore, the Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

## GENERAL

Mr. Li, Mr. Li Dong Hui, Daniel, Mr. An Cong Hui and Mr. Gan Jia Yue, each an executive Director, are considered to be interested in the Transactions by virtue of their interests and/or directorship in Geely Holding and/or Proton. As a result, each of Mr. Li, Mr. Li Dong Hui, Daniel, Mr. An Cong Hui and Mr. Gan Jia Yue has abstained from voting on the Board resolutions for approving the Transactions.

The Independent Board Committee has been formed to advise the Independent Shareholders with respect to the Transactions. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A circular containing, among other things, (i) further information of the Transactions; (ii) the recommendation of the Independent Board Committee in respect of the Transactions; (iii) the advice of the Independent Financial Adviser on the Transactions; and (iv) other information as required under the Listing Rules together with the notice of the EGM, will be despatched to the Shareholders on or before 10 March 2023 (which is more than 15 business days after the publication of this announcement) after taking into account the time required for preparing and gathering the relevant information to be contained in the circular.

**Completion of the Transactions is subject to the satisfaction of the conditions precedent under the respective agreements, and therefore, the Transactions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Aggregate Consideration”	has the meaning ascribed to it under the section headed “Proton Agreement – Subject matter” in this announcement
“ASEAN”	the Association of Southeast Asian Nations
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bursa Securities”	Bursa Malaysia Securities Berhad

“Business Day”	a day other than a public holiday, Saturday, Sunday which licensed banks generally open in the PRC, Hong Kong and the Malaysia for the transaction of general banking business
“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”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transactions”	has the meaning ascribed to it under the Listing Rules
“Debt”	has the meaning ascribed to it under the section headed “Information of the Target Companies – Principal businesses of Proton and DHG – DHG” in this announcement
“Deed of Assignment”	the deed of assignment to be executed by GIHK in favour of Linkstate on the Proton Closing Date for assigning the Sale Loan to Linkstate
“DHG”	DRB-HICOM Geely Sdn. Bhd., an investment holding company incorporated in Malaysia
“DHG Acquisition”	the acquisition of the DHG Sale Shares by Linkstate from GIHK pursuant to the DHG Agreement
“DHG Agreement”	the sale and purchase agreement entered into between Linkstate and GIHK on 20 January 2023, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the DHG Sale Shares
“DHG Closing Date”	the completion date of the DHG Acquisition
“DHG Sale Shares”	499 ordinary shares of DHG, representing 49.9% of the issued and paid-up ordinary share capital of DHG, which are owned by GIHK as at the date of this announcement
“Director(s)”	the director(s) of the Company

“DRBH”	DRB-HICOM Berhad, a public company incorporated in Malaysia and the shares of which are listed on the Bursa Securities (stock name: DRBHCOM)
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Transactions
“Equity Consideration”	has the meaning ascribed to it under the section headed “Proton Agreement – Aggregate Consideration” in this announcement
“Geely Holding”	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited*), a limited liability company incorporated in the PRC, and is ultimately beneficially wholly-owned by Mr. Li and his associate as at the date of this announcement
“Geely Holding Group”	Geely Holding and its subsidiaries
“GIHK”	Geely International (Hong Kong) Limited, a limited liability company incorporated in Hong Kong with Geely Holding being its sole shareholder
“Govco Holdings”	Govco Holdings Berhad, a 99.99% owned special purpose vehicle by the Ministry of Finance of Malaysia
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standards
“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 Transactions
“Independent Financial Adviser”	Ballas Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Transactions
“Independent Shareholders”	Shareholder(s) other than Mr. Li, Mr. Li Dong Hui, Daniel, Mr. An Cong Hui, Mr. Gan Jia Yue and their respective associates

“Linkstate”	Linkstate Overseas Limited, a limited liability company incorporated in the British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 April 2023, or such other date as may be agreed by Linkstate and GIHK
“MAA”	Malaysian Automotive Association, which is a professional organization in Malaysian automotive industry and was established in 1960
“MFRS”	Malaysian Financial Reporting Standards
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial shareholder together with his associates holding approximately 42.15% interests in the total issued share capital of the Company as at the date of this announcement
“PONS B”	Perusahaan Otomobil Nasional Sdn. Bdn., a company incorporated in Malaysia and is wholly-owned by Proton
“PRC”	the People’s Republic of China, and for the purposes of this announcement excluding Hong Kong, the Macau Special Administrative Region, and Taiwan
“Preference Shares”	has the meaning ascribed to it under the section headed “Information of the Target Companies – Financial effect of the Transactions” in this announcement
“Proton”	PROTON Holdings Berhad, a limited liability company incorporated in Malaysia
“Proton Acquisition”	the acquisition of the Proton Sale Shares and the Sale Loan by Linkstate from GIHK pursuant to the Proton Agreement
“Proton Agreement”	the sale and purchase agreement entered into between Linkstate and GIHK on 20 January 2023, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the Proton Sale Shares and the Sale Loan



“Proton-branded Vehicles”	has the meaning ascribed to it under the section headed “Reasons for and benefits of the Transactions” in this announcement
“Proton Closing Date”	the completion date of the Proton Acquisition
“Proton Group”	Proton and its subsidiaries from time to time
“Proton Sale Shares”	547,020,534 ordinary shares, representing 49.9% of the issued and paid-up ordinary share capital of Proton, which are owned by GIHK as at the date of this announcement
“R&D”	research and development
“RM”	Malaysian ringgit, the lawful currency of Malaysia
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	the loan principal amount of US\$56,390,000 due and payable by PONS B to GIHK
“Segment Y”	Segment Y Automotive Intelligence, a market research company which focuses on automotive markets in Asia and has 35 years of experience in automotive industry
“SFO”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Sukuk Wakalah Programme”	the Islamic medium-term notes programme of up to RM4 billion and the Islamic commercial paper programme of up to RM1 billion issued by PONS B Capital Berhad, a wholly-owned subsidiary of Proton
“Transactions”	the transactions contemplated under the Transaction Documents

“Transaction Document(s)”	the Proton Agreement, the DHG Agreement, the Deed of Assignment and the other agreements or documents executed and/or delivered by Linkstate or GIHK in connection with the consummation of the transactions contemplated thereunder
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 20 January 2023

*In this announcement, translation of RM into RMB and translation of US\$ into RMB are based on the exchange rates of RM1:RMB1.578357561 and US\$1:RMB6.9825. No representation is made that any amounts in RM, US\$ and RMB can be or could have been converted at the above exchange rate or any other rates.*

*As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Li Dong Hui, Daniel (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Mr. An Cong Hui, Mr. Ang Siu Lun, Lawrence, Ms. Wei Mei and Mr. Gan Jia Yue, and the independent non-executive directors of the Company are Mr. An Qing Heng, Mr. Wang Yang, Ms. Lam Yin Shan, Jocelyn and Ms. Gao Jie.*

\* *For identification purposes only*