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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)

**VOLUNTARY ANNOUNCEMENT  
FORMATION OF JV COMPANY**

On 24 April 2018, Geely Luoyou, an indirect 99% owned subsidiary of the Company, entered into the Joint Venture Agreement with AISIN AW, a subsidiary of AISIN SEIKI, pursuant to which the parties agreed to establish the JV Company to principally engage in the manufacture and sales of front-wheel drive 6-speed automatic transmissions and related parts and components (“**Products**”).

Pursuant to the terms of the Joint Venture Agreement, the JV Company will be owned as to 40% by Geely Luoyou and as to 60% by AISIN AW. The registered capital of the JV Company will be US\$117,000,000 (equivalent to RMB733,590,000), and will be contributed as to 40% (US\$46,800,000 or equivalent to RMB293,436,000) in cash by Geely Luoyou and as to 60% (US\$70,200,000 or equivalent to RMB440,154,000) in cash by AISIN AW.

The establishment of the JV Company under the Joint Venture Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and this announcement is made by the Company on a voluntary basis.

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**ESTABLISHMENT OF THE JV COMPANY**

On 24 April 2018, Geely Luoyou, an indirect 99% owned subsidiary of the Company, entered into the Joint Venture Agreement with AISIN AW, a subsidiary of AISIN SEIKI, pursuant to which the parties agreed to establish the JV Company to principally engage in the manufacture and sales of the Products.

The principal terms of the Joint Venture Agreement are set out below:

Date: 24 April 2018

Parties: Geely Luoyou, an indirect 99% owned subsidiary of the Company, which is principally engaged in production of automobile engines in the PRC; and

AISIN AW, a subsidiary of AISIN SEIKI, which principally manufactures and markets automatic transmissions, car navigation systems, and hybrid transmission products for the automotive industry in Japan and internationally.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, AISIN AW and its beneficial owner are independent of and not connected with the Company and its connected persons.

Shareholding of the JV Company: The JV Company will be owned as to 40% by Geely Luoyou and as to 60% by AISIN AW.

Scope and operation of business: The JV Company will principally be engaged in the manufacture and sales of the Products.

The JV Company will commence production in year 2020 and it will have a designed production capacity of approximately 400,000 units of automatic transmission per annum.

Registered capital: The registered capital of the JV Company will be US\$117,000,000 (equivalent to RMB733,590,000), and will be contributed as to 40% (US\$46,800,000 or equivalent to RMB293,436,000) in cash by Geely Luoyou and as to 60% (US\$70,200,000 or equivalent to RMB440,154,000) in cash by AISIN AW.

The amount of registered capital of the JV Company and the capital contributions to be made by Geely Luoyou and AISIN AW was determined after arm's length negotiations between the parties with reference to the initial capital requirement for the development of the business of the JV Company.

The board of directors: The board of directors of the JV Company will consist of five directors, of which two will be nominated by Geely Luoyou and three will be nominated by AISIN AW.

Unanimous resolution of all directors (present in person or represented by proxy for the board meeting) of the JV Company for certain key corporate matters is needed. Therefore, the JV Company is a joint venture company of the Group and its financial results will be accounted for in the consolidated financial statements of the Group using the equity method.

## **REASONS AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT**

In recent years, major vehicle manufacturers are incorporating more advanced transmissions with higher fuel efficiency in their products in order to meet the more stringent regulatory requirement on fuel consumption standard. With the increasing demand for advanced transmissions with efficient performance, the formation of the JV Company under the Joint Venture Agreement will leverage on the strength, resources and expertise of both parties in the manufacturing of automatic transmissions and related parts and components in the PRC, which in turn will ensure a stable supply of the Products to the Group in the future.

The Directors (including the independent non-executive Directors) consider that the establishment of the JV Company was conducted under normal commercial terms, the terms of which are fair and reasonable. The entering into of the Joint Venture Agreement is in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the establishment of the JV Company is under 5%, the formation of the JV Company under the Joint Venture Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and this announcement is made by the Company on a voluntary basis.

## **DEFINITIONS**

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

“AISIN AW”	AISIN AW Co., Ltd. (愛信AW株式會社*), a limited liability company incorporated in Japan and is a subsidiary of AISIN SEIKI
“AISIN SEIKI”	AISIN SEIKI Company Limited, a company incorporated in Japan with limited liability, the shares of which are listed on the Tokyo Stock Exchange (stock code: 7259)
“Board”	the board of Directors

“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Geely Luoyou”	浙江吉利羅佑發動機有限公司(Zhejiang Geely Luoyou Engine Company Limited*), a limited liability company incorporated in the PRC, and is an indirect 99% owned subsidiary of the Company as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Venture Agreement”	the agreement dated 24 April 2018 between Geely Luoyou and AISIN AW
“JV Company”	a limited liability company to be incorporated in the PRC pursuant to the Joint Venture Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan)
“Products”	the front-wheel drive 6-speed automatic transmissions and related parts and components
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

“%”

per cent.

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

\* *For identification purposes only*

*For the purpose of this announcement, unless otherwise indicated, amounts denominated in US\$ have been converted, for the purpose of illustration only, into RMB at the exchange rate of US\$1.00 = RMB6.27. The exchange rate does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.*

Hong Kong, 25 April 2018

*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.*