Supplemental Listing Document

If you are in any doubt about this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser. The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made or opinions or reports expressed in this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of Macquarie Bank Limited, the Company (defined below) or the Warrants.

Non-collateralised warrants
15,000,000 European Style Cash Settled Call Warrants
relating to the ordinary shares of Geely Automobile Holdings Limited
issued by



Macquarie Bank Limited

(ABN 46 008 583 542)

(Incorporated under the laws of Australia)

Issue Price: SGD 0.2 per Warrant

This document is published for the purpose of obtaining a listing of all the above warrants (the "**Warrants**") to be issued by Macquarie Bank Limited (the "**Issuer**") and is supplemental to and should be read in conjunction with a base listing document published on 15 July 2020 (the "**Base Listing Document**") for the purpose of giving information with regard to the Issuer and the Warrants. Information relating to Geely Automobile Holdings Limited (the "**Company**") is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Warrants or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration Warrants or other securities of the Issuer. Restrictions have been imposed on offers and sales of the Warrants and on distributions of documents relating thereto in Singapore, the United States, the United Kingdom, Hong Kong and Australia (see Base Listing Document).

Investors are warned that the price of the Warrants may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the risk factors set out in this document before they invest in the Warrants.

The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and of no other person, including those in respect of deposits, but excluding any debts for the time being preferred by law and any subordinated obligations and if you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against the Company.

The Issuer is regulated as an authorised deposit taking institution by the Australian Prudential Regulation Authority ("APRA"). The Issuer, acting through its Singapore branch is authorised and licensed by the Monetary Authority of Singapore to carry on wholesale banking business in Singapore pursuant to the Banking Act, Chapter 19 of Singapore and therefore is subject to the supervision of the Monetary Authority of Singapore.

02 October 2020

Application has been made to the SGX-ST for permission to deal in and for quotation of the Warrants and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Warrants. It is expected that dealings in the Warrants will commence on 05 October 2020.

Warrants are complex instruments and are not suitable for inexperienced investors. Investors should also have sufficient financial resources and liquidity to bear all of the risks of an investment in the Warrants. Prospective purchasers should not invest in Warrants which are complex financial instruments unless they have the expertise (either alone or with a financial adviser) to evaluate how the Warrants will perform under changing conditions, the resulting effects on the value of the Warrants and the impact this investment will have on the potential investor's overall investment portfolio.

Subject as set out below, the Issuer accepts full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to itself and the Warrants. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which it accepts responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and is not limited by anything likely to affect the import of such information. The information contained herein with regard to the Company consists of extracts from information released publicly. The Issuer accepts responsibility for accurately reproducing such extracts but accept no further or other responsibility in respect of such information.

Neither the delivery of this document nor any sale made hereunder shall create any implication that there has been no change in the affairs of the Issuer, and its subsidiaries and affiliates since the date hereof. No person has been authorised to give any information or to make any representations other than those contained in this document in connection with the offering of the Warrants, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer.

This document does not constitute an offer or invitation by or on behalf of the Issuer to purchase or subscribe for any of the Warrants. The distribution of this document and the offering of the Warrants may, in certain jurisdictions, be restricted by law. The Issuer requires persons into whose possession this document comes to inform themselves of and observe all such restrictions.

The Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Warrants, or interests therein, may not at any time be offered, sold, resold or delivered within the United States or to, or for the account or benefit of, U.S. persons and any offer, sale, resale or delivery made within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Warrants and distribution of this document is given in the section headed "Sales Restrictions" in the Base Listing Document.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the merits of investing in the Warrants, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer or its affiliates may repurchase Warrants at any time and any Warrant which is repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer. Investors should not therefore make any assumption as to the number of Warrants in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Call Warrants contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

TERMS AND CONDITIONS OF THE WARRANTS

*The following are the terms and conditions of the Warrants and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the base listing document dated 15 July 2020 (the "**Base Listing Document**").*

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Call Warrants" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Warrants:	15,000,000 European Style Cash Settled Call Warrants relating to the ordinary shares ("**Shares**") of the Company
Company:	Geely Automobile Holdings Limited (Reuters Instrument Code: 0175.HK)
Conversion Ratio (number of Shares per Warrant):	0.285714 (i.e. every 3.5 Warrants initially relate to 1 Share)
Underlying Price[1] and Source:	HKD 15.2 (out of the money) (Reuters/Bloomberg)
Exercise Price:	HKD 18
Gearing[1]:	3.8x
Premium[1]:	44.4%
Volatility[1]:	Implied: 115% Historical: 50%
Launch Date:	30 September 2020
Closing Date:	02 October 2020
Dealing Commencement Date:	05 October 2020
Last Trading Date:	The 5th Business Day immediately preceding the Expiry Date, provided that if such day is not a day on which The Stock Exchange of Hong Kong Limited ("**HKEX**") is open for dealings during its normal trading hours ("HK Business Day"), the Business Day immediately preceding such day which is also a HK Business Day, currently being 26 March 2021
Expiry Date:	05 April 2021
Board Lot:	100 Warrants

[1] These figures are calculated as at, and based on information available to the Issuer on or about, the date of the termsheet in respect of the Warrants. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after the date of the termsheet in respect of the Warrants.

Valuation Date:	Each of the five Exchange Business Days immediately preceding the Expiry Date (subject to Market Disruption Events as set out in the Conditions of the Warrants)
Exercise:	Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) of the Warrants. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
Cash Settlement Amount:	In respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to the Exchange Rate multiplied by: (A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the Relevant Stock Exchange, subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date LESS (ii) the Exercise Price MULTIPLIED by (B) the Conversion Ratio In certain circumstances, the Conversion Ratio and the Exercise Price will be adjusted as set out in Condition 6 of the Warrants.
Exchange Rate:	The rate of exchange for the conversion of the Reference Currency to the Settlement Currency as at 5:00 p.m. (Singapore time) on the Expiry Date as shown on Bloomberg provided that if the Bloomberg service ceases to display such information, such page as displays such information on such other services as may be selected by the Issuer.
Reference Currency:	Hong Kong dollars
Settlement Currency:	Singapore dollars The Shares are traded in Hong Kong dollars on HKEX. However, the Warrants will be issued and traded in Singapore dollars on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Exercise Expenses:	Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants.
Relevant Stock Exchange:	HKEX
Clearing System:	The Central Depository (Pte) Limited ("**CDP**")
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Warrants on the SGX-ST.

In addition, the Conditions have been modified as follows:

Reference to "Business Day" in Condition 2 shall be replaced by "Exchange Business Day".

"**Exchange Business Day**" shall be a day on which the HKEX is open for dealings in Hong Kong during its normal trading hours.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Call Warrants" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Warrants.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED CALL WARRANTS

1. Form, Status, Transfer and Title

(a) *Form*. The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) are issued subject to and with the benefit of:

(i) an instrument by way of deed poll (the "**Instrument**") dated the Closing Date, made by Macquarie Bank Limited (the "**Issuer**"); and

(ii) a master warrant agent agreement (the "**Warrant Agent Agreement**") dated 26 November 2004 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Instrument and the Warrant Agent Agreement.

(b) *Status*. The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.

(c) *Transfer*. The Warrants are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression "**Warrantholder**" shall be construed accordingly.

2. Warrant Rights and Exercise Expenses

(a) *Warrant Rights*. Every Warrant entitles each Warrantholder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to:

(A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the relevant stock exchange on which the Shares related to the Warrants are traded ("**Relevant Stock Exchange**") (as specified in the relevant Supplemental Listing Document), subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date (as defined below) LESS (ii) the Exercise Price for the time being MULTIPLIED by (B) the Conversion Ratio,

and multiplied by the applicable exchange rate if the Reference Currency is different from the Settlement Currency.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

(A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and

(B) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (1) the Business Day immediately preceding the Expiry Date (the "**Last Valuation Date**") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

"**Conversion Ratio**" means the ratio (expressed as the number of Shares to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

"**Market Disruption Event**" means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Shares requested by the Company if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Shares if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to

trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

"**Valuation Date**" means, with respect to the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Expiry Date relating to such exercise.

(b) *Exercise Expenses*. Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day).

4. Exercise of Warrants

(a) *Exercise*. Warrants may only be exercised on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) in accordance with Condition 4(b).

(b) *Automatic Exercise*. Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

(c) *Settlement*. In respect of Warrants which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Last Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment

made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

(d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantholders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantholders.

6. Adjustments

(a) *Potential Adjustment Event*. Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Shares are traded.

(b) *Definitions*. "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of the Shares (excluding a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

(iii) an extraordinary dividend;

(iv) a call by the Company in respect of the Shares that are not fully paid;

(v) a repurchase by the Company of the Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a "poison pill" being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

(vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Shares.

(c) *Merger Event, Tender Offer, Nationalisation and Insolvency*. If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Shares, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Shares traded on that options exchange;

(ii) cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 9. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by such Warrantholder which amount shall be the fair market value of a Warrant taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9; or

(iii) following any adjustment to the settlement terms of options on the Shares on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the "**Option Reference Source**") make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Shares are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Warrantholders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

(d) *Definitions*. "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Company become legally prohibited from transferring them. "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. "**Merger Event**" means, in respect of the Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the Last Valuation Date. "**Nationalisation**" means that all the Shares or all or substantially all of the assets of a Company are

nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

(e) *Other Adjustments*. Except as provided in this Condition 6 and Condition 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantholders generally (without considering the circumstances of any individual Warrantholder or the tax or other consequences of such adjustment in any particular jurisdiction).

(f) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Warrantholders; Modification

(a) *Meetings of Warrantholders*. The Warrant Agent Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantholders. Such a meeting may be convened by the Issuer or by Warrantholders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantholders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Warrantholders, effect (i) any modification of the provisions of the Warrants or the Instrument which is not materially prejudicial to the interests of the Warrantholders or (ii) any modification of the provisions of the Warrants or the Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantholders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

(a) *Documents*. All cheques and other documents required or permitted by these Conditions to be sent to a Warrantholder or to which a Warrantholder is entitled or which the Issuer shall have agreed to deliver to a Warrantholder may be delivered by hand or sent by post addressed to the Warrantholder at his address appearing in the records maintained by CDP or, in the case of joint Warrantholders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantholder.

(b) *Notices*. All notices to Warrantholders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above, provided that if the tenure of the Warrant is less than one month, the Issuer shall publish the expiry notice as soon as practicable after the listing of the Warrant.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

12. De-Listing

(a) *De-Listing*. If at any time, any Shares cease to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer ("**De-Listing**"), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such De-Listing (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).

(b) *Adjustments*. Without prejudice to the generality of Condition 12(a), where the Shares are, or, upon the De-Listing, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.

(c) *Issuer's Determination*. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination for Illegality and Force Majeure, etc.

(a) *Illegality and Force Majeure, etc*. If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantholders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

(b) *Termination*. If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9.

14. Governing Law

The Warrants, the Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	Macquarie Bank Limited
Company:	Geely Automobile Holdings Limited
The Warrants:	European Style Cash Settled Call Warrants relating to the Shares
Number:	15,000,000 Warrants
Form:	The Warrants will be issued subject to, and with the benefit of, an instrument by way of deed poll dated 02 October 2020 (the "**Instrument** ") and executed by the Issuer and a master warrant agent agreement dated 26 November 2004 (the "**Warrant Agent Agreement**") and made between the Issuer and the Warrant Agent.
Conversion Ratio (number of Shares per Warrant):	0.285714 (i.e. every 3.5 Warrants initially relate to 1 Share)
Cash Settlement Amount:	In respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to the Exchange Rate multiplied by: (A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the Relevant Stock Exchange, subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date LESS (ii) the Exercise Price MULTIPLIED by (B) the Conversion Ratio In certain circumstances, the Conversion Ratio and the Exercise Price will be adjusted as set out in Condition 6 of the Warrants.
Exchange Rate:	The rate of exchange for the conversion of HKD to SGD as at 5:00 p.m. (Singapore time) on the Expiry Date as shown on Bloomberg provided that if the Bloomberg service ceases to display such information, such page as displays such information on such other services as may be selected by the Issuer.
Denominations:	Warrants are represented by a global warrant in respect of all the Warrants.
Exercise:	Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a

	Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) of the Warrants. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
Trading Currency:	Singapore dollars
Transfers of Warrants:	Warrants may only be transferred in Board Lots (or integral multiples thereof). All transfers in Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Warrants and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Warrants. Issue of the Warrants is conditional on such listing being granted. It is expected that dealings in the Warrants on the SGX-ST will commence on or about 05 October 2020.
Governing Law:	The laws of Singapore
Warrant Agent:	Macquarie Capital Securities (Singapore) Pte. Limited
Further Issues:	Further issues which will form a single series with the Warrants will be permitted.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

RISK FACTORS

The following risk factors are relevant to the Warrants:

(a) investment in Warrants involves substantial risks including market risk, liquidity risk, and the risk that the Issuer will be unable to satisfy its obligations under the Warrants. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Warrants. You should consider carefully whether Warrants are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Warrants are not suitable for inexperienced investors;

(b) the Warrants constitute direct, general and unsecured contractual obligations of the Issuer and no other person and will rank pari passu with the Issuer's other unsecured contractual obligations and with the Issuer's unsecured and unsubordinated debt other than indebtedness preferred by mandatory provisions of law. The Warrants are not secured by any collateral. Section 13A(3) of the Banking Act of 1959 of Australia provides that, in the event of the Issuer becoming unable to meet its obligations or suspends payments, the assets of the Issuer in Australia are to be available to satisfy specified liabilities in priority to all other liabilities of the Issuer (including the obligations of the Issuer under the Warrants). The specified liabilities include first, certain obligations of the Issuer to APRA in respect of amounts payable by APRA to holders of protected accounts, and then as the next priority obligations of the Issuer in respect of APRA's costs of administration, then other liabilities of the Issuer in Australia in relation to protected accounts that account-holders keep with the Issuer, following this any debts that the Authorised Deposit-taking Institution owes to the Reserve Bank of Australia and any liabilities under an industry support contract (certified under section 11CB of the Banking Act) and then, any other liabilities, in order of their priority. If you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against any other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Warrants, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against the company which has issued the underlying shares. The Issuer is not a fiduciary of Warrantholders (as defined in the Conditions) and has substantially no obligation to a Warrantholder other than to pay amounts in accordance with the terms thereof as set forth herein and in the Base Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Warrant. Any profit or loss realised by a Warrantholder in respect of a Warrant upon exercise or otherwise due to changes in the value of such Warrant, or the underlying shares, is solely for the account of such Warrantholder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in connection with any Warrant or the underlying shares. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Warrants;

(c) the price of the Warrants may fall in value as rapidly as it may rise and Warrantholders may sustain a total loss of their investment. The risk of losing all or any part of the purchase price of a Warrant upon the expiry of the Warrants means that, in order to recover and realise a return on investment, investors in Warrants must generally anticipate correctly the direction, timing and magnitude of any change in the value of the shares of the underlying company. Changes in the price of the shares of the underlying company can be unpredictable, sudden and large and such changes may result in the price of such shares moving in a direction which will negatively impact upon the return on an investment. In the case of Warrants relating to shares, certain events relating to such shares or the underlying company may cause adverse movements in the value and price of the underlying shares, as a result of

which, the Warrantholders may, in certain circumstances, sustain a total loss of their investment if, for the Warrants, the average closing price of the underlying shares on the valuation dates falls below or is equal to the exercise price;

(d) due to their nature, the Warrants can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Warrants may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the underlying shares, dividends, interest rate, volatility, foreign exchange rates, the time remaining to expiry and the creditworthiness of the Issuer;

(e) before exercising or selling the Warrants, the holders of Warrants should carefully consider, among other things, (i) the trading price of the Warrants; (ii) the value and volatility of the reference security; (iii) the time remaining to expiration; (iv) the probable range of Cash Settlement Amounts; (v) any change(s) in interim interest rates and dividend yields; (vi) any change(s) in currency exchange rates; (vii) the depth of the market or liquidity of the reference security; (viii) any related transaction costs; and (ix) the creditworthiness of the Issuer;

(f) fluctuations in the price of the underlying shares will affect the price of the Warrants but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase Warrants to hedge their market risk associated with investing in the underlying shares, should recognise the complexities of utilising the Warrants in this manner;

(g) the settlement amount of Warrants at any time prior to the expiry of the Warrants may be less than the trading price of such Warrants at that time. The difference between the trading price and the settlement amount as the case may be, will reflect, among other things, a “time value” for the Warrants. The “time value” of the Warrants will depend partly upon the length of the period remaining to the expiry date of the Warrants and expectations concerning the value of the shares of the underlying company;

(h) investors should note that an investment in the Warrants involves valuation risks in relation to the underlying asset. The value of the underlying asset may vary over time and may increase or decrease by reference to various factors, which may include corporate actions, macro economic factors and market trends. Certain events relating to the underlying shares require or permit the Issuer to make certain adjustments or amendments to the Conditions (for example, adjusting the Exercise Price and the Conversion Ratio). However, the Issuer is not required to make an adjustment for every event that affects the underlying asset. If an event occurs that does not require the Issuer to adjust the Conversion Ratio or any other part of the Conditions, the market price of the Warrants and the return upon the exercise of the Warrants may be affected;

(i) as indicated in the Conditions, a Warrantholder must tender a specified number of Warrants at any one time in order to exercise. Thus, Warrantholders with fewer than the specified minimum number of Warrants in a particular series will either have to sell their Warrants or purchase additional Warrants, incurring transactions costs in each case, in order to realise their investment;

(j) unless otherwise specified in the Conditions, in the case of any exercise of the Warrants, there may be a time lag between the date on which the Warrants are exercised and the time the applicable settlement amount relating to such an event is determined. Any such delay between the time of exercise and the determination of the settlement amount will be specified in the Conditions. However such delay could be significantly longer, particularly in the case of a delay in the exercise of the Warrants arising from, a determination by the Issuer that a Market Disruption Event has occurred at any relevant time or that adjustments are required in accordance with the Conditions. That applicable settlement amount, may change significantly

during any such period, and such movement or movements could decrease or modify the settlement amount of the Warrants;

(k) if, whilst the Warrants remain unexercised, trading in the underlying shares on the relevant stock exchange is suspended, trading in the Warrants may be suspended for a similar period;

(l) in the case of the Warrants, certain events relating to the shares of the underlying company require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions, and investors have limited anti-dilution protection under the Conditions. The Issuer may at its sole discretion adjust the entitlement upon exercise or valuation of the Warrants for events such as, amongst others, subdivision of the shares of the underlying company and dividend in specie, however the Issuer is not required to make an adjustment for every event that may affect the shares of the underlying company;

(m) the Warrants are only exercisable on their expiry date and may not be exercised by Warrantholders prior to such expiry date. Accordingly, if on such expiry date the Cash Settlement Amount (where applicable) is zero or negative, a Warrantholder will lose the value of his investment;

(n) investors should note that it is not possible to predict the price at which the Warrants will trade in the secondary market or whether such market will be liquid or illiquid. A decrease in the liquidity of the Warrants or the underlying shares, futures, derivatives or other security related to the Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants. The Issuer may, but is not obligated to, at any time, purchase Warrants at any price in the open market or by tender or private agreement. Any Warrants so purchased may be held or resold or surrendered for cancellation. As the Warrants are only exercisable on the expiry date, an investor will not be able to exercise his warrants to realize value in the event that the relevant issue becomes illiquid;

(o) in the event of any delisting of the Warrants from the SGX-ST (other than at expiry), the Issuer will use all reasonable efforts to list the Warrants on another exchange. If the Warrants are not listed or traded on any exchange, pricing information for the Warrants may be difficult to obtain and the liquidity of the Warrants may be adversely affected;

(p) two or more risk factors may simultaneously have an effect on the value of a Warrant such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Warrant;

(q) in the ordinary course of their business, including without limitation in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer and any of its respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the underlying shares or related derivatives. In addition, in connection with the offering of any Warrants, the Issuer and any of its respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the underlying shares or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its respective subsidiaries and its affiliates, the Issuer and any of its respective subsidiaries and affiliates may enter into transactions in the underlying shares or related derivatives which may affect the market price, liquidity or value of the Warrants and which may affect the interests of Warrantholders;

(r) if the Issuer determines in good faith that the performance of its obligations under the Conditions has become unlawful or impractical in whole or in part, the Issuer may at its sole and absolute discretion and without obligation, terminate the Warrants prior to the expiry date,

in which event the Issuer to the extent permitted by any relevant applicable law, will pay to each Warrantholder an amount as determined by the Issuer, in its sole and absolute discretion, in accordance with the Conditions. If the Issuer terminates the Warrants prior to the expiry date, the Issuer will, if and to the extent permitted by any relevant applicable law, pay each Warrantholder an amount to be determined by the Issuer, in its sole and absolute discretion, to be the fair market value of the Warrants immediately prior to such termination or otherwise determined as specified in the Conditions, notwithstanding the illegality or impracticality;

(s) the Issuer may enter into discount, commission or fee arrangements with brokers and/or any of its affiliates with respect to the primary or secondary market in the Warrants and such arrangement may present certain conflicts of interest for the brokers. The arrangements may or may not result in the benefit to investors in Warrants buying and selling Warrants through nominated brokers. Investors in the Warrants should note that any brokers with whom the Issuer has a commission arrangement does not, and cannot be expected to deal, exclusively in the Warrants, therefore any broker and/or its subsidiaries or affiliates may from time to time engage in transactions involving the shares in the underlying company and/or structured products of other issuers over the same shares in the same underlying company as the Warrants for their proprietary accounts and/or accounts of their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Warrants and present certain conflicts of interests;

(t) Third party individuals may comment on the Warrants on social media or other platforms from time to time. None of these third party individuals, whether sponsored by the Issuer or not, is an agent of the Issuer and such commentary is not the Issuer's advice or recommendation to invest in the Warrants. The Issuer is not responsible for any statements or comments made by such third party individuals. To the extent a fee is paid by the Issuer, such fee arrangement may present potential conflicts of interest for the individual;

(u) changes in Singapore tax law and/or policy may adversely affect Warrantholders. Warrantholders who are in any doubt as to the effects of any such changes should consult their stockbrokers, bank managers, accountants, solicitors or other professional advisers;

(v) as the Warrants are represented by a global warrant certificate which will be deposited with the CDP:

(i) investors should note that no definitive certificate will be issued in relation to the Warrants;

(ii) there will be no register of Warrantholders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants by way of interest (to the extent of such number) in the global warrant certificate in respect of those Warrants represented thereby shall be treated as the holder of such number of Warrants;

(iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Warrants; and

(iv) notices to such Warrantholders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices; and

(w) the value of the Warrants depends upon, amongst other things, the ability of Issuer to fulfil its obligations under the terms which, in turn is primarily dependent on the financial prospects of the Issuer; and

(x) Foreign Account Tax Compliance withholding may affect payments on the Warrants

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

While the Warrants are in dematerialised form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. An Issuer's obligations under the Warrants are discharged once it has paid the clearing systems and an Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

(y) our business and financial condition has been and may be negatively affected by global credit and other market conditions.

Macquarie Group Limited (ABN 94 122 169 279) ("**MGL**") and its controlled entities (" **Macquarie Group**") businesses operate in or depend on the operation of global markets, including through exposures in securities, loans, derivatives and other activities. In particular, uncertainty and volatility in global credit markets, liquidity constraints, increased funding costs, constrained access to funding, and the decline in equity and capital market activity have adversely affected and may again affect transaction flow in a range of industry sectors.

In conducting our businesses and maintaining and supporting our global operations, we are subject to risks of possible nationalization and/or confiscation of assets, expropriation, price controls, capital controls, redenomination risk, exchange controls, protectionist trade policies, economic sanctions and other restrictive governmental actions, unfavourable political and diplomatic developments and changes in legislation. These risks are particularly elevated in emerging markets.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among financial institutions. Concerns about, or a default by, one or more institutions or by a sovereign could lead to market-wide liquidity problems, losses or defaults by other institutions, financial instruments losing their value and liquidity, and interruptions to capital markets that may further affect us. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms, hedge funds and

exchanges that we interact with on a daily basis. If any of our counterpart financial institutions fail, our financial exposures to that institution may lose some or all of their value. Any of these events would have a serious adverse effect on our liquidity, profitability and value;

(z) many of our businesses are highly regulated and we could be adversely affected by temporary and permanent changes in regulations and regulatory policy.

We operate various kinds of businesses across multiple jurisdictions or sectors, which are regulated by more than one regulator. Additionally, some members of the Macquarie Group own or manage assets and businesses that are regulated. Our businesses include an Authorised Deposit-taking Institution ("**ADI**") in Australia (regulated by APRA) and bank branches in the United Kingdom, the Dubai International Finance Centre, Singapore and Hong Kong. The regulations vary from country to country but generally are designed to protect depositors and the banking system as a whole, not holders of the Issuer's securities or creditors. In addition, as a diversified financial institution, many of our businesses are subject to financial services regulation other than prudential banking regulation.

Regulatory agencies and governments frequently review and revise banking and financial services laws, security and competition laws, fiscal laws and other laws, regulations and policies, including fiscal policies. Changes to laws, regulations or policies, including changes in interpretation or implementation of laws, regulations or policies, could substantially affect us or our businesses, the products and services we offer or the value of our assets, or have unintended consequences across our business. These may include changing required levels of liquidity and capital adequacy, increasing tax burdens generally or on financial institutions or transactions, limiting the type of financial services and products that can be offered and/or increasing the ability of other providers to offer competing financial services and products, as well as changes to prudential regulatory requirements. Global economic conditions and increased scrutiny of the culture in the banking sector have led to increased supervision and regulation, as well as changes in regulation in markets in which we operate, particularly for financial institutions, and may lead to further significant changes of this kind. In Australia, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the "**Royal Commission**") was established in December 2017 and concluded on 1 February 2019. The Royal Commission inquired into the causes of and responses to misconduct by financial services entities and conduct following below community standards and expectations and held rounds of public hearings on a wide range of matters, including consumer and SME lending, financial advice, superannuation, insurance, culture, governance, remuneration, and the remits of regulators. The Royal Commission's final report was published on 4 February 2019 and contains 76 recommendations. No findings were made by the Royal Commission in relation to the Macquarie Group or the Issuer. The Royal Commission's recommendations are likely to result in a range of significant legislative, regulatory and industry practice changes. Such changes may adversely impact the Issuer's business, operations, compliance costs, financial performance and prospects. The Federal Government anticipates that it will introduce all necessary legislation to implement the recommendations of the Royal Commission by mid calendar year 2021. We are closely monitoring the governmental, regulatory and industry responses to these recommendations and will participate in public and industry consultations as appropriate.

In some countries in which we do business or may in the future do business, in particular in emerging markets, the laws and regulations applicable to the financial services industry are uncertain and evolving, and it may be difficult for us to determine the requirements of local laws in every market. Our inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on our businesses in that market but also on our reputation generally. In addition, regulation is becoming increasingly extensive and complex and some areas of regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach or certain jurisdictions seeking to expand the territorial reach of their regulation.

APRA may introduce new prudential regulations or modify existing regulations, including those that apply to the Issuer as an ADI. Any such event could result in changes to the organisational structure of Macquarie Group and adversely affect MBL and/or its controlled entities (the "**MBL Group**").

We are also subject in our operations worldwide to rules and regulations relating to corrupt and illegal payments and money laundering, as well as laws, sanctions and economic trade restrictions relating to doing business with certain individuals, groups and countries. The geographical diversity of our business increases the risk that we may be found in violation of such rules or regulations. Emerging technologies, such as cryptocurrencies, could limit our ability to track the movement of funds. Our ability to comply with these laws is dependent on our ability to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability;

(aa) we may be adversely affected by increased governmental and regulatory scrutiny or negative publicity

The financial crisis and the subsequent political and public sentiment regarding financial institutions has resulted in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators or other government officials, and in some cases, to increased regulatory scrutiny, investigations and litigation. Investigations, inquiries, penalties and fines sought by regulatory authorities have increased substantially over the last several years, and regulators have become aggressive in commencing enforcement actions or with advancing or supporting legislation targeted at the financial services industry. If we are subject to adverse regulatory findings, the financial penalties could have a material adverse effect on our results of operations. Adverse publicity, governmental scrutiny and legal and enforcement proceedings can also have a negative impact on our reputation with clients and on the morale and performance of our employees;

(ab) changes and increased volatility in currency exchange rates may adversely impact our financial results and our financial and regulatory capital positions.

While our consolidated financial statements are presented in Australian dollars, a significant portion of our operating income is derived, and operating expenses are incurred, from our offshore business activities, which are conducted in a broad range of currencies. Changes in the rate at which the Australian dollar is translated from other currencies can impact our financial statements and the economics of our business. Insofar as we are unable to hedge or have not completely hedged our exposure to currencies other than Australian dollar, our reported profit or foreign currency translation reserve would be affected.

In addition, because the MBL Group's regulatory capital position is assessed in Australian dollars, our capital ratios may be adversely impacted by a depreciating Australian dollar, which increases the capital requirement for assets denominated in currencies other than Australian dollars;

(ac) our business may be adversely affected by our failure to adequately manage the risks associated with strategic opportunities and new businesses, including acquisitions, and the exiting or restructuring of existing businesses

We are continually evaluating strategic opportunities and undertaking acquisitions of businesses, some of which may be material to our operations. Our completed and prospective acquisitions and growth initiatives may cause us to become subject to unknown liabilities of the acquired or new business and additional or different regulations.

Future growth, including through acquisitions, mergers and other corporate transactions, may also place significant demands on our legal, accounting, IT, risk management and operational infrastructure and result in increased expenses. A number of our recent and planned business

initiatives and further expansions of existing businesses may also expose us to new and enhanced risks, including reputational concerns arising from dealing with a range of new counterparties and investors, actual or perceived conflicts of interest, regulatory scrutiny of these activities, potential political pressure, increased credit-related and operational risks, including risks arising from IT systems and reputational concerns with the manner in which these businesses are being operated or conducted.

We may be exposed to a number of risks in acquiring new businesses and in outsourcing, exiting or restructuring existing businesses. Where our acquisitions are in foreign jurisdictions, or are in emerging or growth economies in particular, we may be exposed to heightened levels of regulatory scrutiny and political, social or economic disruption and sovereign risk in emerging and growth markets;

(ad) our business depends on our brand and reputation

We believe our reputation in the financial services markets and the recognition of the Macquarie brand by our customers are important contributors to our business. Many companies in Macquarie Group and many of the funds managed by entities owned, in whole or in part, by MBL and MGL use the Macquarie name. We do not control those entities that are not in MBL Group, but their actions may reflect directly on our reputation.

Our business may be adversely affected by negative publicity or poor financial performance in relation to any of the entities using the Macquarie name, including any Macquarie-managed fund or funds that Macquarie has promoted or is associated with. If funds that use the Macquarie name or are otherwise associated with Macquarie-managed assets are perceived to be managed inappropriately, those managing entities could be subject to criticism and negative publicity, harming our reputation and the reputation of other entities that use the Macquarie name;

(ae) competitive pressure, both in the financial services industry as well as in the other industries in which we operate, could adversely impact our business

We face significant competition from local and international competitors, which compete vigorously in the markets and sectors across which we operate. In addition, the use of digital channels by customers to conduct their banking continues to rise and emerging competitors are increasingly utilizing new technologies and seeking to disrupt existing business models, including in relation to digital payment services and open data banking, that challenge, and could potentially disrupt, traditional financial services. We face competition from established providers of financial services as well as from businesses developed by non-financial services companies. We believe that we will continue to experience pricing pressures in the future as some of our competitors seek to obtain or increase market share.

Any consolidation in the global financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power which may enhance the competitive position of Macquarie's competitors. The effect of competitive market conditions, especially in our main markets, products and services, may lead to an erosion in our market share or margins;

(af) our ability to retain and attract qualified employees is critical to the success of our business and the failure to do so may materially adversely affect our performance

Our employees are our most important resource, and our performance largely depends on the talents and efforts of highly skilled individuals. Our continued ability to compete effectively in our businesses and to expand into new business areas and geographic regions depends on our ability to retain and motivate our existing employees and attract new employees. Competition from within the financial services industry and from businesses outside the

financial services industry for qualified employees has historically been intense and we expected it to increase during periods of economic growth.

In order to attract and retain qualified employees, we must compensate such employees at or above market levels. As a regulated entity, we may be subject to limitations on remuneration practices. These limitations may require us to further alter our remuneration practices in ways that could adversely affect our ability to attract and retain qualified and talented employees;

Current and future laws (including laws relating to immigration and outsourcing) may restrict our ability to move responsibilities or personnel from one jurisdiction to another. This may impact our ability to take advantage of business and growth opportunities or potential efficiencies;

(ag) our business is subject to the risk of loss associated with falling prices in the equity and other markets in which we operate.

We are exposed to changes in the value of financial instruments and other financial assets that are carried at fair market value, as well as changes to the level of our advisory and other fees, due to changes in interest rates, exchange rates, equity and commodity prices and credit spreads and other market risks. These changes may result from changes in economic conditions, monetary and fiscal policies, market liquidity, availability and cost of capital, international and regional political events, acts of war or terrorism, corporate, political or other scandals that reduce investor confidence in capital markets, natural disasters or pandemics or a combination of these or other factors.

We trade in foreign exchange, interest rate, commodity, bullion, energy, securities and other markets and are an active price maker in the derivatives market. Certain financial instruments that we hold and contracts to which we are a party are complex and these complex structured products often do not have readily available markets to access in times of liquidity stress. We may incur losses as a result of decreased market prices for products we trade, which decreases the valuation of our trading and investment positions, including our interest rate and credit products, currency, commodity and equity positions. In addition, reductions in equity market prices or increases in interest rates may reduce the value of our clients' portfolios, which in turn may reduce the fees we earn for managing assets in certain parts of our business. Increases in interest rates or attractive prices for other investments could cause our clients to transfer their assets out of our funds or other products.

Interest rate benchmarks around the world (for example, London Interbank Offered Rate or LIBOR) have been subject to regulatory scrutiny and are subject to change. Changes to such benchmarks can result in market disruption and volatility impacting the value of securities, financial returns and potentially impact our ability to effectively hedge market risk.

Interest rate risk arises from a variety of sources including mismatches between the repricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates can affect earnings or the value of the Macquarie Group;

(ah) failure of third parties to honor their commitments in connection with our trading, lending and other activities may adversely impact our business

We are exposed to the potential for credit-related losses as a result of an individual, counterparty or issuer being unable or unwilling to honor its contractual obligations. We are also exposed to potential concentration risk arising from large individual exposures or groups of exposures. Like any financial services organization, we assume counterparty risk in connection with our lending, trading, derivatives and other businesses where we rely on the ability of third parties to satisfy their financial obligations to us on a timely basis. Our recovery of the value of the resulting credit exposure may be adversely affected by a number of factors, including declines in the financial condition of the counterparty, the value of property we may

hold as collateral and the market value of the counterparty instruments and obligations we hold. Credit losses can and have resulted in financial services organizations realizing significant losses and in some cases failing altogether. To the extent our credit exposure increases, it could have an adverse effect on our business and profitability if material unexpected credit losses occur;

(ai) failure to maintain our credit ratings and those of our subsidiaries could adversely affect our cost of funds, liquidity, competitive position and access to capital markets

The credit ratings assigned to us and certain of our subsidiaries by rating agencies are based on an evaluation of a number of factors, including our ability to maintain a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, funding stability and security, disciplined liquidity management and our key operating environments, including the availability of systemic support in Australia. In addition, a credit rating downgrade could be driven by the occurrence of one or more of the other risks identified in this section or by other events that are not related to the MBL Group.

If we fail to maintain our current credit ratings, this could (i) adversely affect our cost of funds and related margins, liquidity, competitive position, the willingness of counterparties to transact with us and our ability to access capital markets or (ii) trigger our obligations under certain bilateral provisions in some of our trading and collateralized financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with us or require us to post additional collateral, which could cause us to sustain losses and impair our liquidity by requiring us to find other sources of financing or to make significant cash payments or securities movements;

(aj) MBL Group relies on services provided by Macquarie Group

Macquarie Group provides shared services to MBL Group. These shared services include, but are not limited to, risk management, financial and treasury services, information technology, human resources, other group-wide services and business shared services. Other than shared service arrangements and compliance with legal obligations, entities of Macquarie Group that are not part of the MBL Group are not obligated to support the businesses of MBL Group. Any failure by Macquarie Group to continue to provide shared services or an increase in the cost of such services will have an adverse impact on our results or operations;

(ak) our business operations expose us to potential tax liabilities that could have an adverse impact on our results of operations and our reputation

We are exposed to risks arising from the manner in which the Australian and international tax regimes may be applied and enforced, both in terms of our own tax compliance and the tax aspects of transactions on which we work with clients and other third parties. Our international, multi-jurisdictional platform increases our tax risks. While we believe that we have in place controls and procedures that are designed to ensure that transactions involving third parties comply with applicable tax laws and regulations, any actual or alleged failure to comply with or any change in the interpretation, application or enforcement of applicable tax laws and regulations could adversely affect our reputation and affected business areas, significantly increase our own tax liability and expose us to legal, regulatory and other actions;

(al) we may incur financial loss, adverse regulatory consequences or reputational damage due to inadequate or failed internal or external operational systems and risk management processes.

Our businesses depend on our ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, across numerous and diverse markets in many currencies. While we employ a range of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such

outcomes. As such, we may, in the course of our activities, incur losses. There can be no assurance that the risk management processes and strategies that we have developed will adequately anticipate or be effective in addressing market stress or unforeseen circumstances. Our financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control.

We are exposed to the risk of loss resulting from human error, the failure of internal or external processes and systems, such as from the disruption or failure of our IT systems, or from external suppliers and service providers, including cloud-based outsourced technology platforms, or external events.

In addition, there have been a number of highly publicized cases around the world involving actual or alleged fraud or other misconduct by employees in the financial services industry in recent years, and we run the risk that employee, contractor and external service provider misconduct could occur. It is not always possible to deter or prevent employee misconduct and the precautions we take to prevent and detect this activity may not be effective in all cases, which could result in financial losses, regulatory intervention and reputational damage.

We face the risk of operational failure, termination or capacity constraints of any of the counterparties, clearing agents, exchanges, clearing houses or other financial intermediaries we use to facilitate our securities or derivatives transactions, and as our interconnectivity with our clients and counterparties grows, the risk to us of failures in our clients' and counterparties' systems also grows;

(am) a cyber attack, information or security breach, or a technology failure could adversely affect our ability to conduct our business, manage our exposure to risk or expand our businesses, result in the disclosure or misuse of confidential or proprietary information, and increase our costs.

Our businesses depend on the security and efficacy of our information technology systems, as well as those of third parties with whom we interact or on whom we rely. We implement measures designed to protect the security, confidentiality, integrity and availability of our computer systems, software and networks, including maintaining the confidentiality of information that may reside on those systems. However, there can be no assurances that our security measures will provide absolute security.

Information security risks for financial institutions have increased in recent years, in part because of the proliferation of new technologies, the use of internet and telecommunications technology and the increased sophistication and activities of attackers.

Despite efforts to protect the integrity of our systems and implement protective measures, we may not be able to anticipate all security breaches or implement preventive measures against such security breaches.

As a result of increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber attack or other information or security breach that significantly degrades, deletes or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including us. Any third-party technology failure, cyber attack or other information or security breach, termination or constraint could adversely affect our businesses.

Cyber attacks or other information or security breaches, whether directed at us or third parties, may result in a material loss or have adverse consequences for MBL Group;

(an) we could suffer losses due to environmental and social factors and climate change.

Our businesses and assets are subject to the risk of unforeseen, hostile or catastrophic events, many of which are outside of our control, including natural disasters, extreme weather events, occurrence of diseases, leaks, spills, explosions, release of toxic substances, fires, accidents on land or at sea, terrorist attacks or other hostile or catastrophic events. Any significant environmental change or external event (including increased frequency and severity of storms, floods and other catastrophic events such as earthquake, pandemic (such as COVID-19), other widespread health emergencies, civil unrest or terrorism events) has the potential to disrupt business activities, impact our operations or reputation, increase credit risk and other credit exposures, damage property and otherwise affect the value of assets held in the affected locations and our ability to recover amounts owing to us. In addition, we may implement measures to provide short term financial assistance to customers who are facing financial difficulties as a consequence of such environmental or social factors and may be unable to pay amounts due to us.

Our businesses could also suffer losses due to climate change. Climate change is systemic in nature and is a significant long-term driver of both financial and non-financial risks. Climate change related impacts include physical risks from changing climatic conditions and transition risks such as changes to laws and regulations, technology development and disruptions and consumer preferences. A failure to respond to the potential and expected impacts of climate change may affect MBL Group's performance and could have wide-ranging impacts for the MBL Group. These include, but are not limited to, impacts on the probability of default and losses arising from defaults, asset valuations and collateral. Failure to effectively manage these risks could adversely affect our business, prospects, reputation, financial performance or financial condition.

The occurrence of any such events may prevent us from performing under our agreements with clients, may disrupt our business activities, impair our operations or financial results, affect the value of assets held in the affected locations, and may result in litigation, regulatory action, negative publicity or other reputational harm. We may also not be able to obtain insurance to cover some of these risks and the insurance that we have may be inadequate to cover our losses.

Any such long-term, adverse environmental consequences could prompt us to exit certain businesses altogether. Such an event or environmental change (as the case may be) could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets;

(ao) conflicts of interest could limit our current and future business opportunities.

As we expand our businesses and our client base, we increasingly have to address potential or perceived conflicts of interest, including situations where our services to a particular client conflict with, or are perceived to conflict with, our own proprietary investments or other interests or with the interests of another client, as well as situations where one or more of our businesses have access to material non-public information that may not be shared with other businesses within Macquarie Group. While we believe we have adequate procedures and controls in place to address conflicts of interest, including those designed to prevent the improper sharing of information among our businesses, appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged and the willingness of clients or counterparties to enter into transactions may be adversely affected if we fail, or appear to fail, to deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to claims by and liabilities to clients, litigation or enforcement actions;

(ap) litigation and regulatory actions may adversely impact our results of operations

We may, from time to time, be subject to material litigation and regulatory actions, for example, as a result of inappropriate documentation of contractual relationships, class actions or regulatory violations, which, if they crystallize, may adversely impact upon our results of

operations and financial condition in future periods or our reputation. We regularly obtain legal advice and make provisions, as deemed necessary. There is a risk that any losses may be larger than anticipated or provided for or that additional litigation, regulatory actions or other contingent liabilities may arise. Furthermore, even where monetary damages may be relatively small, an adverse finding in a regulatory or litigation matter could harm our reputation or brand, thereby adversely affecting our business;

(aq) we are subject to global economic, market and business risks with respect to the COVID-19 pandemic.

The COVID-19 pandemic has, and will likely continue to, severely impact global, regional and national economies and disrupt international trade and business activity. The COVID-19 pandemic has already caused increased unemployment and the levels of equity and other financial markets to decline sharply and to become more volatile, and such effects may continue or worsen in the future. This may in turn reduce the level of activity in sectors in which our businesses operate, and have a negative impact on oh such businesses' ability to generate revenue or profit.

Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, however it is unclear whether these actions or any future actions taken by governments and central banks will be successful in mitigating the economic disruption. If the COVID-19 pandemic is prolonged and/or mitigating actions of governments and central banks are unsuccessful, this could amplify the current negative demand in sectors in which our businesses operate, negatively impact global growth and global financial markets, and may lead to recessions in national, regional or global economies.

The MBL Group has implemented a range of support measures to provide short term financial assistance to customers who are facing difficulties as a result of COVID-19. Various individual and business customers of the Banking Group's Personal and Banking businesses who are experiencing financial difficulties due to COVID-19 are able to immediately defer their loan repayments for up to six months.

Should the impact of COVID-19 on global market conditions be prolonged or worsen, or lead to additional market disruption, we could experience reduced client activity and demand for our products and services, higher credit and valuation losses in its loan and investment portfolios, impairments of financial assets, trading losses and other negative impacts on our operations, financial position and prospects.

Any material or prolonged negative conditions may lead to constraints on our capital and liquidity, a downgrade in credit ratings and an increased cost of capital. Any increase in Macquarie Group's funding costs may limit its ability to replace maturing liabilities, which could adversely affect its ability to fund and grow its business.

Additionally, despite the business continuity and crisis management policies currently in place, travel restrictions and potential prolonged impacts of the COVID-19 pandemic on personnel and operations may disrupt our business and increase operational risk losses. The expected duration and magnitude of the COVID-19 pandemic and its potential impacts on the economy and our personnel and operations are unclear. Should the impact of COVID-19 and the actions taken to control its spread be prolonged or increasingly widespread and severe, this may adversely affect our operations, financial position and prospects.

(ar) Investors should note that they are exposed to an exchange rate risk as the Warrants will be issued and traded in Singapore dollars while the underlying shares are traded in Hong Kong dollars and the Cash Settlement Amount is converted from a foreign currency into Singapore dollars. The value of the Warrants may therefore be affected by, amongst other factors, the relative exchange rates of the Singapore dollar and the Hong Kong dollars. Exchange rates

between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Warrants. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies

(as) The price of the Share is published during the trading hours of the Relevant Stock Exchange. The trading days and hours of the Relevant Stock Exchange are different from that of the SGX-ST. In assessing the price of the Warrants, you should be aware of the differences in the time zone and the actual trading days and hours of the relevant exchanges in Singapore and Hong Kong. For example, the price of the Share may be volatile during which the Stock SGX-ST is not open for trading of the Warrants. There may also be certain period of time during the trading hours of the SGX-ST when the prices of the Shares are not available. The market maker will not be able to provide liquidity for the Warrants during such times.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information. The Issuer has not independently verified any of such information.

Geely Automobile Holdings Ltd (the "**Company**") manufactures automobiles. The Company develops, produces, and sells passenger vehicles. Geely Automobile Holdings also exports vehicles.

The information set out in Appendix I of this document relates to the unaudited financial results of the Company and its subsidiaries for the six months ended 30 June 2020 and has been extracted and reproduced from an announcement by the Company dated 17 August 2020. Further information relating to the Company may be located on the Company's web-site at https://www.geelyauto.com.hk/.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Macquarie Capital Securities (Singapore) Pte. Limited ("**MCSSP**") has been appointed the designated market maker ("**DMM**") for the Warrants. The DMM will provide competitive buy and sell quotes for the Warrants continuously during the trading hours of the SGX-ST on the following basis:

(a)	Maximum bid and offer spread	:	10 times the minimum permitted price movement in the Warrants in accordance with the rules of the SGX-ST or SGD 0.20, whichever is the greater
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Warrants
(c)	Last Trading Day for Market Making	:	The date falling five Business Days immediately preceding the Expiry Date, provided that if such day is not a day on which HKEX is open for dealings during its normal trading hours ("HK Business Day"), the Business Day immediately preceding such day which is also a HK Business Day

Quotations will/may however not be provided by the DMM in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Warrant is valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) when trading in the Shares is suspended or limited in a material way (including price quote limits activated by the relevant exchange or otherwise); for the avoidance of doubt, the DMM is not obliged to provide quotations for the Warrants at any time when the shares or securities relating to or constituting the Index are not traded for any reason;

(iv) when the Issuer or DMM faces technical problems affecting the ability of the DMM to provide the bid and offer prices;

(v) when the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions. The Issuer will inform the SGX-ST of its inability to do so as soon as practicable;

(vi) in cases where the Issuer has no Warrants to sell, the DMM will only provide the bid price;

(vii) when the stock market experiences exceptional price movements and volatility; and

(viii) when it is a public holiday in Singapore or Hong Kong and the SGX-ST or HKEX is not open for dealings.

History and Business

MCSSP holds a Capital Markets Services License issued by the Monetary Authority of Singapore and is a trading member of SGX-ST as well as a Clearing Member of the CDP. Under the Capital Markets Services License, MCSSP is permitted to deal in securities and provide custodial services as well as

act as an exempt financial adviser. Its principal activities are those relating to the provision of stock and share broking services, prescribed under the rules and regulations of the SGX-ST, and related securities research services. MCSSP is a wholly owned subsidiary of Macquarie Group Holdings (Singapore) Pte. Limited and its ultimate holding company is Macquarie Group Limited.

SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Warrants or possession or distribution of any offering material in relation to the Warrants in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Warrants, or distribution of any offering material relating to the Warrants may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

United Kingdom and European Economic Area

Please note that in relation to EEA states, additional selling restrictions may apply in respect of any specific EEA state, including those set out below for the United Kingdom.

The Warrants are not offered, sold or otherwise made available and will not be offered, sold, or otherwise made available under this document to any retail investor in the European Economic Area. Consequently no key information document required by Regulation (EU) No 1286/2014 (the " **PRIIPs Regulation**") for offering or selling the Warrants or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPS Regulation. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded the "**Prospectus Regulation**"); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants.

In respect of the United Kingdom, each dealer represents and agrees, and each further dealer appointed in respect of the Warrants will be required to further represent and agree, that:

(a) in respect of Warrants having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Warrants other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Warrants would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act, as amended (the "**FSMA**"), by us;

(b) it has only communicated or caused to be communicated and will only communicate or cause

to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Warrants in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Warrants in, from or otherwise involving the United Kingdom.

United States of America

The Warrants have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Warrants, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Warrants, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means any citizen or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, any estate or trust the income of which is subject to United States income taxation regardless of its source, and any other "**U.S. person**" as such term is defined in Regulation S under the Securities Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Warrants may not be circulated or distributed, nor may Warrants be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

Hong Kong

Each distributor, purchaser or subscriber of the Warrants has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Warrants, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Warrants which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Commonwealth of Australia

This document is not a prospectus, product disclosure statement or any other disclosure document for the purposes of the Corporations Act 2001 (Cth) (the "**Act**"). This document has not been, and will not be, lodged with the Australian Securities and Investments Commission, ASX Limited or any other government agency in Australia. Each Warrantholder will be required to represent and agree that, unless the applicable final terms otherwise provides, it:

(a) has not offered or invited applications, and will not make any offer, or invite applications, for the issue, sale or purchase of any Warrant in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, this document, any addendum to the Base Listing Document and this document or any other offering material or advertisement relating to any Warrant in Australia,

Unless:

(a) the offeree or invitee is a "wholesale client", "sophisticated investor" or "professional investor" (as defined in the Act);

(b) the minimum aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies but disregarding moneys lent by the offeror or its associates); or

(c) the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Act.

Section 708(19) of the Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Act if the issuer is an Australian ADI. As at the date of this document, the Issuer is an ADI.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 120 of the Base Listing Document.

1. Settlement of trades done on a normal “ready basis” on the SGX-ST generally takes place on the second Business Day following the transaction. Dealing in the Warrants will take place in Board Lots in Singapore dollars. For further details on the transfer of Warrants and their exercise, please refer to the section headed “Summary of the Issue” above.

2. It is not the current intention of the Issuer to apply for a listing of the Warrants on any stock exchange other than the SGX-ST.

3. The Issuer is an indirect subsidiary of Macquarie Group Limited. Macquarie Group Limited, with its controlled entities ("**Macquarie Group**"), is a large diversified Australian-based financial institution with a long and successful history. Like any financial institution, Macquarie Group has been subject to lawsuits.

   There are no, nor have there been, any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which Macquarie Bank or the Macquarie Group is aware) in the 12 month period prior to the date of this document which may have or have had a significant effect on the financial position or profitability of Macquarie Bank.

4. To the best of the Issuer's knowledge, there has been no adverse change, material in the context of the issue of the Warrants, in the financial position of the Issuer since 31 March 2020.

5. The following contracts, relating to the issue of the Warrants, have been or will be entered into by the Issuer and may be material to the issue of the Warrants:

   (a) the Instrument; and

   (b) the Warrant Agent Agreement.

   None of the directors of the Issuer has any direct or indirect interest in any of the above contracts.

6. The Warrants are not fully covered by Shares held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Warrants.

7. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the office of Macquarie Capital Securities (Singapore) Pte. Limited at 9 Straits View, #21-07 Marina One West Tower, Singapore 018937, until the expiry of the Warrants:

   (a) the Constitution of the Issuer;

   (b) the annual reports for the financial years ended 31 March 2019 and 31 March 2020 of the Issuer;

   (c) the Instrument;

   (d) the Warrant Agent Agreement; and

(e) the Base Listing Document.

REPRODUCTION OF THE UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020 OF GEELY AUTOMOBILE HOLDINGS LTD AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited financial results of the Company and its subsidiaries for the six months ended 30 June 2020 and have been extracted and reproduced from an announcement by the Company dated 17 August 2020.

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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2020 (Unaudited)	2019 (Unaudited)	Change %
Revenue (RMB'000)	**36,819,775**	47,558,617	(23)
Profit attributable to the equity holders of the Company (RMB'000)	**2,296,753**	4,009,475	(43)
Earnings per share			
Basic (RMB cents)	**24.73**	44.39	(44)
Diluted (RMB cents)	**24.70**	43.92	(44)
Sales volume (Units) *(Note 2)*	**530,446**	651,680	(19)
	At 30 June 2020 (Unaudited)	At 31 December 2019 (Audited)	
Total assets (RMB'000)	**108,215,371**	107,927,578	0
Equity attributable to the equity holders of the Company (RMB'000)	**60,557,430**	54,435,626	11
Net assets per share attributable to the equity holders of the Company (RMB)	**6.17**	5.94	4

Note:

1. At a meeting of the Board held on 17 August 2020, the Board resolved not to pay an interim dividend to the Company's shareholders (2019: Nil).

2. It included the sales volume of "Lynk&Co" vehicles sold by the Group's 50%-owned joint venture.

INTERIM RESULTS

The Board of Directors (the "**Board**") of Geely Automobile Holdings Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2020. These interim results have been reviewed by the Company's Audit Committee, comprising solely the independent non-executive directors, one of whom chairs the committee, and the Company's auditor, Grant Thornton Hong Kong Limited.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2020

		Six months ended 30 June	
		2020	2019
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**36,819,775**	47,558,617
Cost of sales		**(30,518,177)**	(39,089,518)
Gross profit		**6,301,598**	8,469,099
Other income	*4*	**670,880**	612,616
Distribution and selling expenses		**(2,189,590)**	(2,256,165)
Administrative expenses, excluding share-based payments		**(2,674,541)**	(2,454,944)
Share-based payments		**(2,428)**	(3,350)
Finance income, net	*5(a)*	**88,523**	48,646
Share of results of associates		**22,092**	41,769
Share of results of joint ventures		**423,606**	306,917
Profit before taxation	*5*	**2,640,140**	4,764,588
Taxation	*6*	**(320,194)**	(717,540)
Profit for the period		**2,319,946**	4,047,048
Attributable to:			
Equity holders of the Company		**2,296,753**	4,009,475
Non-controlling interests		**23,193**	37,573
Profit for the period		**2,319,946**	4,047,048
Earnings per share			
Basic	*8*	**RMB24.73 cents**	RMB44.39 cents
Diluted	*8*	**RMB24.70 cents**	RMB43.92 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period	**2,319,946**	4,047,048
Other comprehensive expense (after tax of RMB Nil) for the period:		
Item that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of financial statements of foreign operations	**(94,971)**	(58,586)
Total comprehensive income for the period	**2,224,975**	3,988,462
Attributable to:		
Equity holders of the Company	**2,202,605**	3,951,490
Non-controlling interests	**22,370**	36,972
Total comprehensive income for the period	**2,224,975**	3,988,462

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	**As at 30 June 2020** ***RMB'000*** **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
Non-current assets			
Property, plant and equipment	*9*	**26,509,278**	27,070,318
Intangible assets	*10*	**18,091,200**	17,597,628
Land lease prepayments		**3,191,473**	3,230,845
Goodwill		**42,806**	42,806
Interests in associates	*11*	**429,285**	462,387
Interests in joint ventures	*12*	**8,800,077**	8,375,076
Trade and other receivables	*14*	**655,941**	268,899
Deferred tax assets		**980,542**	865,606
		58,700,602	57,913,565
Current assets			
Inventories	*13*	**4,231,679**	4,820,776
Trade and other receivables	*14*	**24,940,752**	25,844,914
Income tax recoverable		**134,488**	26,714
Pledged bank deposits		**33,627**	40,393
Bank balances and cash		**20,174,223**	19,281,216
		49,514,769	50,014,013
Current liabilities			
Trade and other payables	*15*	**41,956,697**	47,873,315
Lease liabilities		**29,536**	37,223
Income tax payable		**265,442**	615,894
		42,251,675	48,526,432
Net current assets		**7,263,094**	1,487,581
Total assets less current liabilities		**65,963,696**	59,401,146

	Note	**As at 30 June 2020** ***RMB'000*** **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
CAPITAL AND RESERVES			
Share capital	*18*	**179,629**	167,733
Perpetual capital securities	*19*	**3,413,102**	3,413,102
Reserves		**56,964,699**	50,854,791
Equity attributable to equity holders of the Company		**60,557,430**	54,435,626
Non-controlling interests		**564,921**	488,840
Total equity		**61,122,351**	54,924,466
Non-current liabilities			
Trade and other payables	*15*	**230,549**	–
Bonds payable	*16*	**2,111,073**	2,060,085
Lease liabilities		**15,007**	26,366
Bank borrowings	*17*	**2,121,930**	2,089,110
Deferred tax liabilities		**362,786**	301,119
		4,841,345	4,476,680
		65,963,696	59,401,146

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

		Six months ended 30 June	
		2020	2019
		RMB'000	*RMB'000*
	Note	**(Unaudited)**	(Unaudited)
Cash flows from operating activities			
Profit before taxation		**2,640,140**	4,764,588
Adjustments for non-cash items		**2,058,095**	1,491,101
Operating profit before working capital changes		**4,698,235**	6,255,689
Net changes in working capital		**(7,104,704)**	280,419
Cash (used in)/generated from operations		**(2,406,469)**	6,536,108
Income taxes paid		**(831,689)**	(1,381,940)
Net cash (used in)/generated from operating activities		**(3,238,158)**	5,154,168
Cash flows from investing activities			
Purchase of property, plant and equipment		**(588,191)**	(2,165,560)
Additions of intangible assets		**(1,871,040)**	(2,311,344)
Additions of land lease prepayments		**–**	(95,895)
Settlement of payables for acquisition of subsidiaries in previous year		**–**	(1,265,277)
Proceeds from disposal of subsidiaries in previous year		**507,135**	–
Proceeds from disposal of property, plant and equipment		**18,537**	70,469
Change in pledged bank deposits		**6,766**	(8,338)
Additional capital injection in a joint venture		**–**	(1,600,000)
Investment in an associate	*11*	**(490)**	–
Interest received		**96,769**	98,114
Net cash used in investing activities		**(1,830,514)**	(7,277,831)

	Note	Six months ended 30 June **2020** ***RMB'000*** **(Unaudited)**	 2019 *RMB'000* (Unaudited)
Cash flows from financing activities			
Dividends paid to non-controlling interests		**–**	(15,694)
Distribution paid on perpetual capital securities	*7*	**(71,412)**	–
Proceeds from issuance of shares upon exercise of share options	*18(a)*	**172,068**	443,276
Proceeds from issuance of shares upon placement	*18(b)*	**5,937,136**	–
Payment of lease liabilities		**(19,046)**	(6,366)
Interest paid		**(67,518)**	(57,896)
Net cash generated from financing activities		**5,951,228**	363,320
Net increase/(decrease) in cash and cash equivalents		**882,556**	(1,760,343)
Cash and cash equivalents at the beginning of the period		**19,281,216**	15,737,196
Effect of foreign exchange rate changes		**10,451**	19,327
Cash and cash equivalents at the end of the period, represented by bank balances and cash		**20,174,223**	13,996,180

NOTES

1. BASIS OF PREPARATION

The interim financial report (the "**Interim Financial Report**") has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**SEHK**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It was authorised for issue on 17 August 2020.

The Interim Financial Report is presented in thousands of Renminbi ("**RMB'000**"), unless otherwise stated.

The Interim Financial Report does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company and its subsidiaries' (together referred to as the "**Group**") annual financial statements for the year ended 31 December 2019.

2. ADOPTION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(i) New and amended HKFRSs that are effective for annual periods beginning or after 1 January 2020

The accounting policies and methods of computation used in the preparation of the Interim Financial Report are consistent with those used in the annual financial statements for the year ended 31 December 2019, except for the adoption of the following new and amended HKFRSs effective as of 1 January 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

(ii) Issued but not yet effective HKFRSs

At the date of authorisation of this Interim Financial Report, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 17	Insurance Contracts[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 16	Covid-19-Related Rent Concessions[1]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[3]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020[3]

1 Effective for annual periods beginning on or after 1 June 2020
2 Effective for annual periods beginning on or after 1 January 2021
3 Effective for annual periods beginning on or after 1 January 2022
4 Effective date not yet determined
5 Effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2022

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue

Revenue from sales of automobiles, automobile parts and components and licensing of intellectual properties, net of value-added taxes ("**VAT**") or related sales taxes and net of discounts, was generally recognised at a point in time when the customers obtain possession of and control of the promised goods or the right to use of the intellectual properties in the contract. Revenue was mainly derived from customers located in the PRC.

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products		
– Sales of automobiles	**33,720,437**	44,979,288
– Sales of automobile parts and components	**2,675,112**	2,151,102
– Licensing of intellectual properties	**424,226**	428,227
	36,819,775	47,558,617

Segment information

The chief operating decision-maker has been identified as the executive directors of the Company collectively, who determine the operating segments of the Group and review the Group's internal reporting in order to assess performance and allocate resources. All of the Group's business operations relate to the production and sales of automobiles, automobile parts and related automobile components and licensing of related intellectual properties with similar economic characteristics. Accordingly, the executive directors review the performance of the Group as a single business segment. No separate analysis of the reportable segment results by operating segment is necessary.

4. OTHER INCOME

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants and subsidies *(note)*	**615,190**	499,603
Gain on disposal of scrap materials	**28,867**	17,010
Rental income	**9,060**	12,209
Sundry income	**17,763**	83,794
	670,880	612,616

Note: Government grants and subsidies mainly related to cash subsidies from government in respect of operating and research and development activities which are either unconditional grants or grants with conditions having been satisfied.

5. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
(a) Finance income and costs		
Finance costs		
Effective interest expense on bonds payable	**1,826**	1,194
Coupon expense on bonds payable	**38,027**	37,331
Interest on lease liabilities	**1,662**	1,489
Interest on bank borrowings wholly repayable within five years	**27,981**	19,625
	69,496	59,639
Finance income		
Bank and other interest income	**(158,019)**	(108,285)
Net finance income	**(88,523)**	(48,646)

		Six months ended 30 June	
		2020	2019
		RMB'000	*RMB'000*
		(Unaudited)	(Unaudited)
(b)	**Staff costs (including directors' emoluments)**		
	Salaries, wages and other benefits	**2,150,748**	2,726,948
	Retirement benefit scheme contributions	**119,331**	200,666
	Equity settled share-based payments	**2,428**	3,350
		2,272,507	2,930,964
(c)	**Other items**		
	Depreciation:		
	– Owned assets	**1,079,437**	676,518
	– Right-of-use assets (including land lease prepayments)	**58,302**	49,971
	Total depreciation	**1,137,739**	726,489
	Amortisation of intangible assets (related to capitalised product development costs)	**1,377,468**	1,116,123
	Research and development costs	**343,909**	370,958
	Cost of inventories	**30,518,177**	39,089,518
	Provision for inventories	**17,729**	–
	Lease charges on short term leases and leases with lease term shorter than 12 months	**10,370**	10,956
	Net loss on disposal of property, plant and equipment	**7,243**	17,155
	Net foreign exchange loss	**162,610**	1,601

6. TAXATION

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
– PRC enterprise income tax	**417,315**	888,100
– Over-provision in prior years	**(43,852)**	(11,038)
	373,463	877,062
Deferred tax	**(53,269)**	(159,522)
	320,194	717,540

Hong Kong profits tax has not been provided as the Hong Kong incorporated companies within the Group had no estimated assessable profits in Hong Kong for the six months ended 30 June 2020 and 2019.

The income tax provision of the Group in respect of its operations in the PRC has been calculated at the applicable tax rate on the estimated assessable profits for the period based on the existing legislation, interpretations and practises in respect thereof. The PRC enterprise income tax rate is 25% (six months ended 30 June 2019: 25%).

Pursuant to the relevant laws and regulations in the PRC, certain PRC subsidiaries of the Group obtained the High and New Technology Enterprises qualification. Accordingly, they enjoyed a preferential income tax rate of 15% for the six months ended 30 June 2020 and 2019.

According to relevant laws and regulations promulgated by the State Administration of Taxation of the PRC that was effective from 2018, enterprises engaging in research and development activities were entitled to claim 175% of their research and development costs so incurred as tax deductible expenses when determining their assessable profits for that year ("**Super Deduction**"). The Group made its best estimate for the Super Deduction to be claimed for the Group's PRC subsidiaries in ascertaining their assessable profits for the six months ended 30 June 2020 and 2019.

The share of results of associates and joint ventures in the condensed consolidated income statement is after income taxes accrued in the appropriate income tax jurisdictions.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

7. DIVIDENDS

During the current period, a final dividend for the year ended 31 December 2019 of HK$0.25 (six months ended 30 June 2019: HK$0.35) per ordinary share, amounting to approximately RMB2,120,977,000 (six months ended 30 June 2019: RMB2,805,760,000), has been declared and approved by the shareholders at the annual general meeting of the Company. The 2019 final dividend was paid in July 2020 and reflected as dividends payable in the Interim Financial Report.

In addition, the Company made a distribution on perpetual capital securities of RMB71,412,000 (six months ended 30 June 2019: RMB Nil) to the securities holders during the six months ended 30 June 2020.

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share for the period is based on the profit attributable to equity holders of the Company of RMB2,296,753,000 (six months ended 30 June 2019: RMB4,009,475,000) and the weighted average number of ordinary shares of 9,288,710,418 shares (six months ended 30 June 2019: 9,033,162,673 shares), calculated as follows:

Weighted average number of ordinary shares

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Issued ordinary shares at 1 January *(note 18)*	**9,166,997,540**	8,981,612,540
Effect of share options exercised	**38,839,950**	51,550,133
Effect of shares issued upon placement	**82,872,928**	–
Weighted average number of ordinary shares at 30 June	**9,288,710,418**	9,033,162,673

(b) Diluted earnings per share

The calculation of diluted earnings per share for the period is based on the profit attributable to equity holders of the Company of RMB2,296,753,000 (six months ended 30 June 2019: RMB4,009,475,000) and the weighted average number of ordinary shares of 9,296,957,635 shares (six months ended 30 June 2019: 9,128,450,173 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares (basic) at 30 June	**9,288,710,418**	9,033,162,673
Effect of deemed issue of shares under the Company's share options scheme	**8,247,217**	95,287,500
Weighted average number of ordinary shares (diluted) at 30 June	**9,296,957,635**	9,128,450,173

9. PROPERTY, PLANT AND EQUIPMENT

The movements of the property, plant and equipment for the period/year are set out below:

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Net carrying amount		
At the beginning of the period/year	**27,070,318**	23,422,617
Adjustment from the adoption of new HKFRS	**–**	68,721
Restated at the beginning of the period/year	**27,070,318**	23,491,338
Additions	**563,107**	3,836,414
Acquisition through business combinations	**–**	1,713,308
Disposals	**(25,780)**	(64,145)
Disposed of through disposal of subsidiaries	**–**	(468,147)
Depreciation	**(1,098,367)**	(1,438,450)
At the end of the period/year	**26,509,278**	27,070,318

The Group has obtained the right to use office and factory premises through the tenancy agreement. The leases typically run on an initial period of two to ten years. The Group makes fixed payments during the contract period. There was no addition to right-of-use assets during the six months ended 30 June 2020 and 2019.

As at 30 June 2020, the carrying amount of the Group's right-of-use assets in relation to the buildings are RMB48,000,000 (as at 31 December 2019: RMB66,930,000).

10. INTANGIBLE ASSETS

The movements of the intangible assets for the period/year are set out below:

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Net carrying amount		
At the beginning of the period/year	**17,597,628**	14,993,188
Additions	**1,871,040**	4,606,090
Acquisition through business combinations	**–**	356,393
Disposed of through disposal of subsidiaries	**–**	(141,358)
Amortisation	**(1,377,468)**	(2,216,685)
At the end of the period/year	**18,091,200**	17,597,628

11. INTERESTS IN ASSOCIATES

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Share of net assets	**432,634**	465,736
Goodwill	**–**	663
Impairment loss recognised	**(3,349)**	(4,012)
	429,285	462,387

On 20 December 2018, Zhejiang Jirun Automobile Company Limited# 浙江吉潤汽車有限公司 ("**Jirun Automobile**"), an indirect 99% owned subsidiary of the Company, entered into an investment agreement (the "**Investment Agreement**") with Contemporary Amperex Technology Company Limited# 寧德時代新能源科技股份有限公司 ("**CATL Battery**"), an independent third party, pursuant to which the parties agreed to establish an associate company, namely Times Geely Power Battery Company Limited# 時代吉利動力電池有限公司 ("**Times Geely**"). Pursuant to the terms of the Investment Agreement, Times Geely will be owned as to 49% by Jirun Automobile and as to 51% by CATL Battery, respectively. The registered capital of Times Geely will be RMB1,000,000,000, and will be contributed as to 49% (equivalent to RMB490,000,000) in cash by Jirun Automobile and as to 51% (equivalent to RMB510,000,000) in cash by CATL Battery, respectively.

During the six months ended 30 June 2020, the Group and CATL Battery contributed RMB490,000 and RMB510,000, respectively, to Times Geely.

During the six months ended 30 June 2020, dividends amounting to RMB40,361,000 (six months ended 30 June 2019: RMB Nil) were declared by an associate to the Group.

The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

12. INTERESTS IN JOINT VENTURES

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Share of net assets	**8,800,077**	8,375,076
Represented by:		
Cost of unlisted investments	**7,279,102**	7,279,102
Unrealised gain on disposal of a subsidiary to a joint venture	**(14,943)**	(14,943)
Share of post-acquisition results and other comprehensive income	**1,535,918**	1,110,917
	8,800,077	8,375,076

Details of the Group's joint ventures as at 30 June 2020 and 31 December 2019 were as follows:

Name of joint ventures	Place of establishments and operations	Form of business structure	Particulars of registered capital	Proportion of ownership interest held by the Group		Principal activities
				As at 30 June 2020	As at 31 December 2019	
Genius Auto Finance Company Limited[#] ("**Genius AFC**") 吉致汽車金融有限公司	PRC	Incorporated	RMB4,000,000,000	**80%**	80%	Vehicles financing business
LYNK & CO Investment Co., Ltd.[#] ("**LYNK & CO Investment**") 領克投資有限公司	PRC	Incorporated	RMB7,500,000,000	**50%**	50%	Manufacturing and sales of vehicles under the "Lynk&Co" brand
Zhejiang Geely AISIN Automatic Transmission Company Limited[#] ("**Zhejiang AISIN**") 浙江吉利愛信自動變速器有限公司	PRC	Incorporated	US$117,000,000	**40%**	40%	Manufacturing and sale of front-wheel drive 6-speed automatic transmissions and related parts and components

[#] The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

Summarised financial information of the Genius AFC, LYNK & CO Investment and its subsidiaries ("**LYNK & CO Group**") and Zhejiang AISIN, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the condensed consolidated statement of financial position, were disclosed below:

	Genius AFC		**LYNK & CO Group**	
	As at 30 June 2020	As at 31 December 2019	**As at 30 June 2020**	As at 31 December 2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Non-current assets	**964,121**	977,093	**11,425,782**	9,808,742
Current assets	**37,559,367**	34,403,287	**10,222,573**	8,443,630
Current liabilities	**(23,959,124)**	(23,826,322)	**(9,394,875)**	(7,193,560)
Non-current liabilities	**(9,395,903)**	(6,808,757)	**(3,478,970)**	(2,475,687)
Net assets	**5,168,461**	4,745,301	**8,774,510**	8,583,125
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents	**3,193,569**	3,225,994	**2,585,956**	1,595,023
Current financial liabilities (excluding trade and other payables and provisions)	**(21,079,865)**	(20,869,696)	**(1,007,505)**	(6,313)
Non-current financial liabilities (excluding trade and other payables and provisions)	**(9,395,903)**	(6,808,757)	**(1,001,458)**	(3,205)

	Zhejiang AISIN	
	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Non-current assets	**1,151,165**	210,524
Current assets	**472,285**	570,611
Current liabilities	**(131,796)**	(25,597)
Non-current liabilities	**(759,164)**	–
Net assets	**732,490**	755,538
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	**329,704**	544,347
Current financial liabilities (excluding trade and other payables and provisions)	**–**	–
Non-current financial liabilities (excluding trade and other payables and provisions)	**(540,164)**	–

	Genius AFC		LYNK & CO Group	
	Six months ended 30 June			
	2020	2019	**2020**	2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	**1,525,181**	1,002,965	**8,039,385**	7,609,439
Profit for the period	**423,160**	232,700	**188,594**	266,184
Other comprehensive income for the period	**–**	–	**2,791**	–
Total comprehensive income for the period	**423,160**	232,700	**191,385**	266,184
Dividend received from the joint ventures	**–**	–	**–**	–
The above profit for the period including the following:				
Depreciation and amortisation	**(15,820)**	(6,248)	**(668,458)**	(455,804)
Interest income	**1,489,746**	978,305	**16,675**	5,253
Interest expenses	**(612,561)**	(470,764)	**(17,864)**	(31)
Income tax expense	**(141,053)**	(77,567)	**(13,187)**	(95,815)

	Zhejiang AISIN	
	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue	**–**	–
Loss for the period	**(23,048)**	(30,838)
Other comprehensive income for the period	**–**	–
Total comprehensive expense for the period	**(23,048)**	(30,838)
Dividend received from the joint venture	**–**	–
The above loss for the period including the following:		
Depreciation and amortisation	**(556)**	(93)
Interest income	**3,057**	463
Interest expenses	**–**	–
Income tax expense	**–**	–

Reconciliation of the above summarised financial information to the carrying amount of the Group's interests in joint ventures recognised in the condensed consolidated statement of financial position was as follows:

	Genius AFC		LYNK & CO Group	
	As at 30 June 2020	As at 31 December 2019	**As at 30 June 2020**	As at 31 December 2019
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Net assets of the joint ventures	**5,168,461**	4,745,301	**8,774,510**	8,583,125
The Group's effective interests in the joint ventures	**80%**	80%	**50%**	50%
The Group's share of the net assets of the joint ventures	**4,134,769**	3,796,241	**4,387,255**	4,291,563
Unrealised gain on disposal of a subsidiary to a joint venture	**–**	–	**(14,943)**	(14,943)
Carrying amount of the Group's interests in joint ventures	**4,134,769**	3,796,241	**4,372,312**	4,276,620

	Zhejiang AISIN	
	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Net assets of the joint venture	**732,490**	755,538
The Group's effective interests in the joint venture	**40%**	40%
Carrying amount of the Group's interests in joint venture	**292,996**	302,215

13. INVENTORIES

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Raw materials	**2,058,558**	2,840,999
Work in progress	**354,333**	422,734
Finished goods	**1,836,517**	1,557,043
	4,249,408	4,820,776
Less: provision for inventories	**(17,729)**	–
	4,231,679	4,820,776

14. TRADE AND OTHER RECEIVABLES

	Note	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Trade and notes receivables			
Trade receivables, net of loss allowance			
– Third parties		**397,568**	622,228
– Joint ventures		**253,285**	261,436
– An associate		**532,907**	489,970
– Related companies controlled by the substantial shareholder of the Company		**914,826**	1,179,681
	(a)	**2,098,586**	2,553,315
Notes receivable	*(b)*	**17,809,137**	17,210,523
		19,907,723	19,763,838
Deposits, prepayments and other receivables			
Prepayments to suppliers			
– Third parties		**180,502**	277,245
– A joint venture		**63**	–
		180,565	277,245
Deposits paid for acquisition of property, plant and equipment		**139,694**	457,691
Dividends receivable from an associate *(note 11)*		**40,361**	–
Other contract costs	*(c)*	**307,622**	–
Utility deposits and other receivables		**773,367**	1,270,529
VAT and other taxes receivables		**4,112,315**	4,304,742
		5,553,924	6,310,207
Amounts due from joint ventures	*(d)*	**81,335**	–
Amounts due from related companies controlled by the substantial shareholder of the Company	*(d)*	**53,711**	39,768
		5,688,970	6,349,975
		25,596,693	26,113,813
Representing:			
– Current		**24,940,752**	25,844,914
– Non-current		**655,941**	268,899
		25,596,693	26,113,813

(a) Trade receivables

The Group allows average credit periods ranged from 30 days to 90 days to its PRC customers from sales of automobiles, automobile parts and components. In respect of the trade receivables from related companies arising from the licensing of intellectual properties, they will be settled within five years in accordance with the contract terms. Ageing analysis of the trade receivables of the PRC customers, based on invoice date and net of loss allowance, at the reporting date was as follows:

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 60 days	**354,458**	1,128,532
61 – 90 days	**32,764**	117,568
91 – 365 days	**605,279**	262,680
Over 365 days	**369,495**	323,616
	1,361,996	1,832,396

For overseas customers, the Group allows credit periods ranged from 30 days to 720 days. Ageing analysis of the trade receivables of the overseas customers, based on invoice date and net of loss allowance, at the reporting date was as follows:

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 60 days	**452,687**	119,792
61 – 90 days	**22,835**	90,208
91 – 365 days	**160,754**	410,858
Over 365 days	**100,314**	100,061
	736,590	720,919

As at 30 June 2020, the Group has adopted average expected loss rate of 5% (as at 31 December 2019: 5%) on the gross carrying amounts of trade receivables amounted to RMB2,172,754,000 (as at 31 December 2019: RMB2,639,209,000). The loss allowance as at 30 June 2020 is RMB74,168,000 (as at 31 December 2019: RMB85,894,000).

(b) Notes receivable

All notes receivable are denominated in RMB. As at 30 June 2020 and 31 December 2019, all notes receivable were guaranteed by established banks in the PRC and had maturities of less than six months from the reporting date.

The Group does not hold the notes receivable until maturity but endorses or discounts these notes receivable before maturity for the settlement of the Group's creditors. Accordingly, notes receivable are classified as financial assets at fair value through other comprehensive income – (recycling) in accordance with HKFRS 9 and are stated at fair value. The fair value is based on the net present value at 30 June 2020 from expected timing of endorsements and discounting at the interest rates for the respective notes receivable. The fair value is within level 2 of the fair value hierarchy.

(c) Other contract costs

Other contract costs capitalised as at 30 June 2020 related to the costs incurred in providing internet connectivity services that are used to satisfy the performance obligations for providing such services to customers in the respective sales of automobile contracts at the reporting date. Contract costs are amortised in line with the recognition of the respective revenue in accordance with the term of the contracts. There was no impairment in relation to the contract cost capitalised during the period.

(d) Amounts due from joint ventures/related companies

The amounts due are unsecured, interest-free and repayable on demand.

15. TRADE AND OTHER PAYABLES

	Note	As at 30 June 2020 RMB'000 (Unaudited)	As at 31 December 2019 RMB'000 (Audited)
Trade and notes payables			
Trade payables			
– Third parties		**23,994,401**	30,544,446
– Associates		**748,187**	726,376
– Related companies controlled by the substantial shareholder of the Company		**–**	253,879
	(a)	**24,742,588**	31,524,701
Notes payable	*(b)*	**2,756,543**	2,233,280
		27,499,131	33,757,981
Other payables			
Receipts in advance from customers	*(c)*		
– Third parties		**4,481,371**	4,940,701
– An associate		**1,356**	–
– A joint venture		**5,651**	–
– Related companies controlled by the substantial shareholder of the Company		**395,694**	–
		4,884,072	4,940,701
Deferred government grants which conditions have not been satisfied		**965,937**	1,459,964
Payables for acquisition of property, plant and equipment		**2,452,641**	2,795,722
Accrued staff salaries and benefits		**575,992**	1,253,715
VAT and other taxes payables		**300,670**	145,941
Dividends payable		**2,125,598**	–
Other accrued charges and payables		**3,383,205**	3,519,291
		14,688,115	14,115,334
		42,187,246	47,873,315
Representing:			
– Current		**41,956,697**	47,873,315
– Non-current		**230,549**	–
		42,187,246	47,873,315

(a) Trade payables

Ageing analysis of trade payables, based on invoice date, at the reporting date was as follows:

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 – 60 days	**23,447,142**	28,851,143
61 – 90 days	**1,122,033**	1,389,265
91 – 365 days	**121,560**	1,224,451
Over 365 days	**51,853**	59,842
	24,742,588	31,524,701

Trade payables are non-interest bearing. The average credit period on the settlement of purchase invoice is 60 days.

(b) Notes payable

All notes payable are denominated in RMB and are notes paid and/or payable to third parties for the settlement of trade payables. As at 30 June 2020 and 31 December 2019, all notes payable had maturities of less than six months from the reporting date.

As at 30 June 2020 and 31 December 2019, the Group had no pledged bank deposits to secure the notes payable.

(c) Receipts in advance from customers

The amounts represent (i) the advance payments from customers for the sales of automobiles, automobile parts and components, and (ii) the obligation for service agreed to be part of the sales of automobiles, that the respective revenue will be recognised when the performance obligation is satisfied after the automobiles, automobile parts and components and services were delivered to the customers.

	Six months ended 30 June	
	2020	2019
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue recognised during the period that was included in the receipts in advance from customers at the beginning of the period	**(4,940,701)**	(1,890,772)

The transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations as at the reporting date was as follows:

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within one year	**95,778**	–
More than one year	**230,549**	–
	326,327	–

As permitted under HKFRS 15, the above transaction price allocated to the unsatisfied contracts does not include performance obligation from the Group's contracts with customers for the sales of automobiles, automobile parts and components and services that have an original expected duration of one year or less.

16. BONDS PAYABLE

On 25 January 2018, the Company issued the bonds with an aggregate principal amount of United States dollars ("**US$**") 300,000,000 (equivalent to approximately RMB1,944,690,000) (the "**Bonds**"). The Bonds carry interest at 3.625% per annum, payable semi-annually in arrears on 25 January and 25 July of each year, and the maturity date is 25 January 2023.

The Bonds are listed on Singapore Exchange Securities Trading Limited. They constitute direct, unconditional, unsubordinated and (subject to the terms and conditions of the Bonds) unsecured obligations of the Company and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by applicable law and subject to the terms and conditions of the Bonds, at all times rank pari passu with all its other present and future unsecured and unsubordinated obligations.

The carrying amount of the Bonds at initial recognition net of transaction costs amounted to US$297,296,000 (equivalent to approximately RMB1,927,161,000) and the effective interest rate was 3.825% per annum. The Bonds were measured at amortised cost at the reporting date.

The movements of the Bonds for the period/year are set out below:

	As at 30 June 2020	As at 31 December 2019
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Carrying amount		
At the beginning of the period/year	**2,060,085**	2,047,822
Exchange differences	**49,162**	8,689
Interest expenses	**1,826**	3,574
At the end of the period/year	**2,111,073**	2,060,085

17. BANK BORROWINGS

	As at 30 June 2020 ***RMB'000*** **(Unaudited)**	As at 31 December 2019 *RMB'000* (Audited)
Bank loans, unsecured	**2,121,930**	2,089,110

As at 30 June 2020 and 31 December 2019, the Group's bank borrowings were carried at amortised cost, repayable in July 2022 and interest-bearing at the London Interbank Offered Rates plus 0.95% per annum. Pursuant to the facility agreement, it will be an event of default if Mr. Li Shu Fu is (i) no longer the single largest beneficial shareholder of the Company, or (ii) no longer beneficially owns at least 25% of the issued share capital of the Company. In case of an event of default, the bank may by notice to the Company (a) cancel the loan facility, (b) declare that all or part of the loan, together with accrued interest, be immediately due and payable, and/or (c) declare that all or part of the loans be payable on demand.

18. SHARE CAPITAL

	Number of shares	**Nominal value** ***RMB'000***
Authorised:		
Ordinary shares of HK$0.02 each		
At 31 December 2019 and 30 June 2020 (unaudited)	**12,000,000,000**	**246,720**
Issued and fully paid:		
Ordinary shares of HK$0.02 each		
At 1 January 2019	8,981,612,540	164,470
Shares issued under share option scheme	185,385,000	3,263
At 31 December 2019 and 1 January 2020	9,166,997,540	167,733
Shares issued under share option scheme *(note (a))*	45,779,000	845
Shares issued upon placement *(note (b))*	600,000,000	11,051
At 30 June 2020 (unaudited)	**9,812,776,540**	**179,629**

Notes:

(a) During the six months ended 30 June 2020, share options were exercised to subscribe for 45,779,000 ordinary shares (six months ended 30 June 2019: 129,911,000 ordinary shares) of the Company at a consideration of approximately RMB172,068,000 (six months ended 30 June 2019: RMB443,276,000) of which approximately RMB845,000 (six months ended 30 June 2019: RMB2,286,000) was credited to share capital and approximately RMB171,223,000 (six months ended 30 June 2019: RMB440,990,000) was credited to the share premium account. As a result of the exercise of share options, share option reserve of RMB60,306,000 (six months ended 30 June 2019: RMB181,565,000) was transferred to the share premium account.

(b) On 29 May 2020, the Company entered into a placing agreement (the "**Placing Agreement**") with placing agents, to procure not less than six placees who are independent third parties to the Company to subscribe for 600,000,000 placing shares at the placing price of HK$10.8 per placing share (the "**Placing**"). All conditions of the Placing Agreement were fulfilled. The Placing was completed and fully subscribed on 5 June 2020. The gross proceeds from the Placing amounted to approximately HK$6,480,000,000 (equivalent to approximately RMB5,967,432,000) and the related directly attributable expenses were approximately HK$32,899,000 (equivalent to approximately RMB30,296,000).

19. PERPETUAL CAPITAL SECURITIES

On 9 December 2019, the Company (the "**Issuer**") issued 4% senior perpetual capital securities with an aggregate principal amount of US$500,000,000 (equivalent to approximately RMB3,425,857,000) (the "**Securities**") which are listed on Singapore Exchange Securities Trading Limited at an issue price of 99.641%. Transaction costs relating to the issue of the Securities amounted to approximately RMB12,755,000. Distribution is payable semi-annually in arrears in equal instalments on 9 June and 9 December of each year based on the distribution rate as defined in the subscription agreement. Distribution by the Issuer may be deferred at its sole discretion. The Securities have no fixed maturity and are redeemable in whole, but not in part, at the Issuer's option on 9 December 2024, or any distribution payment date falling thereafter at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower rank.

As the Securities do not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32 "Financial Instruments: Presentation", they are classified as equity for accounting purpose. Any distributions made by the Issuer to the holders of the Securities will be deducted directly to equity in the condensed consolidated financial statements.

20. EVENTS AFTER THE REPORTING DATE

Disposals of Chengdu Gaoyuan Automobile Industries Company Limited[#] 成都高原汽車工業有限公司 ("Chengdu Automobile"), Ningbo Beilun Geely Automotive Manufacturing Company Limited[#] 寧波北侖吉利汽車製造有限公司 ("Ningbo Beilun") and Ningbo Jining Automobile Components Company Limited[#] 寧波吉寧汽車零部件有限公司 ("Ningbo Jining")

On 8 July 2020, the Group and the companies owned by the Company's ultimate holding company ("**Ultimate Holding Companies**") entered into certain disposal agreements pursuant to which the Group conditionally agreed to sell, and the Ultimate Holding Companies conditionally agreed to acquire the entire equity interests of Chengdu Automobile, Ningbo Beilun and Ningbo Jining for total cash considerations of approximately RMB76.3 million, RMB729.4 million and RMB30.5 million, respectively.

As at 30 June 2020, the disposals had not yet been completed. Please refer to the Company's announcement dated 9 July 2020 for further details.

[#] The English translation of the names of the companies established in the PRC is for reference only. The official names of these companies are in Chinese.

Exercise of call option by BNP Paribas Personal Finance ("BNPP PF")

As per the Company's announcement dated 16 December 2013, a call option (the "**Call Option**") associated with the agreement entered into between the Company and BNPP PF for the establishment of Genius AFC, to engage in the vehicles financing business in the PRC. On 11 August 2020, BNPP PF served a written notice to the Company on the exercise of the Call Option pursuant to which, subject to the agreement on the exercise price and other terms, BNPP PF will acquire from the Company such additional equity interest in the Genius AFC to increase its equity interest in Genius AFC up to 50%.

As at 30 June 2020, the exercise price of the Call Option and the exact percentage of equity interest in the Genius AFC to be acquired by BNPP PF have not been determined and are subject to agreement by the parties. Please refer to the Company's announcement dated 12 August 2020 for further details.

Overall Performance

The Group's sales performance in the first half of 2020 was adversely affected by the outbreak of Covid-19 in early 2020. Its financial results were therefore below the management's expectations. Total sales volume of passenger vehicles from Chinese indigenous brands recorded a 29.0% year-on-year ("**YoY**") decline during the period, compared with a 22.4% YoY drop in the overall passenger vehicle sales volume in the China market during the same period, according to the data of China Association of Automobile Manufacturers ("**CAAM Data**"). The Group's total sales volume in the China market decreased 17% YoY to 510,873 units (including the sales volume of "Lynk&Co" vehicles sold by the Group's 50%-owned joint venture, namely 領克投資有限公司 (Lynk&Co Investment Co., Ltd. or "Lynk&Co JV") in the first half of 2020. The Group's export sales volume slid 49% YoY to 19,573 units in the first half of 2020, as a result of the lockdown caused by the outbreak of Covid-19 worldwide. The Group sold a total of 530,446 units of vehicles (including the sales volume of "Lynk&Co" vehicles sold by the Lynk&Co JV) in the first six months of 2020, representing a 19% YoY decline from the same period in 2019. Total revenue (excluding the revenue of the Lynk&Co JV) decreased by 23% to RMB36.82 billion during the period, mainly due to the lower sales volume and the production disruption caused by the partial lockdown in most areas in China in early 2020. Gross margin ratio in the first half of 2020 was slightly affected but still relatively stable. The 9% increase in administrative expenses during the period was primarily attributable to the increase in amortisation and depreciation expenses as a result of the substantial investment in research and development and new manufacturing facilities over the past years. As a result, profit attributable to the equity holders of the Company for the first half of 2020 was down 43% YoY to RMB2.30 billion. Diluted earnings per share (EPS) was down 44% to RMB24.70 cents.

Financial Resources

Despite the lower revenues and operating profits in the first half of 2020, the Group's financial position remained healthy at the end of June 2020. During the period, the Group settled more trade payables to its suppliers to mitigate the negative impact from the production disruption, resulting in net cash outflows from operating activities. Thanks to the placing of 600 million new shares completed in early June 2020, the Group's total cash level (bank balances and cash + pledged bank deposits) increased slightly by 5% from the end of 2019 to RMB20.21 billion at the end of June 2020, while its total borrowings (including bank loans and the 5-year US$300 million 3.625% bonds due 2023 (the "**Bonds**")) stayed at RMB4.23 billion, similar level as at the end of 2019. Net cash on hand (total cash level – total borrowings – perpetual capital securities) was up to RMB12.6 billion, versus a net cash level of RMB11.8 billion six months ago, offering a healthy cushion to protect the Group from any further weakening in vehicle demand in the China market. In addition, net notes receivable (bank notes receivable – bank notes payable) at the end of June 2020 amounted to RMB15.1 billion, which could provide the Group with additional cash reserves when needed through discounting the notes receivable with the banks.

The Covid-19 pandemic has resulted in huge political and economic uncertainties globally, posing significant challenge to the Group's business activities and thus its future cash flow. To safeguard its financial strength and to further enrich the Group's financial cushion to cope with a possible prolonged disruption to business activities, on 29 May 2020, the Group announced to issue and place 600 million new shares through placing agents to various investors to raise net proceeds of HK$6,447 million. On 17 June 2020, the Company approved a preliminary proposal for the possible issue of RMB Shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the "**Sci-Tech Board**") (the "**Proposed RMB Share Issue**"). The Proposed RMB Share Issue is conditional upon and subject to, among other things, market conditions, the approval of the shareholders at the general meeting of the Company and the necessary regulatory approval(s). The relevant shareholders' approval was obtained at an extraordinary general meeting held on 29 July 2020.

The Group has been assigned credit ratings from both Standard & Poor's Ratings Services and Moody's Investors Service. Standard & Poor's corporate credit rating on the Group is currently "BBB-/Stable" and such rating has been placed on "creditwatch negative" since 3 April 2020 due to challenging industry conditions after the global outbreak of Covid-19. On 12 June 2020, Moody's Investors Service confirmed the Group's credit rating as "Baa3" issuer rating and upgraded the outlook of the Company's ratings from "rating under review" to "stable" on strong recovery of the Group's sales in China since April 2020.

Research and Development

During the first six months ended 30 June 2020, the Group recognised a total expense of RMB1,721.4 million (six months ended 30 June 2019: RMB1,487.1 million) in relation to its research and development activities and such expense was included in "Administrative expenses" in the condensed consolidated income statement. Further details were illustrated in the table below:

	2020	2019	
	RMB('000)	*RMB('000)*	YoY change (%)
Amortisation of intangible assets (i.e. capitalised product development costs)	**1,377,468**	1,116,123	23
Research and product development costs (i.e. not qualified for capitalisation)	**343,909**	370,958	(7)
Total research and development costs charged to profit or loss	**1,721,377**	1,487,081	16

As most of the ongoing research and development projects are for new technologies not yet used in existing products, a large proportion of the relevant expenditures were capitalised, and only amortised to expenses after the products using the technologies were offered to the market.

Vehicle Manufacturing

The Group sold a total of 530,446 units of vehicles (including the sales volume of "Lynk&Co" vehicles sold by the Lynk&Co JV) in the first half of 2020, down 19% YoY, mainly caused by the partial lockdown and disruption to business activities after the outbreak of Covid-19 in China.

The Group's domestic sales volume in the first half of 2020 decreased 17% YoY to 510,873 units (including the sales volume of "Lynk&Co" vehicles sold by the Lynk&Co JV). Despite this, the Group's wholesale market share in the overall Chinese passenger vehicle market still increased from 6.1% in the first half of 2019 to 6.5% in the first half of 2020, based on the CAAM Data. The Group's market share amongst China's indigenous passenger vehicle brands increased even more from 15.3% in the first half of 2019 to 17.9% in the first half of 2020. As a result, the Group maintained its number one position in terms of sales volume amongst all Chinese indigenous passenger vehicle manufacturers during the period. Further, the Group's export sales volume recorded 49% YoY decline to 19,573 units in the first half of 2020, as a result of the lockdown caused by the outbreak of Covid-19 worldwide. Export sales accounted for 3.7% of the Group's total sales volume in the first half of 2020, compared with around 5.9% in the same period in 2019.

The total sales volume of the Group's sport utility vehicle ("**SUV**") and cross-over models, amounted to 324,061 units, down 15% YoY and accounted for 61% of the Group's total sales volume in the first half of 2020. During the same period, the sales volume of the Group's sedan models was down 23% YoY to 197,030 units, accounting for 37% of the Group's total sales volume. The sales volume of the Group's only multi-purpose vehicle ("**MPV**") model (i.e. "Jiaji" (嘉際)) was down 42% YoY to 9,355 units, accounting for only 2% of the Group's total sales volume in the first half of 2020.

In the first half of 2020, the Group sold a total of 29,214 units of new energy and electrified vehicles ("**NEEV**") models (including the sales volume of "01 PHEV", "02 PHEV" and "03 PHEV" sold by the Lynk&Co JV), down around 49% from the same period in 2019. Amongst the NEEVs sold in the first half of 2020, the best-selling models were "ICON MHEV", "Emgrand EV", "Xingyue MHEV", "Borui GE MHEV" and "Jiaji MHEV", which together accounted for around 80% of the total sales volume of NEEVs.

As higher discounts and incentives were offered by the Group to its dealers under the stagnant vehicle market in China since mid 2019, the Group's average ex-factory selling price decreased by around 6% YoY in the first half of 2020.

New Products

New energy vehicles and SUV models remained the Group's focus in new products offering in the first half of 2020. In addition to PHEV and MHEV versions being offered under its existing major product lines, the Group successfully launched a new compact SUV model "ICON" and its MHEV version in January 2020. Further, to strengthen the Group's market position in the highly competitive SUV market in China and to supplement its existing SUV product offering, the Group launched its first seven-seat SUV model "Geely Haoyue" (吉利豪越) in June 2020. Under the Lynk&Co brand, a new cross-over model "05" was successfully launched in May 2020.

The Group plans to launch the following new products in the second half of 2020:

Under the "Geely" brand:

- A brand new compact mid to high end sedan model, developed under the Compact Modular Architecture ("**CMA**") platform; and

- New generation of "Borui GE" model.

Under the "Lynk&Co" brand:

- A brand new compact SUV model; and

- New generation of "01" model.

Under the "Geometry" brand:

- A brand new compact electrified SUV model ("**Geometry C**"); and

- A compact electrified sedan model, targeting at mobility market.

Genius AFC

Genius Auto Finance Company Limited ("**Genius AFC**"), the Group's 80%-owned vehicle financing joint venture formed with BNP Paribas Personal Finance ("**BNPP PF**"), is principally engaged in the provision of auto wholesales financing solutions to auto dealers and retail financing solutions to end customers, mainly supporting the three key auto brands for Geely Holding Group, including "Geely", "Lynk&Co" and "Volvo Car".

Despite the weakening demand in Chinese passenger vehicle market since the later part of last year, Genius AFC continued to post considerable growth in the first half of 2020. The total outstanding loan assets increased from RMB31.6 billion at the end of 2019 to RMB34.8 billion at the end of June 2020. With steady increase in high quality outstanding loan assets and relatively low funding costs, Genius AFC achieved good financial performance with net profit increasing 82% YoY to RMB423 million in the first half of 2020. Although the default rate for outstanding loan assets increased in the first quarter of 2020 due to the outbreak of Covid-19, Genius AFC promptly reacted and managed to bring down the default rate to a healthy level. Notwithstanding the Group's lower–than-expected vehicle sales volume so far this year and the fierce competition in the auto finance market in China, Genius AFC is still on track to meet its annual target for the year of 2020.

During the first half of 2020, Genius AFC secured more external funds through different means like bilateral bank facilities and asset-backed security issuances. In addition, Genius AFC successfully piloted the used-car financing business for retail customers. Genius AFC was ranked the highest in the retail credit segment of 2020 China Dealer Financing Satisfaction (DFS) Study by J.D. Power, reflecting the positive recognition from its customers about its finance provider offerings, approval process and sales representative relationship.

On 11 August 2020, BNPP PF served a written notice to the Company on the exercise of the call option pursuant to which, subject to the agreement on the exercise price and other terms, BNPP PF will acquire from the Company such additional equity interest in Genius AFC to increase its equity interest in Genius AFC up to 50%. As at the date of this announcement, the exercise price of the call option and the exact percentage of equity interest in Genius AFC to be acquired by BNPP PF have not been determined and are subject to agreement by both parties.

LYNK&CO JV

Lynk&Co Investment Co., Ltd. ("**Lynk&Co JV**"), the Group's 50%-owned joint venture with Volvo Car Corporation ("**VCC**") and Geely Holding (together with its subsidiaries, the "**Geely Holding Group**"), was incorporated in October 2017 to facilitate the development, manufacture, sales and servicing of high-end passenger vehicles in both the China and international market under the "Lynk&Co" brand.

In the first half of 2020, the total sales volume of the Lynk&Co JV amounted to 54,763 units, down 2% YoY. During the period, Lynk&Co JV further strengthened its SUV product offering by adding a new cross-over model "05" in May 2020. Initial market response to the "05" model was encouraging with a total of 7,418 units of "05" model being sold during the two months ended 30 June 2020. A brand new compact and sporty SUV model is scheduled to be launched in the second half of 2020. Despite the drastic slowdown in vehicle sales in China at the beginning of 2020 and the relatively small size of Lynk&Co's sales volume, which should make the company more vulnerable to declining sales, Lynk&Co JV posted a net profit of RMB189 million in the first half of 2020. In view of Chinese consumers' current preference over physical dealer shops to support sales and services, Lynk&Co JV maintains a dealer network in China with 259 stores called "Lynk&Co Centres" and 16 display and customer service centres called "Lynk&Co Spaces" in China.

Exports

The Group exported a total of 19,573 units of vehicles in the first six months of 2020, down 49% from the same period last year, and accounted for 3.7% of the Group's total sales volume during the period. The weak export sales performance was mainly due to the lockdown in our major export markets caused by the outbreak of Covid-19 worldwide. "Geely Boyue" and "Binyue" SUV models were the Group's most important export models in terms of sales volume in the first half of 2020, accounting for 75% of the Group's total export sales volume during the period. At the end of June 2020, the Group exported its products to 24 countries through 26 sales agents and 334 sales and service outlets.

Developing countries in Asia, Eastern Europe and the Middle East were the most important markets for the Group's exports in the first half of 2020. In addition to export of vehicles from China, the Group also assembles some models sold overseas using contract manufacturing arrangements and joint-venture manufacturing plants with local partners.

Disposal of 3 subsidiaries – Chengdu Automobile, Ningbo Beilun and Ningbo Jining

On 8 July 2020, the Group and the Geely Holding Group entered into the following three agreements:

- ***The Chengdu Automobile Disposal Agreement***

The Company entered into the Chengdu Automobile Disposal Agreement with Geely Holding to dispose the Group's 100% interests in 成都高原汽車工業有限公司(Chengdu Gaoyuan Automobile Industries Company Ltd. or "**Chengdu Automobile**"), pursuant to which (i) 浙江吉潤汽車有限公司 (Zhejiang Jirun Automobile Company Limited or "**Jirun Automobile**") agreed to sell 90% of the registered capital of Chengdu Automobile; (ii) 上海華普國潤汽車有限公司 (Shanghai Maple Guorun Automobile Company Limited or "**Shanghai Maple Guorun**") agreed to sell 10% of the registered capital of Chengdu Automobile; and (iii) Geely Holding agreed to acquire the entire registered capital of Chengdu Automobile through its two wholly-owned subsidiaries namely 城堡汽車國際有限公司 (Chengbao Automobile International Company Ltd. or "**Chengbao International**") and 吉利汽車集團有限公司(Geely Automobile Group Company Limited or "**Geely Automobile**") with each holding 50% of the registered capital of Chengdu Automobile for a net cash consideration of approximately RMB76.3 million.

The disposal consideration for the Chengdu Automobile was determined after arm's length negotiations between the Company and Geely Holding based on the market value of the net assets of Chengdu Automobile which amounts to approximately RMB133.0 million. It consists of (i) the carrying value of the net assets of Chengdu Automobile prepared under the Hong Kong Financial Reporting Standard ("**HKFRSs**") as at 31 May 2020 of approximately RMB87.2 million; (ii) the valuation premium of the Chengdu Automobile properties of approximately RMB47.6 million, being the difference between the market value of Chengdu Automobile properties of RMB363.0 million as stated in the valuation report based on comparison approach and the carrying value of the Chengdu Automobile properties of approximately RMB315.4 million as at 31 May 2020; and (iii) the net valuation impairment of machinery and equipment held by Chengdu Automobile of approximately RMB1.8 million.

On the other hand, the consideration of approximately RMB56.7 million to be paid by the Group for the grant of right to continuously use the manufacturing facilities of Chengdu Automobile upon completion of the disposal of Chengdu Automobile will partially offset the consideration for the disposal of Chengdu Automobile, which results in a net consideration of approximately RMB76.3 million to be received by the Group.

- ***The Ningbo Beilun Disposal Agreement***

Jirun Automobile entered into the Ningbo Beilun Disposal Agreement with Geely Automobile, pursuant to which (i) Jirun Automobile agreed to sell 100% of the registered capital of 寧波北侖吉利汽車製造有限公司 (Ningbo Beilun Geely Automotive Manufacturing Co. Ltd. or "**Ningbo Beilun**"); and (ii) Geely Automobile agreed to acquire the entire registered capital of Ningbo Beilun for a cash consideration of approximately RMB729.4 million

The disposal consideration for the Ningbo Beilun was determined after arm's length negotiations between Jirun Automobile and Geely Automobile with reference to the market value of the net assets of the Ningbo Beilun. The market value of the Ningbo Beilun consists of (i) the carrying value of the net assets of Ningbo Beilun prepared under the HKFRS as at 31 May 2020 of approximately RMB718.3 million; (ii) the capital injection of RMB10 million completed by Jirun Automobile on 12 June 2020 which further increased the net assets of Ningbo Beilun subsequent to 31 May 2020; and (iii) the valuation premium of the Ningbo Beilun properties of approximately RMB1.1 million, being the difference between the market value of Ningbo Beilun properties of approximately RMB685.1 million as stated in the valuation report based on comparison approach and the carrying value of the Ningbo Beilun properties of approximately RMB684.0 million as at 31 May 2020.

- ***The Ningbo Jining Disposal Agreement***

Jirun Automobile entered into the Ningbo Jining Disposal Agreement with 浙江吉創汽車零部件有限公司(Zhejiang Jichuang Automobile Parts Company Limited or "**Zhejiang Jichuang**"), pursuant to which (i) Jirun Automobile agreed to sell 100% of the registered capital of 寧波吉寧汽車零部件有限公司 (Ningbo Jining Automobile Components Co. Ltd. or "**Ningbo Jining**"); and (ii) Zhejiang Jichuang agreed to acquire the entire registered capital of Ningbo Jining for a cash consideration of approximately RMB30.5 million.

The consideration for the Ningbo Jining Disposal was determined after arm's length negotiations between Jirun Automobile and Zhejiang Jichuang with reference to the market value of the net assets of the Ningbo Jining. The market value of Ningbo Jining consists of (i) the carrying value of the net assets of Ningbo Jining prepared under the HKFRS as at 31 May 2020 of approximately RMB23.2 million; (ii) the valuation premium of the Ningbo Jining properties of approximately RMB7.9 million, being the difference between the market value of Ningbo Jining properties of approximately RMB134.4 million as stated in the valuation report based on comparison approach and the carrying value of the Ningbo Jining properties of approximately RMB126.5 million as at 31 May 2020; and (iii) the net valuation impairment of machinery and equipment held by Ningbo Jining of approximately RMB0.6 million.

Following completion of the above three disposals, the Group will cease to have any interest in Chengdu Automobile, Ningbo Beilun and Ningbo Jining, and the financial results of Chengdu Automobile, Ningbo Beilun and Ningbo Jining will cease to be consolidated with the financial statements of the Group.

Issuance of US$500 million 4% Senior Perpetual Capital Securities

On 9 December 2019, the Company issued 4% senior perpetual capital securities with an aggregate principal amount of US$500,000,000 (equivalent to approximately RMB3,425,857,000) (the "**Securities Issue**") which are listed on Singapore Exchange Securities Trading Limited at an issue price of 99.641%. Distribution is payable semi-annually in arrears in equal instalments on 9 June and 9 December of each year based on the distribution rate as defined in the subscription agreement. Distribution by the Company may be deferred at its sole discretion.

As at the date of this announcement, the net proceeds of the Securities Issue have been partially utilized as below:

	Intended allocation of proceeds *RMB('000)*	**Actual use of proceeds** *RMB('000)*	**Unutilised proceeds** *RMB('000)*
Business development			
- addition to property, plant and equipment		334,305	
- addition to intangible assets (i.e. capitalised product development costs)		1,357,337	
- research and product development costs (i.e. not qualified for capitalisation)		135,493	
Sub-total		1,827,135	
General working capital (i.e. remuneration of directors and employees, legal and professional fees and other administrative expenses)		281,955	
Total	**3,413,102**	**2,109,090**	**1,304,012**

Placing of 600 million new shares

On 29 May 2020, 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 procuring, on a best effort basis, as agents of the Company, placees 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 was completed on 5 June 2020 and a total of 600 million placing shares have been successfully placed by the placing agents. The net proceeds received by the Company from the placing, after deducting related fees and expenses, are approximately HK$6,447 million, The Company intends to apply such net proceeds for business development and general working capital of the Group.

As at the date of this announcement, the net proceeds have not been utilized and will be used as intended.

Proposed RMB Share Issue

On 17 June 2020, the Company has approved a preliminary proposal for the possible issue of RMB Shares and listing on the Science and Technology Innovation Board of the Shanghai Stock Exchange (the "**Sci-Tech Board**") (the "**Proposed RMB Share Issue**"). The Proposed RMB Share Issue is conditional upon and subject to, among other things, market conditions, the approval of the shareholders at the general meeting of the Company and the necessary regulatory approval(s).

It is proposed that the initial number of RMB Shares to be issued will not exceed 1,731,666,448 Shares, representing not more than 15% of the Company's issued share capital as at 23 June 2020 (being the date immediately preceding the date of the Board meeting held on 24 June 2020 approving, among others, the Proposed RMB Share Issue) as enlarged by the issue and allotment of the RMB Shares contemplated under the Proposed RMB Share Issue. The RMB Shares will all be new Shares, and no conversion of the existing Share will be involved. On 29 July 2020, the Proposed RMB Share Issue was approved by the Company's shareholders at the extraordinary general meeting.

After deducting the issuance expenses, the proceeds of the Proposed RMB Share Issue are currently intended to be used for (a) research and development of new automobile products; (b) prospective technology research and development; (c) industrial acquisition; and (d) replenishment of working capital.

Outlook

The global outbreak of Covid-19 had caused serious disruption to the Group's operations since the beginning of 2020. The current headwind is expected to persist in the remainder of the year, making 2020 amongst the most difficult year in the Group's history. Further, the intense market competition in China could worsen further in current difficult market condition and should continue to put pressure on the sales performance and profitability of Chinese vehicle manufacturers in 2020. Longer-term, the transformation from conventional vehicles to NEEVs and intelligent/connected vehicles and the scheduled relaxation of foreign investment in China's automobile industry over the next few years should represent additional challenges to the Chinese passenger vehicle manufacturers.

However, as reflected by the consistent rise in its market share in China over the last few years, the Group has firmly secured its leading position in China's passenger vehicle market. The Group's financial position has strengthened considerably as a result of the recent successful moves to further strengthen its capital base. These should enable the Group to continue investing for the future and respond to the abrupt market changes promptly.

In view of the huge challenges ahead, we should stay at our original intention, keep our proven strategy and maintain our development pace. The Group will continue to increase the proportion of NEEVs in its total sales volume by introducing more competitive NEEV products. The amount of new product offerings should stay at high levels in the coming years, providing sufficient momentum for the Group to maintain growth in the longer run.

The Group had largely completed the rebranding and restructuring of its distribution channels in its major export markets. Localisation of production to reduce costs and currency risk has started to yield positive results in markets like Belarus and Malaysia, where customer feedback and demand for the Group's products improved significantly. In a few years' time, exports would not only become a key driver to the Group's growth, but also help to further enhance the Group's economies of scale. In the second half of 2020, the Group will go ahead to further expand its export sales to new market in Southeast Asia and Western Europe.

The few major acquisitions in the automobile sector by the Group's parent, namely Geely Holding, over the past few years has started to create synergies and huge opportunities for the Group in both its existing automobile business and other new business areas. The partnership created by these acquisitions should provide the Group substantial opportunities for technologies and costs sharing, economies of scale and new market penetration. Longer-term, these acquisitions should provide additional sources for growth for the Group. To further enhance its long-term competitiveness and to prepare the Group for the major changes ahead, the Group started preliminary discussion with the management of Volvo Car AB (publ) regarding a possible restructuring through a business combination of the two companies. Should the proposed restructuring materialise, it would lead into a stronger global Group that could realise synergies in cost structure and new technology development.

Although the Chinese vehicle demand was adversely affected by the outbreak of Covid-19 in the first quarter of 2020, the Group's sales performance started to recover strongly since the beginning of the second quarter. However, the recovery has so far been slower than expected. Further, near term uncertainties remain in the global macro environment. The Group's management therefore decided to revise downward our 2020 full year sales volume target by around 6% from 1,410,000 units to 1,320,000 units.

CAPITAL STRUCTURE AND TREASURY POLICIES

The Group funds its short-term working capital requirement mainly through its own operational cash flow, short-term bank loans from commercial banks in China and Hong Kong and the payment credit from its suppliers. For its longer-term capital expenditures including product and technology development costs, investment in the construction, expansion and upgrading of production facilities, the Group's strategy is to fund these longer-term capital commitments by a combination of its operational cash flow, bank borrowings and fund raising exercises in the capital market.

On 9 December 2019, the Company issued 4% senior perpetual capital securities with an aggregate principal amount of US$500,000,000 (equivalent to approximately RMB3,425,857,000) (the "**Securities**") which are listed on Singapore Exchange Securities Trading Limited at an issue price of 99.641%. Transaction costs relating to the issue of the Securities amounted to approximately RMB12,755,000. Distribution is payable semi-annually in arrears in equal instalments on 9 June and 9 December of each year based on the distribution rate as defined in the subscription agreement. Distribution by the Company may be deferred at its sole discretion. The Securities have no fixed maturity and are redeemable in whole, but not in part, at the Company's option on 9 December 2024, or any distribution payment date falling thereafter at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower rank. As the Securities do not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32 Financial Instruments: Presentation, they are classified as equity for accounting purpose.

As at 30 June 2020, the Group's shareholders' funds amounted to approximately RMB60.6 billion (As at 31 December 2019: approximately RMB54.4 billion). On 29 May 2020, the Group announced to issue and place 600 million new shares through placing agents to various investors to raise net proceeds of HK$6,447 million. Also, the Company issued 45.779 million ordinary shares upon exercise of share options during the six months ended 30 June 2020.

EXPOSURE TO FOREIGN EXCHANGE RISK

During the six months ended 30 June 2020, the Group's operations were principally related to domestic sales of automobiles and related automobile parts and components in the Mainland China and the Group's assets and liabilities were mainly denominated in Renminbi (RMB), the functional currency of the Company and its key subsidiaries.

In terms of export operations, most of the Group's export sales were denominated in United States dollars (US$) during the year. Also, the Group could face foreign exchange risk, particularly in emerging markets if it had local subsidiaries, associates or joint ventures in overseas export markets. The devaluation of local currencies in overseas markets could result in foreign exchange losses and affect the Group's competitiveness and therefore its sales volume in these markets. To mitigate the foreign exchange risk, the Group has embarked on plans to build additional overseas plants to increase the proportion of its costs in local currencies to engage in local business activities. Also, to compensate for higher costs in export markets, the Group has speeded up the renewal of its export models, and has started to streamline its export operations displaying comparative advantages with an aim to achieve higher customer satisfaction, better operating efficiency and economies of scale in its export markets.

The Group's management would also closely monitor the market situation and might consider tools to manage foreign exchange risk whenever necessary.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2020, the Group's current ratio (current assets/current liabilities) was about 1.17 (As at 31 December 2019: 1.03) and the gearing ratio of the Group was about 7.0% (As at 31 December 2019: 7.6%) which was calculated on the Group's total borrowings (excluding trade and other payables and lease liabilities) to total shareholders' equity (excluding non-controlling interests). During the period, the Group settled more trade payables to its suppliers to mitigate the negative impact from the production disruption, resulting in net cash outflows from operating activities. Thanks to the placing of 600 million new shares of the Company completed in early June 2020, the Group's total cash level (bank balances and cash + pledged bank deposits) increased by 5% from RMB19.3 billion at the end of December 2019 to RMB20.2 billion at the end of June 2020.

Total borrowings (excluding trade and other payables and lease liabilities) as at 30 June 2020 amounted to approximately RMB4.2 billion (As at 31 December 2019: approximately RMB4.1 billion) were mainly the Group's borrowings and bonds payable. At the end of June 2020, the Group's total borrowings were denominated in United States Dollars (US$). They were well matched by the currency mix of the Group's revenues, which were mainly denominated in US$. For the borrowings, they were unsecured, interest-bearing and repaid on maturity. Should other opportunities arise requiring additional funding, the Directors believe the Group is in a good position to obtain such financing.

EMPLOYEES' REMUNERATION POLICY

As at 30 June 2020, the total number of employees of the Group was about 38,000 (As at 31 December 2019: 43,000). Employees' remuneration packages are based on individual experience and work profile. The packages are reviewed annually by the management who takes into account the overall performance of the working staff and market conditions. The Group also participates in the Mandatory Provident Fund Scheme in Hong Kong and state-managed retirement benefit scheme in the PRC. In addition, employees are eligible for share options under the share option scheme adopted by the Company.

INTERIM DIVIDEND

At a meeting of the Board held on 17 August 2020, the Board resolved not to pay an interim dividend to the Company's shareholders (2019: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2020.

CORPORATE GOVERNANCE

The Company has complied with the code provisions ("**CPs**") of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") throughout the six months ended 30 June 2020, except for CP E.1.2 as explained below:

CP E.1.2 provides that the chairman of the Board (the "**Chairman**") and the chairman of respective Board committees should attend the annual general meeting of the Company. During the period ended 30 June 2020, the Chairman did not attend the annual general meeting of the Company in person due to conflict of his schedules and other prior business engagement in the PRC. If the Chairman could not attend the general meeting of the Company in person, he would assign an executive director, who does not have a material interest in the businesses contemplating in the meeting and should report to him on any enquiries shareholders of the Company (the "**Shareholders**") might have, to attend such general meeting on his behalf. Further, the Company would facilitate a conference call for Shareholders and the Directors who are unable to attend in person (including the Chairman) to discuss any specific enquiries with respect to the businesses contemplating in the general meeting. Through these measures, views of the Shareholders would be properly communicated to the Board as a whole. In addition, the external auditor will be invited to attend the annual general meeting of the Company to answer questions about the conduct of the audit, the preparation and content of the auditor's report, accounting policies and auditor's independence.

The Company held its annual general meeting on 25 May 2020. Due to conflict of his schedules and other prior business engagement in the PRC, the Chairman was unable to attend the general meeting physically. One independent non-executive Director and two executive Directors and the Company's external auditor attended and answered questions raised by the Shareholders at the meeting physically. The Chairman, three other independent non-executive directors and four other executive Directors attended the meeting via conference call.

In the interim period under review, the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions by officers (the "**Code**"). All Directors have confirmed their compliance during the review period with the required standards set out in both the Model Code and the Code.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting processes, risk management systems and internal controls. As at 30 June 2020, the audit committee comprises Mr. Lee Cheuk Yin, Dannis, Mr. Yeung Sau Hung, Alex, Mr. An Qing Heng and Mr. Wang Yang who are the independent non-executive Directors.

The Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2020.

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE OF HONG KONG LIMITED

Pursuant to the requirements of the Listing Rules, the 2020 interim report will set out all information disclosed in the interim results announcement for the first half of 2020 and will be disclosed on the websites of the Company (http://www.geelyauto.com.hk) and The Stock Exchange of Hong Kong Limited (http://www.hkexnews.hk) in due course.

By Order of the Board of
Geely Automobile Holdings Limited
Li Shu Fu
Chairman

Hong Kong, 17 August 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.

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