

Geely underlines global ambitions in wake of Proton deal

Nikkei Asian Review

May 26, 2017

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Chinese automaker aims to sell more abroad and eyes developed markets

HONG KONG -- Top management of the listed arm of Zhejiang Geely Holding said they hope to turn the carmaker into a global player, just a day after its parent company announced a deal to acquire a 49.9% stake in Malaysia's struggling Proton Holdings.

Gui Shengyue, chief executive of Geely Automobile, the Hong Kong-listed arm of Zhejiang Geely Holding, said on Thursday the Proton deal would help the company to expand into Malaysia and Southeast Asia. He likened the move to the influx of automakers from the U.S., Germany, Japan and South Korea into China to seek opportunities and form joint ventures with local companies.

"Proton is facing hardships because its car models and technology are far from satisfactory," Gui told reporters after a two-hour shareholder meeting in Hong Kong. "We can bring in our mature models and let them manufacture," said Gui, who described the move as a "natural" process.

"Our participation in Proton's development is a concrete move to support the Belt and Road initiative," he said, linking the purchase with President Xi Jinping's ambitious regional infrastructure project.

The Proton deal is expected to complete in July, he said. Geely Automobile will decide, as a priority, whether it wants to inject related assets into the listed company after the deal is closed, he added.

Under the agreement announced on Wednesday, Zhejiang Geely will acquire a 49.9% stake in Proton, leaving Malaysian conglomerate [DRB-Hicom](#) as the majority shareholder with a 50.1% stake. "I think this has to do with Malaysia," Gui said, referring to the foreign ownership rules that are typical in developing countries.

Zhejiang Geely Holding came to prominence internationally by acquiring Sweden's Volvo Cars in 2010 from Ford Motor.

Stake in Lotus

The deal will also give Geely a 51% stake in Lotus, the British sports car producer controlled by Proton. "From a strategic point of view, this will fill a gap for Geely in the luxury market," Gui said, adding that Geely does not own a luxury car brand.

The company hopes to boost its exports. "Geely aims to be a mainstream carmaker in the world so it's not realistic for us to sell in China only. We need to go abroad and this goal will remain unchanged," Gui said.

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