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# GEELY

吉利汽車控股有限公司

## GEELY AUTOMOBILE HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock codes: 175 (HKD counter) and 80175 (RMB counter)

**(I) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS;  
AND  
(II) EXEMPTED CONTINUING CONNECTED TRANSACTIONS**

**Financial Adviser to Geely Automobile Holdings Limited**



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

**BALLAS**  
C A P I T A L  
A subsidiary of Crosby

**(I) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

**(A) Services Agreement**

References are made to the Company's announcements dated 15 October 2021 and 9 September 2022 in relation to the Existing Services Agreement and the Supplemental Services Agreement respectively, both of which will expire on 31 December 2024.

In light of the upcoming expiry of the aforesaid agreements, on 15 August 2024 (after trading hours), the Company and Geely Holding entered into the Services Agreement for a term of three years from 1 January 2025 to 31 December 2027. Pursuant to the Services Agreement, (i) the Group conditionally agreed to sell CKDs to the Geely Holding Group; and (ii) the Group conditionally agreed to purchase CBUs from the Geely Holding Group.

Pursuant to the Services Agreement, (i) the proposed annual caps for the sale of CKDs by the Group to the Geely Holding Group will be approximately RMB171,232.2 million, RMB194,095.4 million and RMB219,964.5 million for the three years ending 31 December 2027, respectively; and (ii) the annual caps for the purchase of CBUs by the Group from the Geely Holding Group will be approximately RMB176,629.7 million, RMB200,298.6 million and RMB227,138.5 million for the three years ending 31 December 2027, respectively.

**(B) Automobile Components Sales and Purchase Agreement**

Reference is made to the Company's announcement dated 15 September 2023 in relation to the Existing Automobile Components Sales and Purchase Agreement, which will expire on 31 December 2024.

In light of (i) the upcoming expiry of the Existing Automobile Components Sales and Purchase Agreement and (ii) the annual cap under the Existing Automobile Components Sales and Purchase Agreement for the year ending 31 December 2024 is expected to be exceeded due to the increase in demand for the automobile components to be sold by the Group to the Geely Holding Group and the LYNK & CO Group that will be used in Volvo brand and LYNK & CO brand vehicles, on 15 August 2024 (after trading hours), the Company, Geely Holding, LYNK & CO, ZEEKR, LEVC, Geely Technology, YoeNing Technology, InfiMotion and Geely Sunwoda entered into the Automobile Components Sales and Purchase Agreement to streamline the continuing connected transactions in relation to the sale and purchase of automobile components for a term starting from the effective date of the agreement and ending on 31 December 2026. Pursuant to the Automobile Components Sales and Purchase Agreement, the Group (i) conditionally agreed to sell automobile components to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, and the LEVC Group; and (ii) conditionally agreed to purchase automobile components from the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the YoeNing Technology Group, the Geely Technology Group, the InfiMotion Group and the Geely Sunwoda Group. The Existing Automobile Components Sales and Purchase Agreement will be terminated upon the Automobile Components Sales and Purchase Agreement becoming effective.

The proposed annual caps for the sales of automobile components by the Group under the Automobile Components Sales and Purchase Agreement are approximately RMB26,956 million, RMB22,895.3 million and RMB18,588.1 million, respectively for the three years ending 31 December 2026. The proposed annual caps for the purchase of automobile components by the Group under the Automobile Components Sales and Purchase Agreement are approximately RMB31,080.3 million, RMB36,413 million and RMB40,245.7 million, respectively for the three years ending 31 December 2026.

### **(C) Operation Services Agreement**

References are made to the Company's announcement dated 9 June 2023 in relation to the 2023 Operation Services Agreement and the Company's announcement dated 7 February 2024 in relation to the Supplemental Operation Services Agreement entered into between the Company, Geely Holding, LYNK & CO, ZEEKR and Geely Technology.

In light of the annual caps under the Supplemental Operation Services Agreement for the two years ending 31 December 2025 are expected to be exceeded as the Supplemental Operation Services Agreement did not include Aurobay Technology, Geely Changxing, Lotus Technology, JIDU, smart, Tianjin Chunqing, Farizon Technology, Commercial Vehicle, Livan Automotive and YoeNing Technology as contracting parties, on 15 August 2024 (after trading hours), the Company, Geely Holding, LYNK & CO, ZEEKR, Geely Technology, Aurobay Technology, Geely Changxing, Lotus Technology, JIDU, smart, Tianjin Chunqing, Farizon Technology, Commercial Vehicle, Livan Automotive and YoeNing Technology entered into the Operation Services Agreement, to revise the relevant annual caps for the two years ending 31 December 2025 and propose for the annual cap for the year ending 31 December 2026. The Operation Services Agreement is valid for a term starting from the completion date of its conditions precedent and ending on 31 December 2026. This new agreement will supersede the Supplemental Operation Services Agreement.

Pursuant to the Operation Services Agreement, the Group conditionally agreed to (i) provide to the Geely Holding and Related Party Groups operation services that mainly include, but are not limited to, IT, logistics and warehousing services, supplier quality engineering services, procurement services, back-office support services (including but not limited to accounting services, human resources services, etc.), testing and trial production services, and other services; and (ii) procure from the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the Geely Technology Group, the Aurobay Technology Group and the Geely Changxing Group operation services that mainly include, but are not limited to, business travel services, IT, back-office support services (including but not limited to marketing and publicity services, legal services, etc.), charging rights services, testing and trial production services, and other services.

The proposed annual caps for the operation services to be provided by the Group under the Operation Services Agreement for the three years ending 31 December 2026 will be approximately RMB3,887.2 million, RMB8,785.2 million and RMB10,083.2 million, respectively. The proposed annual caps for the operation services to be received by the Group under the Operation Services Agreement for the three years ending 31 December 2026 will be approximately RMB3,286.6 million, RMB3,276.9 million and RMB3,503 million, respectively.

## **(II) EXEMPTED CONTINUING CONNECTED TRANSACTIONS**

### **(A) CBUs Sales Agreement**

References are made to the Company's announcement dated 15 October 2021 in relation to the 2021 CBUs Sales Agreement and the Company's announcement dated 9 June 2023 in relation to the Supplemental CBUs Sales Agreement entered into between the Company and Geely Holding.

In light of the upcoming expiry of the Supplemental CBUs Sales Agreement, on 15 August 2024 (after trading hours), the Company and Geely Holding entered into the CBUs Sales Agreement for a term of three years from 1 January 2025 to 31 December 2027. Pursuant to the CBUs Sales Agreement, the Group conditionally agreed to sell CBUs and related after-sales parts and accessories manufactured by the Group to the Geely Holding Group. The proposed annual caps for the transactions under the CBUs Sales Agreement for the three years ending 31 December 2027 will be approximately RMB213.2 million, RMB212.2 million and RMB211.6 million, respectively.

### **(B) Automobile Financing Arrangements**

Reference is made to the Company's announcement dated 15 October 2021 with respect to the Existing Volvo Finance Cooperation Agreements, pursuant to which Genius AFC agreed to provide vehicle financing services to the Volvo Dealers and Volvo Retail Customers in the PRC until 31 December 2024. The Existing Volvo Finance Cooperation Agreements have an initial term of three years, and will then continue unless and until terminated by either party by giving at least 6 months written notice, subject to the approvals from the Stock Exchange and the Independent Shareholders. On 15 August 2024 (after trading hours), Genius AFC entered into the Volvo Finance Cooperation Agreements with VCIC and VCDC, respectively.

Further reference is made to the Company's announcement dated 20 February 2024 with respect to the disposal of 45% equity interest in Livan Automotive to Geely Qizheng, which is ultimately and beneficially wholly-owned by Mr. Li and his associate. After the completion of the disposal, the Group no longer hold any interest in Livan Automotive and Livan Automotive becomes a connected person of the Company. As a result, the transactions between the Group and Livan Automotive are classified as continuing connected transactions. On 15 August 2024 (after trading hours), Genius AFC entered into the Livan Finance Cooperation Agreement with Livan Sales.

To capture and benefit from the growth of the auto finance industry, on 15 August 2024 (after trading hours), Genius AFC entered into the Zhidou Finance Cooperation Agreement with Zhidou Sales.

The aggregated annual caps for the Wholesale Financing are approximately RMB2,128.8 million, RMB2,128.8 million and RMB2,128.8 million, respectively, for the three years ending 31 December 2027.

The annual caps under the Livan Retail Financing are approximately RMB123 million, RMB200 million and RMB220 million, respectively, for the three years ending 31 December 2026.

The aggregated annual caps under the Volvo Retail Financing and Zhidou Retail Financing are approximately RMB963.5 million, RMB931.6 million and RMB1,061.8 million, respectively, for the three years ending 31 December 2027.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **(a) Non-exempt continuing connected transactions contemplated under the Services Agreement, the Automobile Components Sales and Purchase Agreement and the Operation Services Agreement**

As at the date of this announcement, Geely Holding, is the substantial shareholder of the Company holding 4,019,391,000 Shares, which is approximately 40% of the total issued share capital of the Company. As such, Geely Holding is a connected person of the Company under the Listing Rules. Geely Technology is indirectly owned as to more than 85% by Mr. Li and his associate as at the date of this announcement. As such, Geely Technology is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

LYNK & CO is owned as to 50%, 20% and 30% by Ningbo Geely, Geely Holding and VCI, respectively. VCI is an indirect non-wholly-owned subsidiary of Geely Holding. As such, LYNK & CO is an associate of Geely Holding and a connected person of the Company under the Listing Rules.

As at the date of this announcement, ZEEKR is owned as to approximately 51.5% (on a fully-diluted basis) by the Company, and is owned as to approximately 11.3% (on a fully-diluted basis) by Geely Holding. ZEEKR is hence a connected subsidiary of the Company under the Listing Rules.

Lotus Technology is indirectly owned as to more than 30% by Mr. Li and his associate. As such, Lotus Technology is an associate of Mr. Li and a connected person of the Company under the Listing Rules. JIDU is owned as to more than 30% by Mr. Li and his associate. As such, JIDU is an associate of Mr. Li and a connected person of the Company under the Listing Rules. LEVC is owned as to 50% by Geely Holding and 50% by Geely Ningbo, which is in turn wholly-owned by Mr. Li and his associate. As such, LEVC is a connected person of the Company under the Listing Rules. smart is owned as to more than 30% by

Mr. Li and his associate. As such, smart is an associate of Mr. Li and a connected person of the Company under the Listing Rules. Livan Automotive is indirectly owned as to more than 30% by Mr. Li and his associate. As such, Livan Automotive is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

YoeNing Technology is owned as to more than 90% by Mr. Li and his associate. As such, YoeNing Technology is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

InfiMotion is indirectly owned as to more than 30% by Mr. Li and his associate. As such, InfiMotion is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Geely Sunwoda is indirectly owned as to 41.5% by the Group and as to 28.5% by Mr. Li and his associate. Under Rule 14A.14 of the Listing Rules, Geely Sunwoda is an associate of Mr. Li and a connected person of the Company.

Each of Aurobay Technology and Geely Changxing is indirectly owned as to 33% by the Group and as to 17% by Mr. Li and his associate. Under Rule 14A.14 of the Listing Rules, each of them is an associate of Mr. Li and a connected person of the Company.

Farizon Technology is ultimately owned as to more than 70% by Mr. Li and his associates. As such, Farizon Technology is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Commercial Vehicle is ultimately wholly-owned by Mr. Li and his associates. As such, Commercial Vehicle is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Tianjin Chunqing is ultimately owned as to more than 80% by Mr. Li and his associates. As such, Tianjin Chunqing is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

The transactions contemplated under the Services Agreement, the Automobile Components Sales and Purchase Agreement and the Operation Services Agreement constitute continuing connected transactions for the Company. As one or more of the applicable percentage ratios of the proposed annual caps for each of (i) the Services Agreement; (ii) the Automobile Components Sales and Purchase Agreement; and (iii) the Operation Services Agreement exceed 5% on an annual basis, the transactions contemplated under each of the aforesaid agreements are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, respectively.

**(b) Exempted continuing connected transactions**

***CBUs Sales Agreement***

As Geely Holding is a connected person of the Company, the transactions contemplated under the CBUs Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the transaction contemplated under the CBUs Sales Agreement exceed 0.1% but are less than 5% on an annual basis, the transaction contemplated under the CBUs Sales Agreement is subject to the reporting, annual review, and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

***Automobile Financing Arrangements***

As at the date of this announcement, Genius AFC is owned as to 75% by the Company, as to 20% by BNPP PF and as to 5% by Cofiplan, respectively. As at the date of this announcement, (i) VCDC is wholly-owned by Volvo, an indirect non-wholly-owned subsidiary of Geely Holding; and (ii) VCIC is owned as to 50% by Volvo and as to 50% by Geely Holding, which in turn is wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial shareholder holding approximately 41% of the total issued share capital of the Company as at the date of this announcement, and is a connected person of the Company. Accordingly, each of VCDC, VCIC and Geely Holding is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

As at the date of this announcement, Livan Sales is a wholly-owned subsidiary of Livan Automotive and as such, Livan Sales is an associate of Mr. Li and a connected person of the Company under the Listing Rules. Zhidou Sales is indirectly owned as to more than 30% by Mr. Li and his associate and as such, Zhidou Sales is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Under the automobile financing arrangements, Genius AFC will provide financing services to different parties, including but not limited to the dealers, after-sales service providers, other sellers or retail customers who will purchase vehicles or auto accessories or services from the vehicle brands of Volvo, Livan and Zhidou during the term of the Finance Cooperation Agreements. The respective transactions with Genius AFC are deemed to be connected transactions of the Company under Rule 14A.23 of the Listing Rules on the grounds that the dealers, after-sales service providers, other sellers or retail customers will use the financing provided by Genius AFC to purchase vehicles or auto accessories or services from the connected persons of the Company.

As one or more of the applicable percentage ratios for the proposed annual caps of the continuing connected transaction contemplated under the automobile financing arrangements, exceed 0.1% but are less than 5% on an aggregated and annual basis, the continuing connected transactions contemplated under the automobile financing arrangements are subject to the reporting, annual review, and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **GENERAL**

Mr. Li and Mr. Li Dong Hui, Daniel, each an executive Director, are considered to be interested in the Non-exempt Continuing Connected Transactions and the Exempted Continuing Connected Transactions by virtue of their interests and/or directorship in Geely Holding. As a result, each of Mr. Li and Mr. Li Dong Hui, Daniel has abstained from voting on the Board resolutions for approving the Non-exempt Continuing Connected Transactions and the Exempted Continuing Connected Transactions.

In addition, Mr. Gui Sheng Yue, Ms. Wei Mei and Mr. Gan Jia Yue, each an executive Director, are considered to be interested in the Automobile Components Sales and Purchase Agreement and the Operation Services Agreement by virtue of their interests in ZEEKR. As a result, each of Mr. Gui Sheng Yue, Ms. Wei Mei and Mr. Gan Jia Yue has abstained from voting on the Board resolutions for approving the Automobile Components Sales and Purchase Agreement and the Operation Services Agreement.

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

A circular containing, among other things, (i) further information of the Non-Exempt Continuing Connected Transactions; (ii) the recommendation of the Independent Board Committee in respect of the Non-Exempt Continuing Connected Transactions; (iii) the advice of the Independent Financial Adviser on the Non-Exempt Continuing Connected Transactions; and (iv) other information as required under the Listing Rules together with the notice of the EGM, will be despatched to the Shareholders on or before 30 September 2024 (which is more than 15 business days after the publication of this announcement) after taking into account the time required for preparing and gathering the relevant information to be contained in the circular.



## NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

### (A) Services Agreement

References are made to the Company's announcements dated 15 October 2021 and 9 September 2022 in relation to the Existing Services Agreement and the Supplemental Services Agreement respectively, both of which will expire on 31 December 2024.

In light of the upcoming expiry of the aforesaid agreements, on 15 August 2024 (after trading hours), the Company and Geely Holding entered into the Services Agreement for a term of three years from 1 January 2025 to 31 December 2027.

#### *Subject matter*

##### *Sale of CKDs by the Group to the Geely Holding Group*

Pursuant to the Services Agreement, the Group conditionally agreed to sell, and the Geely Holding Group conditionally agreed to purchase, CKDs manufactured by the Group.

During the term of the Services Agreement, the Geely Holding Group may request additional services other than the aforesaid services from the Group, which will be based on normal commercial terms and determined by the parties to the Services Agreement on arm's length basis and in compliance with the Listing Rules. Such additional services, if any, will be related to services (such as modification of CKDs) that may be required in the process of manufacturing CKDs for new vehicle models in the future.

The sale of CKDs by the Group to the Geely Holding Group will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and on terms no less favourable to the Group than terms available to or from (as applicable) other independent third parties of the Group.

##### *Purchase of CBUs by the Group from the Geely Holding Group*

Pursuant to the Services Agreement, the Group conditionally agreed to purchase, and the Geely Holding Group conditionally agreed to sell, CBUs.

The purchase of CBUs by the Group from the Geely Holding Group will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and on terms no less favourable to the Group than terms available to or from (as applicable) other independent third parties of the Group.

## ***Term***

From 1 January 2025 to 31 December 2027

## ***Condition precedent to the Services Agreement***

The Services Agreement is conditional upon the Company having complied with the relevant requirements of the Listing Rules with regard to the continuing connected transactions contemplated under the agreement.

If the above condition is not fulfilled on or before 31 December 2024 (or such later date as the parties may agree in writing), the Services Agreement will be terminated.

## ***Pricing basis***

### ***Sale of CKDs by the Group to the Geely Holding Group***

Pursuant to the Services Agreement, the CKDs, depending on the specifications and models, will be sold to the Geely Holding Group based on the selling prices of CBUs to end customers, less distribution costs, the applicable PRC taxes (mainly being consumption tax and value-added tax) and other necessary and reasonable expenses (such as staff salary and other office expenses).

### ***Purchase of CBUs by the Group from the Geely Holding Group***

Pursuant to the Services Agreement, the CBUs, depending on the vehicle models, will be sold to the Group based on the selling prices of CBUs to end customers, less distribution costs.

## ***Historical transaction amounts and proposed annual caps***

The table below sets out (i) the historical transaction amounts for the two years ended 31 December 2023 and the five months ended 31 May 2024; and (ii) the annual caps for sale of CKDs by the Group to the Geely Holding Group and purchase of CBUs by the Group from the Geely Holding Group under the Existing Services Agreement for the three years ended/ending 31 December 2024.

	Historical transaction amount		Historical transaction amount for the	Announced annual caps for the year		
	for the year ended		five months	ended/ending 31 December		
	31 December		ended 31 May			
	2022	2023	2024	2022	2023	2024
RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	
(Audited)	(Audited)	(Unaudited)				
Sale of CKDs by the Group to the Geely Holding Group	98,195.5	96,749.4	44,853	116,225.7	136,386.9	163,929.8
Utilisation rate of annual caps				84.5%	70.9%	27.4% <sup>(Note)</sup>
Purchase of CBUs by the Group from the Geely Holding Group	107,154.6	105,071.7	48,224.4	117,728.9	141,315.1	169,577.3
Utilisation rate of annual caps				91%	74.4%	28.4% <sup>(Note)</sup>

*Note:* The utilisation rate of the annual cap for the year ending 31 December 2024 was calculated by dividing the historical transaction amount for the five months ended 31 May 2024 by the announced annual cap for the full financial year ending 31 December 2024.

The table below sets out the proposed annual caps for (i) sale of CKDs by the Group to the Geely Holding Group and (ii) purchase of CBUs by the Group from the Geely Holding Group pursuant to the Services Agreement for the three years ending 31 December 2027.

	Proposed annual caps for the year ending		
	31 December		
	2025	2026	2027
	RMB million	RMB million	RMB million
Sale of CKDs by the Group to the Geely Holding Group	171,232.2	194,095.4	219,964.5
Purchase of CBUs by the Group from the Geely Holding Group	176,629.7	200,298.6	227,138.5

***Basis of determination of the proposed annual caps***

The proposed annual caps for the sale of CKDs by the Group to the Geely Holding Group were determined by the Directors with reference to (i) the projected unit sales of the Group for the three years ending 31 December 2027 which were determined with reference to the annual sales volume target of the Group for the three years ending 31 December 2027; (ii) the projected average selling price of CBUs to end customers for the three years ending 31 December 2027; and (iii) the applicable PRC tax rates and the projected distribution costs and other necessary expenses for the three years ending 31 December 2027.

The proposed annual caps for the purchase of CBUs by the Group from the Geely Holding Group were determined by the Directors with reference to (i) the projected unit sales of the Group for the three years ending 31 December 2027 which were determined with reference to the annual sales volume target of the Group for the three years ending 31 December 2027; (ii) the projected average selling price of CBUs to end customers for the three years ending 31 December 2027; and (iii) the projected distribution costs for the three years ending 31 December 2027.

The increase in the proposed annual caps for the sale of CKDs by the Group to the Geely Holding Group and the purchase of CBUs by the Group from the Geely Holding Group for the years ending 31 December 2026 and 31 December 2027, is mainly attributable to the expected increase in production volume and expected increase in average selling price during 2026 to 2027.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the proposed annual caps under the Services Agreement for the three years ending 31 December 2027 are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SERVICES AGREEMENT**

Pursuant to the Services Agreement, the Group will sell CKDs to the Geely Holding Group, and purchase CBUs from the Geely Holding Group for a term of three years from 1 January 2025 to 31 December 2027. Under the Services Agreement, the Geely Holding Group will perform final assembly of the CKDs purchased from the Group, facilitate payment of the PRC consumption tax, and then sell the CBUs assembled from the CKDs back to the Group for distribution to end customers.

As at the date of this announcement, the Group does not possess the automobile catalogue issued by the National Development Reform Commission in the PRC, which is required to effect payment of the PRC consumption tax, due to restrictions imposed on foreign automobile manufacturers regarding possession of the automobile catalogue.

The Group is aware that such restrictions on foreign automobile manufacturers have been lifted, and the Group may be able to conduct the full process of vehicle manufacturing through its domestic subsidiaries under current foreign investment policies.

The Group has been actively communicating with the relevant local departments to apply for the automobile catalogue to obtain the necessary production qualifications and meet the relevant filing requirements for the automobile catalogue application.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the above arrangement will ensure smooth operation of the Group as the services to be provided by the Geely Holding Group, which possesses the said automobile catalogue, will facilitate the payment of such PRC consumption tax.

## **INTERNAL CONTROL MEASURES IN RELATION TO PRICING FOR THE SERVICES AGREEMENT**

### **Sale of CKDs from the Group to the Geely Holding Group**

For the sales of CKDs by the Group, the operation department of the Group will review the relevant cost and benefit items, which include mainly distribution costs, the applicable PRC taxes and other necessary expenses, and will coordinate with the sales department of the Group to ensure that the selling price of CKDs are determined properly. The finance department of the Group (the “**Finance Department**”) will review the aforesaid works carried out by the operation department as well as the cost and expenses reports generated by the accounting systems on a quarterly basis to ensure the continuing connected transactions being implemented in accordance with the pricing policies. The Group and the Geely Holding Group will negotiate on an annual basis (or more frequently if it is determined necessary) the terms of such transactions to ensure that prices are fair and reasonable, and properly reflect the level of costs incurred by the Group in such transactions.

### **Purchase of CBUs by the Group from the Geely Holding Group**

For the purchases of CBUs by the Group, the sales department of the Group will keep track of the expected selling price of vehicles and relevant cost items, which mainly include distribution costs, and will review such information on a monthly basis and determine the selling price of vehicles on a quarterly basis when the market is stable (or more frequently if it is determined necessary) to ensure the fairness of the selling price of the CBUs. The Finance Department will review the aforesaid works carried out by the sales department on a quarterly basis to ensure that the continuing connected transactions are being implemented in accordance with the pricing policies.

The Group will implement the following measures to ensure that the annual transaction amounts under the Services Agreement do not exceed the proposed annual caps for respective years: the subsidiaries of the Company will record and report the continuing connected transaction amounts to the finance manager of the Finance Department monthly. The finance manager of the Finance Department will then compile the statistics on the amounts of continuing connected transactions and calculate the utilisation rate of the relevant annual cap on a monthly basis. These statistics will be submitted to the management of the Group for their review. If (i) the finance manager of the Finance Department is informed by the relevant business department of the Company’s subsidiaries that there will be a significant increase in the transaction volume of continuing connected transactions in a particular month that may lead to exceeding the relevant annual cap; or (ii) the utilisation rate of the applicable annual cap reaches a substantial majority of the proposed annual caps at any time during the year, the Group will either restrict the sales volume of the CKDs and/or purchase volume of

CBUs to ensure that the respective annual caps under the Services Agreement are not exceeded, or initiate the necessary procedures to revise the respective annual caps in accordance with the requirements under Chapter 14A of the Listing Rules.

Having considered the foregoing, the Directors are of the view that the Company has sufficient internal control measures to ensure that the proposed annual caps under the Services Agreement will not be exceeded.

The internal audit department of the Group will also conduct review (which is subject to the annual review and disclosure requirements under the Listing Rules) on the continuing connected transactions of the Company at least annually (or more frequently if it is determined necessary) to confirm whether the internal control measures have been adhered to and are effective. The independent non-executive Directors will also conduct review on the continuing connected transactions annually and confirm whether the transactions have been entered into in the ordinary and usual course of business of the Group; on normal commercial terms or better; and whether the transactions are carried out according to the principal terms of the agreements and are in the interests of the Company and the Shareholders as a whole. The independent auditor of the Group will also conduct an annual review on the pricing terms and annual caps thereof.

## **(B) Automobile Components Sales and Purchase Agreement**

Reference is made to the Company's announcement dated 15 September 2023 in relation to the Existing Automobile Components Sales and Purchase Agreement, which will expire on 31 December 2024.

In light of (i) the upcoming expiry of the Existing Automobile Components Sales and Purchase Agreement and (ii) the annual cap under the Existing Automobile Components Sales and Purchase Agreement for the year ending 31 December 2024 is expected to be exceeded due to the increase in demand for the automobile components to be sold by the Group to the Geely Holding Group and the LYNK & CO Group that will be used in Volvo brand vehicles, LYNK & CO brand vehicles, ZEEKR brand vehicles, LEVC brand vehicles, etc., on 15 August 2024 (after trading hours), the Company, Geely Holding, LYNK & CO, ZEEKR, LEVC, Geely Technology, YoeNing Technology, InfiMotion and Geely Sunwoda entered into the Automobile Components Sales and Purchase Agreement to streamline the continuing connected transactions in relation to the sale and purchase of automobile components for a term starting from the effective date of the agreement and ending on 31 December 2026. The Existing Automobile Components Sales and Purchase Agreement will be terminated upon the Automobile Components Sales and Purchase Agreement becoming effective.

### ***Subject matter***

Pursuant to the Automobile Components Sales and Purchase Agreement, the Group conditionally agreed to (i) sell automobile components to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, and the LEVC Group for use mainly in Volvo brand

vehicles, LYNK & CO brand vehicles, ZEEKR brand vehicles, LEVC brand vehicles, etc.; and (ii) purchase automobile components for use mainly in Geely brand vehicles, smart brand vehicles, ZEEKR brand vehicles, etc. from the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the YoeNing Technology Group, the Geely Technology Group, the InfiMotion Group and the Geely Sunwoda Group (collectively, the “**Suppliers Group**”).

The automobile components to be sold by the Group are distinct from the automobile components to be purchased by the Group under the Automobile Components Sales and Purchase Agreement. The automobile components to be sold by the Group mainly consist of battery products, including battery packs, electric drives, chargers, etc. The automobile components to be purchased by the Group mainly include auto parts such as electronic control system products, display screens, seats and battery products. The battery products to be sold by the Group will be mainly used in Volvo brand vehicles, LYNK & CO brand vehicles and ZEEKR brand vehicles and LEVC brand vehicles, whereas the battery products to be purchased by the Group will be mainly used in Geely brand vehicles, ZEEKR brand vehicles and smart brand vehicles.

The sales and purchase of automobile components by the Group and the Suppliers Group will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and on terms no less favourable to the Group than those offered to the Group by other independent third parties.

### ***Pricing basis***

The pricing basis will be determined on an arm’s length basis and on normal commercial terms. For the sale of automobile components by the Group to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the LEVC Group, the selling price of the automobile components will be determined with reference to the prevailing market price of similar products. If such market price is not available, the selling price will be calculated on a cost-plus basis according to the actual manufacturing costs (including related taxes) plus an agreed margin rate. The margin rate is determined through arm’s length negotiations between the relevant parties and falls within the lower and upper quartiles of the three-year weighted average cost-plus margin of the comparable companies, as stated in the transfer pricing analysis report prepared by an independent certified public accountant or a similarly qualified institution. The margin rates will be reviewed and adjusted annually or as needed by the relevant parties, taking into account the fact that the margin rates of comparable companies may change over time.

For the purchase of automobile components by the Group where such automobile components are procured by the Suppliers Group from other suppliers for onward selling to the Group, the selling price will be based on the actual costs incurred by the Suppliers Group in procuring such automobile components. For automobile components that are manufactured by the Suppliers Group, the selling price will be based on the prevailing market price of similar products. If such market price is not available, the selling price will be calculated on a cost-plus basis according

to the actual manufacturing costs (including related taxes) plus an agreed margin rate, which falls within the lower and upper quartiles of the three-year weighted average cost-plus margin of the comparable companies, as stated in the transfer pricing analysis report prepared by an independent certified public accountant or a similarly qualified institution. The margin rate will be reviewed and adjusted annually or as needed by the relevant parties, taking into account the fact that the margin rate of comparable companies may change over time.

***Term***

Starting from the effective date of the Automobile Components Sales and Purchase Agreement and ending on 31 December 2026

***Condition precedent to the Automobile Components Sales and Purchase Agreement***

The Automobile Components Sales and Purchase Agreement is subject to the Company having complied with the relevant requirements of the Listing Rules with regard to the continuing connected transactions contemplated under the agreement.

If the above condition has not been fulfilled on or before 31 December 2024 (or such later date as the parties may agree in writing), the Automobile Components Sales and Purchase Agreement will be terminated.

***Historical transactions amounts and proposed annual caps***

The table below sets out (i) the historical transaction amounts for the two years ended 31 December 2023 and the five months ended 31 May 2024; and (ii) the annual caps for the sale and purchase of automobile components by the Group pursuant to the Existing Automobile Components Sales and Purchase Agreement for the three years ended/ending 31 December 2024.

	Historical transaction amount for the year ended 31 December		Historical transaction amount for the five months ended 31 May	Announced annual caps for the year ended/ending 31 December		
	2022	2023	2024	2022	2023	2024
	RMB million (Audited)	RMB million (Audited)	RMB million (Unaudited)	RMB million	RMB million	RMB million
Sales of automobile components by the Group	11,011.6	14,419.3	9,774.3	13,750.9	14,874.1	17,645.2
Utilisation rate of annual caps				80.1%	96.9%	55.4% <sup>(Note)</sup>



	Historical transaction amount		Historical transaction amount for the five	Announced annual caps for the year ended/ending		
	for the year ended 31		months ended	31 December		
	December		31 May			
	2022	2023	2024	2022	2023	2024
RMB million	RMB million	RMB million	RMB million	RMB million	RMB million	
(Audited)	(Audited)	(Unaudited)				
Purchase of automobile components by the Group	6,486.5	15,022.2	8,967.3	10,528.3	17,691.2	38,358.6
Utilisation rate of annual caps				61.6%	84.9%	23.4% <sup>(Note)</sup>

*Note:* The utilisation rate of the annual cap for the year ending 31 December 2024 was calculated by dividing the historical transaction amount for the five months ended 31 May 2024 by the approved annual cap for the full financial year ending 31 December 2024.

The relatively low utilisation rate of the annual cap for the purchase of automobile components by the Group under the Existing Automobile Components Sales and Purchase Agreement in 2022 compared to 2023 was because the majority of procurement commenced in 2023.

The table below sets out the proposed annual caps for the sale and purchase of automobile components by the Group under the Automobile Components Sales and Purchase Agreement for the three years ending 31 December 2026.

**Proposed annual caps for the year ending**

**31 December**

	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Sale of automobile components by the Group	26,956	22,895.3	18,588.1
Purchase of automobile components by the Group	31,080.3	36,413	40,245.7

***Basis of determination of the proposed annual caps***

The proposed annual caps for the sale of automobile components by the Group to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the LEVC Group were determined with reference to (i) the projected units of each model of automobile components for use mainly in the Volvo brand vehicles, the LYNK & CO brand vehicles, the ZEEKR brand vehicles and the LEVC brand vehicles, etc. for the three years ending 31 December 2026; (ii) the projected unit sales of the Volvo brand vehicles, the LYNK & CO brand vehicles, the ZEEKR brand vehicles and the LEVC brand vehicles, etc. which are manufactured with the aforesaid automobile components for the three years ending 31 December 2026; (iii) the estimated unit selling price for each type of automobile components which are determined with reference to the historical price and/or the prevailing market price of similar products for the three years ending 31 December 2026; and (iv) the margin rate which falls within the lower and upper quartiles of the three-year weighted average cost-plus margin of the comparable companies, as stated in the transfer pricing analysis report prepared by an independent certified public accountant or a similarly qualified institution for the sole purpose of calculating the annual cap amounts.

The proposed annual caps for the purchase of automobile components by the Group from the Suppliers Group were determined with reference to (i) the projected number of units of each type of automobile components for use mainly in the Geely brand vehicles, the smart brand vehicles, the ZEEKR brand vehicles, etc.; (ii) the projected unit sales of the Geely brand vehicles, the smart brand vehicles, the ZEEKR brand vehicles, etc., for the three years ending 31 December 2026; (iii) the projected purchase price for each type of automobile components with reference to the prevailing market price or the estimated cost of such automobile components if market prices are not available; and (iv) the margin rate which falls within the lower and upper quartiles of the three-year weighted average cost-plus margin of the comparable companies, as stated in the transfer pricing analysis report prepared by an independent certified public accountant or a similarly qualified institution for the sole purpose of calculating the annual cap amounts.

The increase in the proposed annual caps for the purchase of automobile components by the Group for the three years ending 31 December 2026, compared to the historical transaction amount for the year ended 31 December 2023, is due to the expected increase in demand for automobile components, such as batteries and components for charging stations, for use in Geely brand vehicles and ZEEKR brand vehicles. The increase is anticipated as a result of the introduction of new vehicle models under the Geely and ZEEKR brands during 2024 to 2026.

In addition, the increase in the proposed annual caps for the sale of automobile components by the Group for the year ending 31 December 2024, compared to the historical transaction amount for the year ended 31 December 2023, is due to an unexpected increase in demand for automobile components to be used by Geely Holding Group. The decrease in the proposed annual caps for the sale of automobile components by the Group for the two years ending 31 December 2026 is due to the lower demand for automobile components to be used by the Geely Holding Group and the LYNK & CO Group.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the proposed annual caps under the Automobile Components Sales and Purchase Agreement for the three years ending 31 December 2026 are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **REASONS AND BENEFITS OF ENTERING INTO THE AUTOMOBILE COMPONENTS SALES AND PURCHASE AGREEMENT**

By entering into the Automobile Components Sales and Purchase Agreement, the Company aims to streamline the continuing connected transactions in relation to the sales and purchase of automobile components and therefore reduce the number of continuing connected transactions agreements. Meanwhile, the Group seeks to secure a stable and reliable source of raw materials for manufacturing automobile components (including electric batteries) by leveraging on its relationships with the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the LEVC Group, the YoeNing Technology Group, the Geely Technology Group, the InfiMotion Group and the Geely Sunwoda Group. The Automobile Components Sales and Purchase Agreement will facilitate the manufacturing of the Geely brand vehicles, the ZEEKR brand vehicles, the LYNK & CO brand vehicles, etc.

Having considered the foregoing, the Directors (excluding the independent non-executive Directors, whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the Automobile Components Sales and Purchase Agreement is entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms and the proposed annual caps of the Automobile Components Sales and Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **INTERNAL CONTROL MEASURES IN RELATION TO PRICING FOR THE AUTOMOBILE COMPONENTS SALES AND PURCHASE AGREEMENT**

For the sale of automobile components to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the LEVC Group, the Group will determine the selling price with reference to the prevailing market price of similar products. The Group will obtain price information of similar products on best effort basis for comparison in order to determine the selling price of the automobile components. The Group, Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the LEVC Group will review the cost components on an annual basis to ensure the prices properly reflect the level of actual costs incurred by those parties in such transactions.

For the purchase of automobile components from the Suppliers Group, if such automobile components are manufactured by the Suppliers Group, the Group will (i) obtain quotation of similar products from one or two independent third-party supplier(s); or (ii) obtain price information from publicly available source to compare the prices offered by the Suppliers Group. The Group and the Suppliers Group will negotiate the terms of such transactions to ensure that the prices properly reflect the level of market prices of the automobile components in such transactions. If such automobile components are procured by the Suppliers Group from other suppliers for onward selling to the Group, the Group and the Suppliers Group will review the cost components on an annual basis to ensure that the prices properly reflect the level of actual costs incurred by those parties in such transactions.

The Group will implement the following measures to ensure that the annual transaction amounts under the Automobile Components Sales and Purchase Agreement do not exceed the proposed annual caps for respective years: the subsidiaries of the Company will record and report the continuing connected transaction amounts to the finance manager of the Finance Department monthly. The finance manager of the Finance Department will then compile the statistics on the amounts of continuing connected transactions and calculate the utilisation rate of the relevant annual cap on a monthly basis. These statistics will be submitted to the management of the Group for their review. If (i) the finance manager of the Finance Department is informed by the relevant business department of the Company's subsidiaries that there will be a significant increase in the transaction volume of continuing connected transactions in a particular month that may lead to exceeding the relevant annual cap; or (ii) the utilisation rate of the applicable annual cap reaches a substantial majority of the proposed annual caps at any time during the year, the Group will either restrict the sales and/or purchase volume of automobile components to ensure that the respective annual caps under the Automobile Components Sales and Purchase Agreement are not exceeded, or initiate the necessary procedures to revise the respective annual caps in accordance with the requirements under Chapter 14A of the Listing Rules.

Having considered the foregoing, the Directors are of the view that the Company has sufficient internal control measures to ensure that the proposed annual caps under the Automobile Components Sales and Purchase Agreement will not be exceeded.

The internal audit department of the Group will also conduct review (which is subject to the annual review and disclosure requirements under the Listing Rules) on the continuing connected transactions of the Company at least annually (or more frequently if it is determined necessary) to confirm whether the internal control measures have been adhered to and are effective. The independent non-executive Directors will also conduct review on the continuing connected transactions annually and confirm whether the transactions have been entered into in the ordinary and usual course of business of the Group; on normal commercial terms or better; and whether the transactions are carried out according to the principal terms of the agreements and are in the interests of the Company and the Shareholders as a whole. The independent auditor of the Group will also conduct an annual review on the pricing terms and annual caps thereof.

### **(C) Operation Services Agreement**

References are made to the Company's announcement dated 9 June 2023 in relation to the 2023 Operation Services Agreement and the Company's announcement dated 7 February 2024 in relation to the Supplemental Operation Services Agreement entered into between the Company, Geely Holding, LYNK & CO, ZEEKR and Geely Technology.

In light of the annual caps under the Supplemental Operation Services Agreement for the two years ending 31 December 2025 are expected to be exceeded as the Supplemental Operation Services Agreement did not include Aurobay Technology, Geely Changxing, Lotus Technology, JIDU, smart, Tianjin Chunqing, Farizon Technology, Commercial Vehicle, Livan Automotive and YoeNing Technology as contracting parties, on 15 August 2024 (after trading hours), the Company, Geely Holding, LYNK & CO, ZEEKR, Geely Technology, Aurobay Technology, Geely Changxing, Lotus Technology, JIDU, smart, Tianjin Chunqing, Farizon Technology, Commercial Vehicle, Livan Automotive and YoeNing Technology entered into the Operation Services Agreement, to revise the relevant annual caps for the two years ending 31 December 2025 and propose for the annual cap for the year ending 31 December 2026. The Operation Services Agreement is valid for a term starting from the completion date of its conditions precedent and ending on 31 December 2026. This new agreement will supersede the Supplemental Operation Services Agreement.

#### ***Subject matter***

Pursuant to the Operation Services Agreement, the Group conditionally agreed to (i) provide to the Geely Holding and Related Party Groups operation services that mainly include, but are not limited to, IT, logistics and warehousing services, supplier quality engineering services, procurement services, back-office support services (including but not limited to accounting services, human resources services, etc.), testing and trial production services, and other services; and (ii) procure from the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the Geely Technology Group, the Aurobay Technology Group and the Geely Changxing Group operation services that mainly include, but are not limited to, business travel services, IT, back-office support services (including but not limited to marketing and publicity services, legal services, etc.), charging rights services, testing and trial production services, and other services.

### ***Term***

Starting from the effective date of the Operation Services Agreement and ending on 31 December 2026

### ***Conditions precedent to the Operation Services Agreement***

The Operation Services Agreement is subject to the Company (i) having obtained the necessary approvals and/or consents from third parties (if applicable); and (ii) having complied with the relevant requirements of the Listing Rules with regard to continuing connected transactions contemplated under the agreement.

If the above conditions have not been fulfilled on or before 31 December 2024 (or such later date as the parties may agree in writing), the Operation Services Agreement will be terminated.

### ***Pricing basis***

Pursuant to the Operation Services Agreement, the operation services fee will be determined on the arm's length negotiations between the relevant parties. The parties will refer to the market price of similar services, and if there is no such reference, the price will be determined based on (i) the costs incurred for providing the relevant services (excluding outsourcing costs (if applicable)) plus a margin rate with reference to the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margin rate of the comparable companies providing similar services, as stated in the transfer pricing analysis reports prepared by an independent certified public accountant firm (the "**Operation Services Transfer Pricing Analysis Reports**"); and (ii) the actual outsourcing costs (if applicable). The margin rates will be reviewed and adjusted annually or as needed by the relevant parties, taking into account the fact that the margin rates of comparable companies may change over time.

## ***Historical transactions amounts and proposed annual caps***

The table below sets out (i) the historical transaction amounts for the year ended 31 December 2023 and the five months ended 31 May 2024; and (ii) the annual caps for the service fees receivable by the Group and payable to the Group pursuant to the 2023 Operation Services Agreement and the Supplemental Operation Services Agreement for the three years ended/ending 31 December 2025.

	Historical	Historical	Announced annual caps for the year ended/ending		
	transaction amount for the year ended 31 December 2023 RMB million (Audited)	transaction amount for the five months ended 31 May 2024 RMB million (Unaudited)	31 December		
			2023 RMB million	2024 RMB million	2025 RMB million
<b>2023 Operation Services Agreement</b>					
Service fees receivable by the Group for the provision of operation services to the Geely Holding Group, the LYNK & CO Group and the ZEEKR Group	1,046.2		1,550.6		
Utilisation rate of annual caps			67.5%		
Service fees payable to the Geely Holding Group and the LYNK & CO Group for the provision of operation services to the Group	1,499		1,581.4		
Utilisation rate of annual caps			94.8%		
<b>Supplemental Operation Services Agreement</b>					
Service fees receivable by the Group for the provision of operation services to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the Geely Technology Group		500.3		1,769.9	2,260.9
Utilisation rate of annual caps				28.3% <sup>(Note)</sup>	
Service fees payable to the Geely Holding Group, the LYNK & CO Group and the Geely Technology Group for the provision of operation services to the Group		492.1		1,613.6	1,136.9
Utilisation rate of annual caps				30.5% <sup>(Note)</sup>	

**Note:** The utilisation rate of the annual cap for the year ending 31 December 2024 was calculated by dividing the historical transaction amount for the five months ended 31 May 2024 by the announced annual cap for the full financial year ending 31 December 2024.

The table below sets out the proposed annual caps for the service fees receivable by the Group and payable to the Group pursuant to the Operation Services Agreement for each of the three years ending 31 December 2026.

	<b>Proposed annual caps for the year ending</b>		
	<b>31 December</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Service fees receivable by the Group for the provision of operation services to the Geely Holding and Related Party Groups	3,887.2	8,785.2	10,083.2
Service fees payable to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the Geely Technology Group, the Aurobay Technology Group and the Geely Changxing Group for the provision of operation services to the Group	3,286.6	3,276.9	3,503

***Basis of determination of the proposed annual caps***

The proposed annual caps for operation services to be provided by the Group were determined with reference to (i) the projected staff costs of the Group to perform IT and other administrative functions for each of the three years ending 31 December 2026; (ii) the estimated portion of the IT and other administrative functions solely for the Geely Holding and Related Party Groups, compared with the Group's overall IT and administrative functions, based on historical costs incurred by each party; (iii) the estimated costs (including but not limited to transportation, packaging, and labour costs) for the transportation of each vehicle, based on projected costs for logistic services; (iv) the estimated number of vehicles for which the Group will provide logistic and warehousing services for each of the three years ending 31 December 2026; (v) the projected total staff working hours required for supplier quality engineering services and procurement functions for each of the three years ending 31 December 2026; (vi) the projected hourly cost for staff in supplier quality engineering services and procurement functions, based on historical costs; and (vii) the margin rates for services in relation to IT, logistics, supplier quality engineering services, procurement services, testing and trial production services and other administrative functions, relative to estimated costs, with reference to the Operation Services Transfer Pricing Analysis Reports.



The proposed annual caps for operation services to be provided by the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the Geely Technology Group, the Aurobay Technology Group and the Geely Changxing Group to the Group were determined with reference to (i) the projected total costs required for after-sales services for each of the three years ending 31 December 2026; (ii) the estimated number of domestic and international business travels, exhibitions and conferences required by the Group, determined based on the projected business volumes of the Group for each of the three years ending 31 December 2026; (iii) the estimated average price for air tickets, accommodations and other transportation, as well as exhibition and conference-related services; (iv) the market price of software and development services; (v) the projected hourly cost for the staff in relation to IT services; (vi) the average unit price of electricity and the estimated number of NEVs requiring charging services for each of the three years ending 31 December 2026; and (vii) the margin rates for the respective operation services, relative to estimated costs, with reference to the Operation Services Transfer Pricing Analysis Reports.

The increase in the proposed annual caps for the provision of operation services to the Geely Holding and Related Party Groups for the two years ending 31 December 2026 is primarily due to (i) the majority of logistic services to be provided to the Geely Holding and Related Party Groups will commence in 2025 and (ii) it is expected that the demand for logistic services, supplier quality engineering services and other services will increase for the two years ending 31 December 2026.

Having considered the foregoing, the Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the Operation Services Agreement are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms and the proposed annual caps of the Operation Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE OPERATION SERVICES AGREEMENT**

To cope with increasing competition in the NEVs industry, the Group has been actively expanding its cooperation with suppliers of power supplies and charging services. The collaboration with the Geely Holding Group in procuring charging services for NEVs will enhance the Group's bargaining power and result in cost reductions.

It is expected that the demand for domestic and international business travels, as well as exhibitions and conferences, will significantly rise in anticipation of the economic recovery. By collaborating with the Geely Technology Group in marketing and business travel services, the Group aims to achieve cost reductions.

Further, the Group has streamlined its production process by utilising advanced software and information systems shared by the Geely Holding Group and the LYNK & CO Group. To support the digital transformation of the operating system, the Group is hiring additional IT and research staff through the human resources services provided by the Geely Holding Group, sharing the associated costs on a pro-rata basis. The sharing of resources among the Group, Geely Holding Group, the LYNK & CO Group and the ZEEKR Group will improve operating efficiency and reduce technological costs for the Group.

Additionally, the Group hopes to follow the long-term development trend of the logistics industry and enhance its competitiveness in the logistics market. Through resource integration, the Group aims to expand its economies of scale and achieve synergistic cost reductions. Taking the logistics services system within the Group as the foundation, the Group plans to gradually extend its client resources along the upstream and downstream of the industrial chain, connect the automotive parts and raw materials supply chain as well as the downstream consumer chain, and explore the logistics needs of other clients in the upstream and downstream enterprises.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) believe that entering into the Operation Services Agreement is beneficial to the Group as (i) the terms of the operation services provided by the Group will not be less favourable than those offered to the Geely Holding and Related Party Groups by the independent third parties; (ii) for the operation services to be provided by the Group to the Geely Holding and Related Party Groups which are charged with reasonable margin rates relative to the actual costs (excluding outsourcing costs), such operation services will generate additional revenue and income for the Group; (iii) the operation services to be provided by the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the Geely Technology Group, the Aurobay Technology Group and the Geely Changxing Group to the Group will be on terms no less favourable than those offered to the Group by the independent third parties; and (iv) the operation services to be provided by the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the Geely Technology Group, the Aurobay Technology Group and the Geely Changxing Group to the Group are expected to be more suitable for the Group's needs based on the long-standing cooperation and relationship among the Group, the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the Geely Technology Group, the Aurobay Technology Group and the Geely Changxing Group. This will also help the Group to save on additional human resources.

## **INTERNAL CONTROL MEASURES IN RELATION TO PRICING FOR THE OPERATION SERVICES AGREEMENT**

The Finance Department will compare the operation service fees with the similar existing operation services received from independent third parties (if any) to determine the market rates for the operation services. If there are no such market rates, the Finance Department will monitor the relevant cost items, as well as other necessary and reasonable expenses on an annual basis (or more frequently if it is determined necessary) for each type of operation services provided by the Group to Geely Holding and Related Party Groups and ensure that the service fees charged for such operation services are determined properly.

The Finance Department will negotiate with the Geely Holding and Related Party Groups the terms of such transactions on an annual basis (or more frequently if it is determined necessary) to ensure that prices are fair and reasonable, and properly reflect the level of costs incurred by the Group in such transactions.

The Group will implement the following measures to ensure that the annual transaction amounts under the Operation Services Agreement do not exceed the proposed annual caps for respective years: the subsidiaries of the Company will record and report the continuing connected transaction amounts to the finance manager of the Finance Department monthly. The finance manager of the Finance Department will then compile the statistics on the amounts of continuing connected transactions and calculate the utilisation rate of the relevant annual cap on a monthly basis. These statistics will be submitted to the management of the Group for their review. If (i) the finance manager of the Finance Department is informed by the relevant business department of the Company's subsidiaries that there will be a significant increase in the transaction volume of continuing connected transactions in a particular month that may lead to exceeding the relevant annual cap; or (ii) the utilisation rate of the applicable annual cap reaches a substantial majority of the proposed annual caps at any time during the year, the Group will either restrict the provision and/or procurement volume of operation services to ensure that the respective annual caps under the Operation Services Agreement are not exceeded, or initiate the necessary procedures to revise the respective annual caps in accordance with the requirements under Chapter 14A of the Listing Rules.

Having considered the foregoing, the Directors are of the view that the Company has sufficient internal control measures to ensure that the proposed annual caps under the Operation Services Agreement will not be exceeded.

In relation to the aforesaid internal control measures, the internal audit department of the Group will conduct review (which is subject to the annual review and disclosure requirements under the Listing Rules) on the continuing connected transactions of the Company at least annually (or more frequently if it is determined necessary) to confirm whether the internal control measures have been adhered to and are effective. The independent non-executive Directors will also conduct review on all continuing connected transactions every year and confirm that the transactions have been entered into in the ordinary and usual course of business of the Group. The Company also engages its independent auditor to report on all continuing connected transactions every year. The independent auditor reviews and confirms whether all continuing connected transactions have been approved by the Board; have been conducted in accordance with the pricing policies of the relevant agreement governing the transactions; and have not exceeded the relevant annual caps.

## **EXEMPTED CONTINUING CONNECTED TRANSACTIONS**

### **(A) CBUs Sales Agreement**

References are made to the Company's announcement dated 15 October 2021 in relation to the 2021 CBUs Sales Agreement and the Company's announcement dated 9 June 2023 in relation to the Supplemental CBUs Sales Agreement entered into between the Company and Geely Holding.

In light of the upcoming expiry of the Supplemental CBUs Sales Agreement, on 15 August 2024 (after trading hours), the Company and Geely Holding entered into the CBUs Sales Agreement for a term of three years from 1 January 2025 to 31 December 2027.

#### ***Subject matter***

Pursuant to the CBUs Sales Agreement, the Group agreed to sell, and the Geely Holding Group agreed to purchase, CBUs and related after-sales parts and accessories manufactured by the Group. The CBUs and related after-sales parts and accessories to be purchased by the Geely Holding Group pursuant to the CBUs Sales Agreement will be further sold to end customers by the dealerships owned and operated by the Geely Holding Group.

The sale of CBUs and related after-sales parts and accessories by the Group to the Geely Holding Group will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and on terms no less favourable to the Group than terms available from other independent third parties of the Group.

#### ***Term***

From 1 January 2025 to 31 December 2027

#### ***Condition precedent to the CBUs Sales Agreement***

Completion of the CBUs Sales Agreement is conditional upon the Company having complied with the relevant requirements of the Listing Rules with regard to the continuing connected transactions contemplated under the agreement.

If the above condition has not been fulfilled on or before 31 December 2024 (or such later date as the parties may agree in writing), the CBUs Sales Agreement will be terminated.

### ***Pricing basis***

The selling price of the CBUs and related after-sales parts and accessories under the CBUs Sales Agreement will be determined on an arm's length basis and on normal commercial terms with reference to the prevailing market price for similar products, and will not be lower than the prices offered by the Group to other independent third party distributors. The prevailing market price as described above will be determined based on the following:

- (i) the price of the same or similar automobile products available to other independent third party distributors in the same or proximate regions on normal commercial terms and in the ordinary course of business; or
- (ii) if (i) is not applicable, the price of the same or similar automobile products available to other independent third party distributors in the PRC agreed on normal commercial terms and in the ordinary course of business.

### ***Historical transactions amounts and proposed annual caps***

The table below sets out (i) the historical transaction amount for the two years ended 31 December 2023 and the five months ended 31 May 2024; and (ii) the annual caps for the sales of CBUs and related after-sales parts and accessories by the Group pursuant to the Supplemental CBUs Sales Agreement for the three years ended/ending 31 December 2024.

	Historical transaction amount for the year ended 31 December		Historical transaction amount for the five months ended 31 May	Announced annual caps for the year ended/ending 31 December		
	2022	2023	2024	2022	2023	2024
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
	(Audited)	(Audited)	(Unaudited)			
Sales of CBUs and related after-sales parts and accessories by the Group to the Geely Holding Group	2,056.3	1,892.4	491.9	2,815	3,992	3,992
Utilisation rate of annual caps				73%	47.4% <sup>(Note)</sup>	12.3% <sup>(Note)</sup>

*Note:* The utilisation rate of the annual cap for the year ending 31 December 2024 was calculated by dividing the historical transaction amount for the five months ended 31 May 2024 by the approved annual cap for the full financial year ending 31 December 2024.

The relatively low utilisation rate of annual caps for the sales of CBUs and related after-sales parts and accessories by the Group to the Geely Holding Group for the year ended 31 December 2023 and for the five months ended 31 May 2024 was mainly due to a decrease in demand for CBUs and related after-sales parts and accessories purchased for Geely Holding Group's online ride-hailing service.

The table below sets out the proposed annual caps for the sale of CBUs and related after-sales parts and accessories by the Group to the Geely Holding Group pursuant to the CBUs Sales Agreement for each of the three years ending 31 December 2027.

	<b>Proposed annual caps for the year ending</b>		
	<b>31 December</b>		
	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Sales of CBUs and related after-sales parts and accessories by the Group to the Geely Holding Group	213.2	212.2	211.6

***Basis of determination of the proposed annual cap***

The above proposed annual caps have been determined by the Directors with reference to (i) the projected units of Geely brand vehicles and automobile products to be sold to the Geely Holding Group based on the projected number of dealerships of the Geely Holding Group and the projected average unit sales of the Geely brand vehicles and automobile products per distributor for each of the three years ending 31 December 2027; and (ii) the projected average selling price of the Geely brand vehicles and automobile products with reference to the price offered to the independent third party distributors of the Group for each of the three years ending 31 December 2027.

The Directors (including the independent non-executive Directors) are of the view that the CBUs Sales Agreement is entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms and the proposed annual caps of the CBUs Sales Agreement for the three years ending 31 December 2027 are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE CBUs SALES AGREEMENT**

The Geely Holding Group has planned to strategically operate its own dealerships to enhance customer satisfaction and experience and to facilitate the sales of auto brands including Geely, LYNK & CO, and other brands owned by the Geely Holding Group since 2020. The Directors noted that such strategy of the Geely Holding Group is in line with the market trend that other vehicle manufacturers have implemented in the PRC. The Directors are of the view that the entering into of

the CBUs Sales Agreement is beneficial to the Group as (i) the Group is in the process of setting up its own dealership network. However, as it takes time to build up the dealership network and by entering into the CBUs Sales Agreement, the Group will enjoy additional distribution channels for the sale of CBUs without incurring additional selling and distribution costs which serve as a transitional measure until its own dealer network is fully established; and (ii) the CBUs and related after-sales parts and accessories will be sold at the prevailing market price since the Group will ensure that the terms and pricing policy for the transactions contemplated under the CBUs Sales Agreement will be consistent with the practices between the Group and other independent distributors.

## **INTERNAL CONTROL MEASURES IN RELATION TO PRICING FOR THE CBUs SALES AGREEMENT**

The Group will monitor the expected selling price of the CBUs and related after-sales parts and accessories to ensure the fairness of the selling price of the CBUs and related after-sales parts and accessories. The Group will ensure that the pricing policies for the CBUs and related after-sales parts and accessories will be circulated to all of the Group's distributors including those owned by the Geely Holding Group and there will not be different pricing policies separately circulated to the distributors owned by the Geely Holding Group. The Finance Department will monitor the terms and pricing policy for each transaction between the Group and the Geely Holding Group and ensure that the terms and pricing policy for the transactions contemplated under the CBUs Sales Agreement are consistent with the practices between the Group and the independent third party distributor. The Finance Department will also ensure the continuing connected transactions are conducted on normal commercial terms, in the ordinary and usual course of business and will not be prejudicial to the interests of the Company and the Shareholders as a whole.

The Group will implement the following measures to ensure that the annual transaction amounts under the CBUs Sales Agreement do not exceed the proposed annual caps for respective years: the subsidiaries of the Company will record and report the continuing connected transaction amounts to the finance manager of the Finance Department monthly. The finance manager of the Finance Department will then compile the statistics on the amounts of continuing connected transactions and calculate the utilisation rate of the relevant annual cap on a monthly basis. These statistics will be submitted to the management of the Group for their review. If (i) the finance manager of the Finance Department is informed by the relevant business department of the Company's subsidiaries that there will be a significant increase in the transaction volume of continuing connected transactions in a particular month that may lead to exceeding the relevant annual cap; or (ii) the utilisation rate of the applicable annual cap reaches a substantial majority of the proposed annual caps at any time during the year, the Group will either restrict the sales volume of CBUs to ensure that the respective annual caps under the CBUs Sales Agreement are not exceeded, or initiate the necessary procedures to revise the respective annual caps in accordance with the requirements under Chapter 14A of the Listing Rules.

Having considered the foregoing, the Directors are of the view that the Company has sufficient internal control measures to ensure that the proposed annual caps under the CBUs Sales Agreement will not be exceeded.

In relation to the aforesaid internal control measures, the internal audit department of the Group will conduct review (which is subject to the annual review and disclosure requirements under the Listing Rules) on the continuing connected transactions of the Company at least annually (or more frequently if it is determined necessary) to confirm whether the internal control measures have been adhered to and are effective. The independent non-executive Directors will also conduct review on all continuing connected transactions every year and confirm that the transactions have been entered into in the ordinary and usual course of business of the Group. The Company also engages its independent auditor to report on all continuing connected transactions every year. The independent auditor reviews and confirms whether all continuing connected transactions have been approved by the Board; have been conducted in accordance with the pricing policies of the relevant agreement governing the transactions; and have not exceeded the relevant annual caps.

## **(B) Automobile Financing Arrangements**

Reference is made to the Company's announcement dated 15 October 2021 with respect to the Existing Volvo Finance Cooperation Agreements, pursuant to which Genius AFC agreed to provide vehicle financing services to the Volvo Dealers and Volvo Retail Customers in the PRC until 31 December 2024. The Existing Volvo Finance Cooperation Agreements have an initial term of three years subject to the approvals from the Stock Exchange and the Independent Shareholders and early termination by the parties serving at least a 6-month prior written notice. On 15 August 2024 (after trading hours), Genius AFC entered into the Volvo Finance Cooperation Agreements with VCIC and VCDC, respectively.

Further reference is made to the Company's announcement dated 20 February 2024 with respect to the disposal of 45% equity interest in Livan Automotive to Geely Qizheng, which is ultimately and beneficially wholly-owned by Mr. Li and his associate. After the completion of the disposal, the Group no longer hold any interest in Livan Automotive and Livan Automotive becomes a connected person of the Company. As a result, the transactions between the Group and Livan Automotive are classified as continuing connected transactions. On 15 August 2024 (after trading hours), Genius AFC entered into the Livan Finance Cooperation Agreement with Livan Sales.

To capture and benefit from the growth of the auto finance industry, on 15 August 2024 (after trading hours), Genius AFC entered into the Zhidou Finance Cooperation Agreement with Zhidou Sales.



## *Principal Terms of the Finance Cooperation Agreements*

The Principal terms of the Finance Cooperation Agreements are set out below:

(a) *Term of the Finance Cooperation Agreements*

The Finance Cooperation Agreements shall have an initial term of three years subject to early termination by the parties serving at least a 6-month prior written notice. The term of the Finance Cooperation Agreements may be renewed and extended subject to the compliance with the Listing Rules.

(b) *Conditions precedent to the Finance Cooperation Agreements*

The Finance Cooperation Agreements and the transactions contemplated thereunder are conditional upon obtaining the approvals of the Independent Shareholders and the Stock Exchange (if required).

(c) *Principal terms of the business cooperation mode under the Finance Cooperation Agreements*

(i) Cooperation

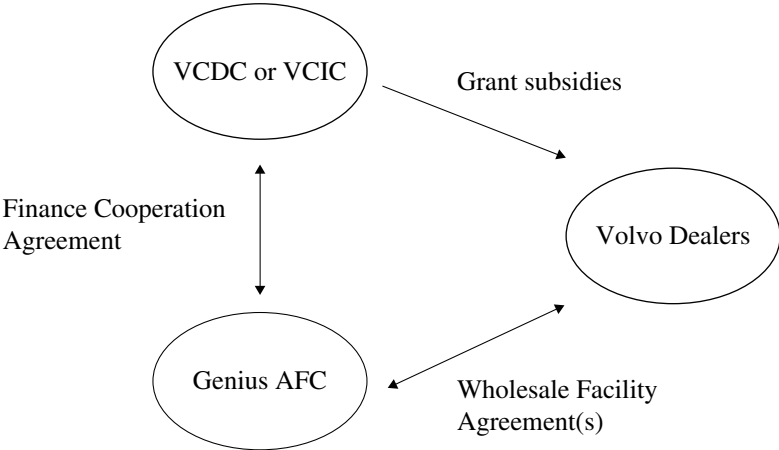
The relevant Automobile Sales Company shall use its reasonable endeavours to (a) procure different parties, including but not limited to dealers, after-sales service providers and other sellers (collectively, the “**Wholesale Customers**”) to use the Wholesale Financing and recommend their retail customers (the “**Retail Customers**”) to use the Retail Financing; (b) grant subsidies to the Wholesale Customers for the purpose of promoting the Wholesale Financing Business; and (c) grant subsidies to the Retail Customers for the purpose of promoting the Retail Financing Business; provided that the Wholesale Customers and the Retail Customers shall have the sole and absolute discretion to determine whether to use the Wholesale Financing and/or the Retail Financing.

Pursuant to the Finance Cooperation Agreements, Genius AFC is not the exclusive provider of the automobile and other financing services to the relevant Automobile Sales Company, the Wholesale Customers and the Retail Customers. Notwithstanding the foregoing, should an independent automobile financing company offer the same financing services under the same terms and conditions, Genius AFC shall be the preferred partner of the relevant Automobile Sales Company, which shall be firstly recommended to the Wholesale Customers and/or the Retail Customers.

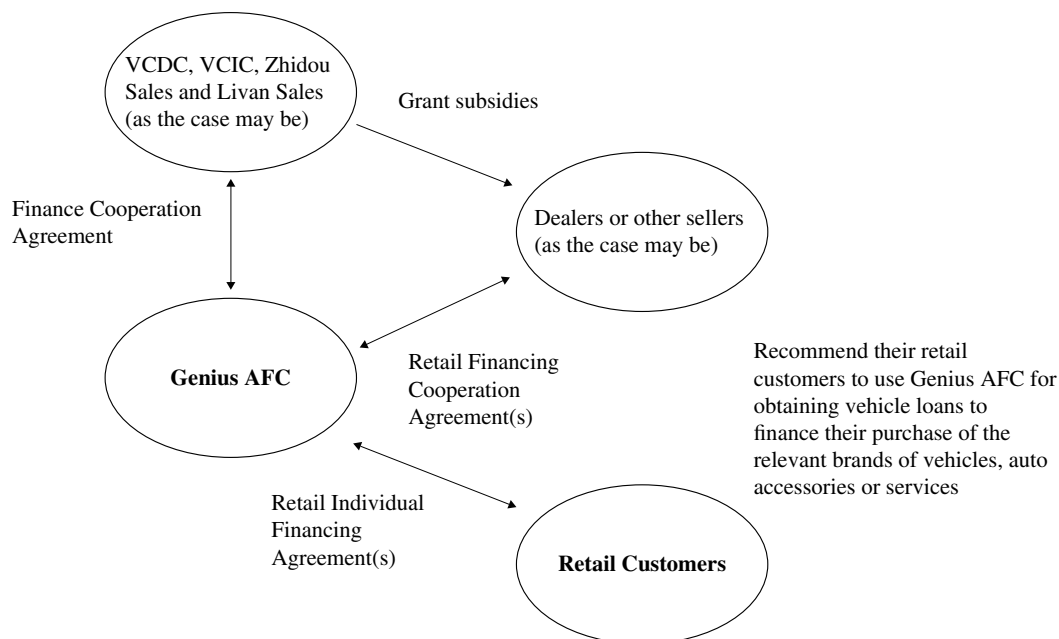
For carrying out the Wholesale Financing Business and the Retail Financing Business, Genius AFC will enter into separate agreements with the Wholesale Customers or the Retail Customers. Please see the paragraph headed “Principal terms of the Wholesale Facility Agreements, the Retail Financing Cooperation Agreements and the Retail Individual Financing Agreements” below for more information.

Set out below are the flow charts summarising the Wholesale Financing Business and the Retail Financing Business:

(1) Wholesale Financing Business



## (2) Retail Financing Business



### (ii) Pricing policy

Given that Genius AFC is not the exclusive automobile financing service provider to the relevant Automobile Sales Company, the Wholesale Customers and the Retail Customers and also taking into account the fierce competition of the automobile financing industry in the PRC, the sales and marketing department of Genius AFC will communicate with the Wholesale Customers and/or the Retail Customers (as the case may be) on an ongoing basis to ensure that the terms of the Wholesale Facility Agreements and the Retail Individual Financing Agreements are competitive during the term of the Finance Cooperation Agreements and shall always be in line with the market practice of the automobile financing industry in the PRC. All automobile financing and related product pricing proposals of Genius AFC are prepared in accordance with its internal control procedures. Please see the paragraph headed “Internal Control Measures in relation to the Automobile Financing Arrangements – Internal Control of Genius AFC” below for more information.

Genius AFC has the sole and absolute discretion in determining the final pricing of the automobile financing services under the Wholesale Facility Agreements and the Retail Individual Financing Agreements (the “**Final Pricing**”). The Final Pricing will be determined by Genius AFC after taking into account various factors, including, its cost of funds, the lending rates offered by its competitors and the borrowers’ risk profile, which will be assessed by Genius AFC in accordance with its risk management procedures. For details of Genius AFC’s risk management, please see the paragraph headed “(iii) Risk management” below.

(iii) Risk management

Genius AFC is responsible for the lending risk assessment and making decisions on providing the Wholesale Financing to the Wholesale Customers and the Retail Financing to the Retail Customers. The extension of the term of financing to the Wholesale Customers or the Retail Customers is subject to the satisfactory credit risk assessment in accordance with Genius AFC's credit risk management procedures and its internal risk and management policies.

In relation to the credit risk assessment procedures of the Wholesale Financing Business, the risk control department of Genius AFC will review the credit applications with supporting materials submitted by the Wholesale Customers and will prepare proposals of granting credit lines. The risk control committee of Genius AFC will appraise and decide on whether or not to grant such credit lines. If the credit lines exceed certain internal threshold, such credit application(s) shall be approved by the board of Genius AFC. When considering an application, the following factors will be considered with respect to the Wholesale Customers: the debt-to-asset ratios, the Wholesale Customers' background information, companies' profile, relevant experience in the automobile industry as well as the automobile brand, the capital structure, the track record period and financial performance of the Wholesale Customers. The Wholesale Customers who have been granted with credit lines are required to submit to Genius AFC their financial reports monthly and audited accounts annually (if any). The risk control department of Genius AFC will review and assess the aforesaid financial information. If there is any substantial change in the financial and operating performance of the Wholesale Customers, Genius AFC will consider to adjust the granted credit lines.

In relation to the credit risk assessment procedures of the Retail Financing Business, Genius AFC has utilised a computerized internal risk assessment expert system (the "**Risk Assessment System**"), which enables Genius AFC to perform credit risk assessment procedures using big data analysis. The risk control department of Genius AFC will set specifications for the retail products to determine whether to accept the financing applications of the Retail Customers based on their incomes, credit history and repayment capability. The risk control committee of Genius AFC will then review and approve the specifications rules for the retail products. Based on the evaluation by the Risk Assessment System, which is configured and modified by the risk control department of Genius AFC from time to time, the decisions on whether to grant the financing to the Retail Customers will be made by the Risk Assessment System and the retail underwriting team of the operation department of Genius AFC (the "**Underwriting Team**"). The Underwriting Team's primary responsibilities also include verifying the information and materials submitted by the Retail Customers and assessing the Retail Customers' credibility in order to make final credit decisions on the applications. After granting the automobile financing to the Retail Customers, the collection team of the operation department of Genius

AFC will monitor the performance of the Retail Customers on repaying the financing installments and follow up with default payment and/or delinquency (if any).

(iv) Terms of financing

For the Wholesale Financing Business, the maximum term of a financing granted to the Wholesale Customers is 360 days. If the payment date is a non Business Day, the payment date will be postponed to the next Business Day. For the Retail Financing Business, the maximum term of a financing granted to the Retail Customers is 60 months. The aforesaid terms are subject to amendments as determined by Genius AFC depending on its future business conditions.

(v) Subsidies

The relevant Automobile Sales Company may provide subsidies to the Wholesale Customers and the Retail Customers according to the sales objectives and regional coverage.

The relevant Automobile Sales Company may from time to time offer support to the relevant Wholesale Customers in relation to the automobile financing and/or stocking costs; and may pay the interests accrued under the relevant Wholesale Facility Agreement on behalf of the Wholesale Customers for an agreed period of time. The terms and period of such subsidies will be determined by the relevant Automobile Sales Company according to its quarterly sales incentive policy. In practice, subject to the final assessment of the market situation (e.g. sales performance of the relevant automobile brands) by the relevant Automobile Sales Company, (i) for the Wholesale Financing Business, the relevant Automobile Sales Company will provide subsidies to the relevant Wholesale Customers who enter into the Wholesale Facility Agreements; and (ii) for the Retail Financing Business, the relevant Automobile Sales Company will provide subsidies to the relevant Retail Customers who enter into the Retail Individual Financing Agreements.

(vi) Principal terms of the Wholesale Facility Agreements, the Retail Financing Cooperation Agreements and the Retail Individual Financing Agreements

For conducting the Wholesale Financing Business, Genius AFC will enter into the Wholesale Facility Agreements with the Wholesale Customers, pursuant to which Genius AFC will provide the Wholesale Financing to such Wholesale Customers to facilitate their purchase of the relevant brand of vehicles and/or auto accessories and/or services.

For carrying out the Retail Financing Business, Genius AFC will enter into the Retail Financing Cooperation Agreements with the relevant dealers or other sellers (as the case may be), pursuant to which the relevant dealers or other sellers shall recommend their retail customers to use Genius AFC for obtaining vehicle financing to finance their purchase of the relevant brand of automobiles, auto accessories and services. Also, Genius AFC will enter into the Retail Individual Financing Agreements with the Retail Customers, pursuant to which Genius AFC will directly provide financing to such Retail Customers to facilitate their purchase of the relevant brand of vehicles and/or auto accessories and/or services.

Under the Wholesale Facility Agreements, the Retail Financing Cooperation Agreements and the Retail Individual Financing Agreements, acceptable securities may include security deposits, pledge over the Wholesale Customers' or the Retail Customers' vehicles and/or other types of guarantees.

The terms of the Wholesale Facility Agreements, the Retail Financing Cooperation Agreements and the Retail Individual Financing Agreements, including among others, the pricing policy, the term of financing, the credit limits, etc., shall be consistent with the terms of the Finance Cooperation Agreements.

## *Annual Caps under the Finance Cooperation Agreements*

### *(a) Annual Caps under the Volvo Finance Cooperation Agreements*

#### Volvo Wholesale Annual Caps

The table below sets out (i) the historical transaction amounts of Volvo Wholesale Financing for each of the two years ended 31 December 2023 and the five months ended 31 May 2024; and (ii) the annual caps for the Volvo Wholesale Financing for each of the three years ended/ending 31 December 2024.

	Historical transaction amount		Historical transaction amount for the five months ended	Announced annual caps for the year ended/ending		
	for the year ended 31 December		31 May	31 December		
	2022	2023	2024	2022	2023	2024
	RMB million (Audited)	RMB million (Audited)	RMB million (Unaudited)	RMB million	RMB million	RMB million
New financing amount provided by Genius AFC under the Volvo Wholesale Financing	2,959.3	1,803.3	654.1	5,561.6	6,038	6,883.4
Utilisation rate of annual caps				53.2%	29.9%	9.5% <sup>(Note)</sup>

*Note:* The utilisation rate of the annual cap for the year ending 31 December 2024 was calculated by dividing the historical transaction amount for the five months ended 31 May 2024 by the approved annual cap for the full financial year ending 31 December 2024.

The low utilisation rates of the annual caps for the two years ended 31 December 2023 and the five months ended 31 May 2024 were primarily due to (i) the lower-than-expected wholesale finance coverage as a result of intense competition from other financial institutions for auto wholesale financing services. Consequently, the penetration rate of the Volvo Wholesale Financing was lower than originally expected. Accordingly, Genius AFC has revised the annual caps of Volvo Wholesale Financing downward for the three years ending 31 December 2027.

The table below sets of the Volvo Wholesale Annual Caps for each of the three years ending 31 December 2027.

	<b>Proposed annual caps for the year ending</b>		
	<b>31 December</b>		
	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
New financing amount to be provided by Genius AFC under the Volvo Wholesale Financing	2,128.8	2,128.8	2,128.8

#### Basis of determination of the Volvo Wholesale Annual Caps

When determining the Volvo Wholesale Annual Caps, Genius AFC has taken into account (i) the projected sales volume of Volvo brand vehicles for the three years ending 31 December 2027, which are determined after considering the historical sales volume in 2023 and for the five months ended 31 May 2024 and the future sales plan of Volvo brand vehicles; and (ii) the estimated average selling price of the Volvo brand vehicles to the relevant Wholesale Customers which was determined with reference to the historical selling price and estimated selling price of the Volvo brand vehicles for each of the three years ending 31 December 2027.

#### Volvo Retail Annual Caps

The table below sets out (i) the historical transaction amount of Volvo Retail Financing for each of the two years ended 31 December 2023 and the five months ended 31 May 2024; and (ii) the annual caps for the Volvo Retail Financing for each of the three years ended/ending 31 December 2024.



	Historical transaction amount		Historical transaction amount for the five months ended	Announced annual caps for the year ended/ending		
	for the year ended		31 May	31 December		
	31 December		2024	2022	2023	2024
	2022	2023	RMB million	RMB million	RMB million	RMB million
	(Audited)	(Audited)	(Unaudited)			
New financing amount provided by Genius AFC under the Volvo Retail Financing	6,108.4	2,746	260.7	7,785.2	8,819.4	10,473
Utilisation rate of annual caps				78.5%	31.1%	2.5% <sup>(Note)</sup>

*Note:* The utilisation rate of the annual cap for the year ending 31 December 2024 was calculated by dividing the historical transaction amount for the five months ended 31 May 2024 by the approved annual cap for the full financial year ending 31 December 2024.

The low utilisation rates of the annual caps for the year ended 31 December 2023 and the five months ended 31 May 2024 were primarily due to the lower-than-expected demand for Volvo brand vehicles throughout these periods, owing to intense competition from other automobile brands. As a result, the penetration rate of the Volvo Retail Financing was lower than originally expected. Accordingly, Genius AFC revised the annual caps of Volvo Retail Financing downward for the three years ending 31 December 2027.

The table below sets of the Volvo Retail Annual Caps for each of the three years ending 31 December 2027.

	Proposed annual caps for the year ending		
	31 December		
	2025	2026	2027
	RMB million	RMB million	RMB million
New financing amount to be provided by Genius AFC under the Volvo Retail Financing	803	688.4	745.7

## Basis of determination of the Volvo Retail Annual Caps

When determining the Volvo Retail Annual Caps, Genius AFC took into account (i) the projected sales volume of Volvo brand vehicles to the Volvo retail customers for each of the three years ending 31 December 2027; (ii) the projected average retail selling price of Volvo brand vehicles for each of the three years ending 31 December 2027; and (iii) the estimated retail financing penetration rate of the Volvo Retail Financing of 3.3%, 2.8% and 3.1% for each of the three years ending 31 December 2027, respectively. The above retail financing penetration rate represents the estimated percentage of the Volvo retail customers' purchases that will be financed by Genius AFC.

### (b) Annual Caps under the Livan Finance Cooperation Agreement

#### Livan Retail Annual Caps

The table below sets out (i) the historical transaction amounts of Livan Retail Financing for each of the two years ended 31 December 2023 and the five months ended 31 May 2024.

	<b>Historical transaction amount for the year ended 31 December</b>		<b>Historical transaction amount for the five months ended 31 May 2024</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i> (Unaudited)
New financing amount provided by Genius AFC under the Livan Retail Financing	8.7	143.5	27.7

The table below sets of the Livan Retail Annual Caps for each of the three years ending 31 December 2026.

	<b>Proposed annual caps for the year ending 31 December</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
New financing amount to be provided by Genius AFC under the Livan Retail Financing	123	200	220

When determining the Livan Retail Annual Caps, Genius AFC took into account (i) the projected sales volume of Livan brand vehicles to the Livan retail customers for each of the three years ending 31 December 2026; (ii) the projected average retail selling price of Livan brand vehicles for each of the three years ending 31 December 2026; and (iii) the estimated retail financing penetration rate of the Livan Retail Financing of 31.6%, 20% and 22%, respectively for each of the three years ending 31 December 2026. The above retail financing penetration rate represents the estimated percentage of the Livan retail customers' purchases that will be financed by Genius AFC.

(c) *Annual Caps under the Zhidou Finance Cooperation Agreement*

Zhidou Retail Annual Caps

There was no historical transaction amount for the Zhidou Retail Financing as the financing business is only expected to commence in 2025. The table below sets out the Zhidou Retail Annual Caps for each of the three years ending 31 December 2027.

	<b>Proposed annual caps for the year ending</b>		
	<b>31 December</b>		
	<b>2025</b>	<b>2026</b>	<b>2027</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
New financing amount to be provided by Genius AFC under the Zhidou Retail Financing	160.5	243.2	316.1

When determining the Zhidou Retail Annual Caps, Genius AFC took into account (i) the projected sales volume of Zhidou brand vehicles to the Zhidou retail customers for each of the three years ending 31 December 2027; (ii) the projected average retail selling price of Zhidou brand vehicles for each of the three years ending 31 December 2027; and (iii) the estimated retail financing penetration rate of the Zhidou Retail Financing of 3.3%, 3.3% and 3.3%, respectively for each of the three years ending 31 December 2027. The above retail financing penetration rate represents the estimated percentage of the Zhidou retail customers' purchases that will be financed by Genius AFC.

## **REASONS FOR AND BENEFITS OF THE AUTOMOBILE FINANCING ARRANGEMENTS**

Genius AFC is principally engaged in providing auto retail financing solutions to end customers, mainly supporting the key auto brands of the Group. As a professional auto financing company, Genius AFC has been striving to improve the sales of the different auto brands, and increasing the purchasing power and customer loyalty through providing financing services to customers. By vigorously widening the customer base and service scope, Genius AFC has maintained rapid profit growth since 2017. The entering into the Finance Cooperation Agreements will allow Genius AFC to extend its financing services to various automobile brands, thereby gaining a larger market share in the PRC auto finance industry.

The entering into the Zhidou Finance Cooperation Agreement will allow the Group to extend its financing services to a new automobile brand, which has a very low level of bank involvement and the Group could seize the first mover opportunity of capturing a larger market share.

In terms of provision of financing services, as at 30 June 2024, Genius AFC successfully launched 24 asset-backed securities (“ABS”) issuances in total with cumulative amount of approximately RMB98.3 billion, two of which were green ABS, with an issuance amount of RMB4.2 billion. With the steady increase in funding sources and assets scale, Genius AFC has been striving for continuing business growth and expanding its wholesale and retail financing services by widening the customer base and service scope, with priority given to fulfilling the financing needs for the Geely brand vehicles. At the same time, Genius AFC continues improving its profitability through cooperation with other vehicle manufacturers to maximise profits for the Group.

The Directors consider that the provision of financing under the Finance Cooperation Agreements by Genius AFC would not result in a deprivation of funds available for financing applications for purchasing vehicles of the Group. To ensure the proper allocation of resources and safeguard the Group’s interests, Genius AFC has undertaken to the Company that, in the event of a shortage of funds, priority will be given to financing applications for purchasing vehicles of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Finance Cooperation Agreements are negotiated on an arm’s length basis and are on normal commercial terms, and the terms and the proposed annual caps of the Finance Cooperation Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **INTERNAL CONTROL MEASURES IN RELATION TO THE AUTOMOBILE FINANCING ARRANGEMENTS**

### **Internal control of Genius AFC**

Based on customers’ requirements, all financing and product pricing proposals (including any subsequent modifications) are prepared by Genius AFC’s sales and marketing department. In order to ensure that the aforesaid pricing basis for the Finance Cooperation Agreements are adhered to, the finance department of Genius AFC will monitor the fluctuations of the interest rates in the market at

least on a monthly basis (or more frequently if it is determined necessary), which include, among others, the PBOC lending base rates. In addition, Genius AFC's sales and marketing department communicates with the respective dealers, other sellers and after-sales service providers covered by the Finance Cooperation Agreements on an ongoing basis to ensure the terms of the respective wholesale facility agreement and the retail financing cooperation agreement covered by the Finance Cooperation Agreements are in line with the general auto finance market practice. The finance department of Genius AFC will prepare reports on financing market interest rates and review these reports at least monthly (or more frequently if it is determined necessary). These reports are distributed to departments including the sales and marketing department, the operation department, the risk control department, the legal and compliance department and the information and technology department of Genius AFC for review whenever necessary. The product pricing proposals will then be submitted to the sales and marketing committee for final approval. All financing and product pricing proposals prepared by Genius AFC's sales and marketing department must be validated by other departments of Genius AFC, such as the finance department and the risk control department.

To ensure the actual new financing amounts will not exceed the respective wholesale annual caps and the retail annual caps, Genius AFC will prepare specific monthly reports to show the actual transaction volumes and amounts as compared with the respective wholesale annual caps and the retail annual caps. Once the actual transaction amounts reached certain levels (being 70% of the annual caps for the relevant year), it will trigger an alert to the management to either control the volume for the related business to ensure the respective wholesale annual caps and the retail annual caps would not be exceeded or to commence necessary procedures to revise the aforementioned annual caps in accordance with the relevant requirements under Chapter 14A of the Listing Rules.

### **Internal control of the Group**

The internal audit department of the Group will also conduct review (which is subject to the annual review and disclosure requirements under the Listing Rules) on the continuing connected transactions of the Company at least annually (or more frequently if it is determined necessary) to confirm whether the internal control measures have been adhered to and are effective. The independent non-executive Directors will also conduct review on the continuing connected transactions annually and confirm whether the transactions have been entered into in the ordinary and usual course of business of the Group; on normal commercial terms or better; and whether the transactions are carried out according to the principal terms of the agreements and are in the interests of the Company and the Shareholders as a whole. The Company also engages its independent auditor to report on the continuing connected transactions every year. The independent auditor reviews and confirms whether the continuing connected transactions have been approved by the Board; have been conducted in accordance with the pricing policies of the relevant agreement governing the transactions; and have not exceeded the relevant annual caps.

## **INFORMATION REGARDING THE PARTIES**

### **The Company**

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

### **Geely Holding**

Geely Holding is principally engaged in the sales of automobiles and related parts and components wholesale and retail business. As at the date of this announcement, Geely Holding is beneficially wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial shareholder holding approximately 41% of the issued share capital of the Company. Accordingly, Geely Holding is an associate of Mr. Li and a connected person of the Company for the purpose of the Listing Rules.

### **LEVC**

LEVC is a limited liability company established in the PRC and is owned as to 50% by Geely Holding and 50% by Geely Ningbo, which is in turn wholly-owned by Mr. Li and his associate as at the date of this announcement. LEVC is principally engaged in the R&D, procurement, sale of electric mobility related products, including its intelligent pure electric vehicles, and provide related services.

### **LYNK & CO**

LYNK & CO is a Chinese-foreign-equity joint venture of the Company established in the PRC and is owned as to 50% by Ningbo Geely, as to 20% by Geely Holding and as to 30% by VCI as at the date of this announcement. VCI is an indirect non-wholly-owned subsidiary of Geely Holding. LYNK & CO is principally engaged in the manufacture and sale of LYNK & CO brand vehicles. It also provides after-sales parts.

### **VCDC**

VCDC is a limited liability company established in the PRC, and is wholly-owned by Volvo, an indirect non-wholly-owned subsidiary of Geely Holding as at the date of this announcement. VCDC is principally engaged in the distribution of imported Volvo brand vehicles in the PRC.

## **VCIC**

VCIC is a limited liability company established in the PRC, and is owned as to (i) 50% by Volvo, an indirect non-wholly-owned subsidiary of Geely Holding; and as to (ii) 50% by Geely Holding as at the date of this announcement. VCIC is principally engaged in the distribution of Volvo brand vehicles manufactured domestically in the PRC.

## **Geely Technology**

Geely Technology is a limited liability company established in the PRC. As at the date of this announcement, Geely Technology is indirectly owned as to more than 85% by Mr. Li and his associate. Geely Technology's core businesses include new materials, new energy, and motorcycle travel culture. It also makes strategic investments in low-altitude travel, commercial aerospace, and innovation incubation businesses.

## **YoeNing Technology**

YoeNing Technology is a limited liability company established in the PRC. As at the date of this announcement, YoeNing Technology is indirectly owned as to more than 90% by Mr. Li and his associate. YoeNing Technology is principally engaged in the automotive industry and NEV in the PRC, with a business scope covering autoparts, new energy, and phosphate-related industries.

## **InfiMotion**

InfiMotion is a limited liability company established in the PRC. As at the date of this announcement, InfiMotion is indirectly owned as to more than 30% by Mr. Li and his associate. InfiMotion's core businesses include research, development, manufacturing, and sales of pure electric vehicle and hybrid vehicle electric drive systems, as well as technology development services.

## **Geely Sunwoda**

Geely Sunwoda is a joint venture company of the Company established in the PRC and is indirectly owned as to 41.5% by the Group, as to 28.5% by Mr. Li and his associate and as to 30% by an independent third party as at the date of this announcement. Geely Sunwoda's core businesses include research, development, manufacturing, and sales of new energy batteries, as well as the research, development, manufacturing, and sales of autoparts and components, and the provision of other related services.

## **Aurobay Technology and Geely Changxing**

Aurobay Technology and Geely Changxing are limited liability companies established in the PRC. As at the date of this announcement, each of them is indirectly owned as to 33% by the Group and as to 17% by Mr. Li and his associate. Aurobay Technology and its subsidiaries are principally engaged in the research and development, manufacturing, processing, sales, technical services and supply of

relevant after-sales parts of engines and transmissions in the PRC. Geely Changxing's core businesses include research and development, production, sales, and related technical services for transmissions and their components.

### **Lotus Technology**

Lotus Technology is a limited liability company established in the PRC. As at the date of this announcement, it is indirectly owned as to more than 30% by Mr. Li and his associate. Lotus Technology is principally engaged in the R&D, procurement and sales of Lotus brand sports vehicles and life-style vehicles, and offering related services.

### **JIDU**

JIDU is a company incorporated in the Cayman Islands. As at the date of this announcement, JIDU is owned as to more than 30% by Mr. Li and his associate. JIDU is principally engaged in the R&D, procurement, sale of electric mobility related products, including intelligent electric vehicles, and the provision of related services.

### **smart**

smart is a limited liability company established in the PRC. As at the date of this announcement, it is owned as to more than 30% by Mr. Li and his associate. smart is principally engaged in the R&D, sales and export of electric vehicle and parts, etc.

### **Tianjin Chunqing**

Tianjin Chunqing is a limited liability company established in the PRC. As at the date of this announcement, it is ultimately owned as to more than 80% by Mr. Li and his associates. Tianjin Chunqing is principally engaged in the research and development of commercial vehicles, the trading of complete vehicles and autoparts, the preparation, trading and refueling services of methanol, vehicle leasing, transportation services, as well as investment and holding business.

### **Farizon Technology**

Farizon Technology is a limited liability company established in the PRC. As at the date of this announcement, it is ultimately owned as to more than 70% by Mr. Li and his associates. Farizon Technology is principally engaged in research and development, trading of commercial vehicles, production and trading of automotive parts, construction and operation of charging and swapping stations, vehicle leasing, transportation services, as well as investment and holding business.



## **Commercial Vehicle**

Commercial Vehicle is a limited liability company established in the PRC. As at the date of this announcement, it is ultimately wholly-owned by Mr. Li and his associates. Commercial Vehicle is principally engaged in the research and development, manufacturing, trading of commercial vehicles and automotive parts, as well as investment and holding business.

## **Livan Automotive and Livan Sales**

Livan Automotive and Livan Sales are limited liability companies established in the PRC. As at the date of this announcement, each of them is indirectly owned as to more than 30% by Mr. Li and his associate. Livan Automotive is principally engaged in the provision of battery swapping vehicles and services. Livan Sales is principally engaged in the wholesale of autoparts and components, as well as sales of vehicles, including NEVs, electric accessories for NEVs, battery swap facilities for NEVs, and charging piles, etc.

## **Zhidou Sales**

Zhidou Sales is a limited liability company established in the PRC. As at the date of this announcement, it is indirectly owned as to more than 30% by Mr. Li and his associate. Zhidou Sales is principally engaged in the wholesale of autoparts and components, the sales of new energy vehicles, the retail of autoparts and components, as well as the repair and maintenance of vehicles.

## **ZEEKR**

ZEEKR is a limited liability company incorporated in the Cayman Islands and as at the date of this announcement, ZEEKR is owned as to approximately 51.5% (on a fully-diluted basis) by the Company, and is owned as to approximately 11.3% (on a fully-diluted basis) by Geely Holding. ZEEKR is principally engaged in the research and development, purchase and sale of the electric mobility related products such as the premium intelligent electric vehicles under the ZEEKR brand and the provision of service relating thereto.

## **Genius AFC**

Genius AFC is a vehicle financing company established in the PRC, and is beneficially owned as to 75% by the Company, as to 20% by BNPP PF and as to 5% by Cofiplan, respectively as at the date of this announcement. Genius AFC is principally engaged in the provision of vehicle financing services in the PRC. Following the implementation of the Administrative Measures for Automotive Finance Companies (汽車金融公司管理辦法) as promulgated under NAFR 2023 No.1 on 11 August 2023, Genius AFC has broadened its business scope to cover the financing related to auto accessories and auto financing services for after-sales service providers. As certain key corporate matters of Genius AFC require a positive vote from BNPP PF or unanimous resolution of all directors (present in person or represented by proxy for the board meeting) of Genius AFC, Genius AFC is treated as a jointly controlled entity of the Company. Genius AFC is primarily regulated by the NAFR. In

addition, PBOC, the Ministry of Finance of the PRC also have regulatory authority over the automobile financing industry. NAFR and PBOC enacted the Measures for the Administration of Automotive Loans and the Measures for the Administration of Automobile Finance Companies, respectively to standardize the management of automobile financing business.

## **IMPLICATIONS UNDER THE LISTING RULES**

### **(a) Non-exempt continuing connected transactions contemplated under the Services Agreement, the Automobile Components Sales and Purchase Agreement and the Operation Services Agreement**

As at the date of this announcement, Geely Holding, is the substantial shareholder of the Company holding 4,019,391,000 Shares, which is approximately 40% of the total issued share capital of the Company. As such, Geely Holding is a connected person of the Company under the Listing Rules. Geely Technology is indirectly owned as to more than 85% by Mr. Li and his associate as at the date of this announcement. As such, Geely Technology is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

LYNK & CO is owned as to 50%, 20% and 30% by Ningbo Geely, Geely Holding and VCI, respectively. VCI is an indirect non-wholly-owned subsidiary of Geely Holding. As such, LYNK & CO is an associate of Geely Holding and a connected person of the Company under the Listing Rules.

As at the date of this announcement, ZEEKR is owned as to approximately 51.5% (on a fully-diluted basis) by the Company, and is owned as to approximately 11.3% (on a fully-diluted basis) by Geely Holding. ZEEKR is hence a connected subsidiary of the Company under the Listing Rules.

Lotus Technology is indirectly owned as to more than 30% by Mr. Li and his associate. As such, Lotus Technology is an associate of Mr. Li and a connected person of the Company under the Listing Rules. JIDU is owned as to more than 30% by Mr. Li and his associate. As such, JIDU is an associate of Mr. Li and a connected person of the Company under the Listing Rules. LEVC is owned as to 50% by Geely Holding and 50% by Geely Ningbo, which is in turn wholly-owned by Mr. Li and his associate. As such, LEVC is a connected person of the Company under the Listing Rules. smart is owned as to more than 30% by Mr. Li and his associate. As such, smart is an associate of Mr. Li and a connected person of the Company under the Listing Rules. Livan Automotive is indirectly owned as to more than 30% by Mr. Li and his associate. As such, Livan Automotive is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

YoeNing Technology is owned as to more than 90% by Mr. Li and his associate. As such, YoeNing Technology is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

InfiMotion is indirectly owned as to more than 30% by Mr. Li and his associate. As such, InfiMotion is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Geely Sunwoda is indirectly owned as to 41.5% by the Group and as to 28.5% by Mr. Li and his associate. Under Rule 14A.14 of the Listing Rules, Geely Sunwoda is an associate of Mr. Li and a connected person of the Company.

Each of Aurobay Technology and Geely Changxing is indirectly owned as to 33% by the Group and as to 17% by Mr. Li and his associate. Under Rule 14A.14 of the Listing Rules, each of them is an associate of Mr. Li and a connected person of the Company.

Farizon Technology is ultimately owned as to more than 70% by Mr. Li and his associates. As such, Farizon Technology is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Commercial Vehicle is ultimately wholly-owned by Mr. Li and his associates. As such, Commercial Vehicle is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Tianjin Chunqing is ultimately owned as to more than 80% by Mr. Li and his associates. As such, Tianjin Chunqing is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

The transactions contemplated under the Services Agreement, the Automobile Components Sales and Purchase Agreement and the Operation Services Agreement constitute continuing connected transactions for the Company. As one or more of the applicable percentage ratios of the proposed annual caps for each of (i) the Services Agreement; (ii) the Automobile Components Sales and Purchase Agreement; and (iii) the Operation Services Agreement exceed 5% on an annual basis, the transactions contemplated under each of the aforesaid agreements are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, respectively.

**(b) Exempted continuing connected transactions**

***CBU's Sales Agreement***

As Geely Holding is a connected person of the Company, the transactions contemplated under the CBU's Sales Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios for the transaction contemplated under the CBU's Sales Agreement exceed 0.1% but are less than 5% on an annual basis, the transaction contemplated under the CBU's Sales Agreement is subject to the reporting, annual review, and announcement requirements, but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

### ***Automobile Financing Arrangements***

As at the date of this announcement, Genius AFC is owned as to 75% by the Company, as to 20% by BNPP PF and as to 5% by Cofiplan, respectively. As at the date of this announcement, (i) VCDC is wholly-owned by Volvo, an indirect non-wholly-owned subsidiary of Geely Holding; and (ii) VCIC is owned as to 50% by Volvo and as to 50% by Geely Holding, which in turn is wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial shareholder holding approximately 41% of the total issued share capital of the Company as at the date of this announcement, and is a connected person of the Company. Accordingly, each of VCDC, VCIC and Geely Holding is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

As at the date of this announcement, Livan Sales is a wholly-owned subsidiary of Livan Automotive and as such, Livan Sales is an associate of Mr. Li and a connected person of the Company under the Listing Rules. Zhidou Sales is indirectly owned as to more than 30% by Mr. Li and his associate and as such, Zhidou Sales is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Under the automobile financing arrangements, Genius AFC will provide financing services to different parties, including but not limited to the dealers, after-sales service providers, other sellers or retail customers who will purchase vehicles or auto accessories or services from the vehicle brands of Volvo, Livan and Zhidou during the term of the Finance Cooperation Agreements. The respective transactions with Genius AFC are deemed to be connected transactions of the Company under Rule 14A.23 of the Listing Rules on the grounds that the dealers, after-sales service providers, other sellers or retail customers will use the financing provided by Genius AFC to purchase vehicles or auto accessories or services from the connected persons of the Company.

As one or more of the applicable percentage ratios for the proposed annual caps of the continuing connected transaction contemplated under the automobile financing arrangements, exceed 0.1% but are less than 5% on an aggregated and annual basis, the continuing connected transactions contemplated under the automobile financing arrangements are subject to the reporting, annual review, and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **GENERAL**

Mr. Li and Mr. Li Dong Hui, Daniel, each an executive Director, are considered to be interested in the Non-exempt Continuing Connected Transactions and the Exempted Continuing Connected Transactions by virtue of their interests and/or directorship in Geely Holding. As a result, each of Mr. Li and Mr. Li Dong Hui, Daniel has abstained from voting on the Board resolutions for approving the Non-exempt Continuing Connected Transactions and the Exempted Continuing Connected Transactions.

In addition, Mr. Gui Sheng Yue, Ms. Wei Mei and Mr. Gan Jia Yue, each an executive Director, are considered to be interested in the Automobile Components Sales and Purchase Agreement and the Operation Services Agreement by virtue of their interests in ZEEKR. As a result, each of Mr. Gui Sheng Yue, Ms. Wei Mei and Mr. Gan Jia Yue has abstained from voting on the Board resolutions for approving the Automobile Components Sales and Purchase Agreement and the Operation Services Agreement.

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

A circular containing, among other things, (i) further information of the Non-Exempt Continuing Connected Transactions; (ii) the recommendation of the Independent Board Committee in respect of the Non-Exempt Continuing Connected Transactions; (iii) the advice of the Independent Financial Adviser on the Non-Exempt Continuing Connected Transactions; and (iv) other information as required under the Listing Rules together with the notice of the EGM, will be despatched to the Shareholders on or before 30 September 2024 (which is more than 15 business days after the publication of this announcement) after taking into account the time required for preparing and gathering the relevant information to be contained in the circular.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms have the meanings as respectively ascribed below:

“2021 CBUs Sales Agreement”	the master agreement dated 15 October 2021 entered into between the Company and Geely Holding for the sale of CBUs and the related after-sales parts and accessories by the Group to the Geely Holding Group
“2023 Operation Services Agreement”	the master agreement dated 9 June 2023 entered into among the Company, Geely Holding, LYNK & CO and ZEEKR for the operation services

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Automobile Components Sales and Purchase Agreement”	the master agreement entered into among the Company, Geely Holding, LYNK & CO, ZEEKR, LEVC, Geely Technology, YoeNing Technology, InfiMotion and Geely Sunwoda on 15 August 2024, pursuant to which the Group conditionally agreed to (i) sell automobile components to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, and the LEVC Group; and (ii) purchase automobile components from the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the YoeNing Technology Group, the Geely Technology Group, the InfiMotion Group and the Geely Sunwoda Group
“Aurobay Technology”	極光灣科技有限公司 (Aurobay Technology Co., Ltd.*), a limited liability company established in the PRC, which is indirectly owned as to 33% by the Group and as to 17% by Mr. Li and his associate as at the date of this announcement
“Aurobay Technology Group”	Aurobay Technology and its subsidiaries
“Automobile Sales Company”	VCDC; VCIC; Livan Sales; and Zhidou Sales
“BNPP PF”	BNP Paribas Personal Finance, a wholly-owned subsidiary of BNP Paribas Group, which is principally engaged in consumer credit and mortgage lending activities
“Board”	the board of Directors
“Business Day”	day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong and the PRC
“CBU(s)”	fully functional vehicles that meet relevant corporate standards, industry requirements and regulatory requirements and can be sold directly to customers
“CBUs Sales Agreement”	the master agreement entered into between the Company and Geely Holding on 15 August 2024, pursuant to which the Group conditionally agreed to sell CBUs and related after-sales parts and accessories manufactured by the Group to the Geely Holding Group
“CKD(s)”	all parts and components in a disassembled state that can be assembled into CBU(s)

“Cofiplan”	Cofiplan S.A., a wholly-owned subsidiary of BNP Paribas Group, which is principally engaged in financing activities
“Commercial Vehicle”	浙江吉利遠程新能源商用車集團有限公司 (Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd.*), a limited liability company established in the PRC and is ultimately wholly-owned by Mr. Li and his associates as at the date of this announcement
“Commercial Vehicle Group”	Commercial Vehicle and its subsidiaries
“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the main board of the Stock Exchange (stock codes: 175 (HKD counter) and 80175 (RMB counter))
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	directors of the Company, each a “Director”
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Non-exempt Continuing Connected Transactions
“Exempted Continuing Connected Transactions”	the transactions contemplated under the CBUs Sales Agreement; and the transactions contemplated under the Finance Cooperation Agreements
“Existing Automobile Components Sales and Purchase Agreement”	the master agreement entered into among the Company, Geely Holding, LYNK & CO and ZEEKR on 15 September 2023, pursuant to which the Group conditionally agreed to (i) sell automobile components to the Geely Holding Group and LYNK & CO Group; and (ii) purchase automobile components from the Geely Holding Group and the ZEEKR Group
“Existing Services Agreement”	the master agreement dated 15 October 2021 entered into between the Company and Geely Holding (i) for the sale of CKDs by the Group to the Geely Holding Group; and (ii) for the purchase of CBUs by the Group from the Geely Holding Group

“Existing Volvo Finance Cooperation Agreement (Domestic Vehicles)”	the cooperation agreement entered into between Genius AFC and VCIC on 11 December 2015 which sets out, among other things, the terms under which Genius AFC agreed to provide vehicle financing services to the Volvo Dealers and the Volvo Retail Customers for Volvo brand vehicles manufactured domestically, including (i) wholesale financing to the Volvo Dealers to assist them to buy Volvo brand vehicles and eventually selling such vehicles to the Volvo Retail Customers; and (ii) retail financing to the Volvo Retail Customers to assist them to buy Volvo brand vehicles from the Volvo Dealers
“Existing Volvo Finance Cooperation Agreement (Imported Vehicles)”	the cooperation agreement entered into between Genius AFC and VCDC on 11 December 2015 which sets out, among other things, the terms under which Genius AFC agreed to provide vehicle financing services to the Volvo Dealers and the Volvo Retail Customers for imported Volvo brand vehicles, including (i) wholesale financing to the Volvo Dealers to assist them to buy Volvo brand vehicles and eventually selling such vehicles to the Volvo Retail Customers; and (ii) retail financing to the Volvo Retail Customers to assist them to buy Volvo brand vehicles from the Volvo Dealers
“Existing Volvo Finance Cooperation Agreements”	the Existing Volvo Finance Cooperation Agreement (Domestic Vehicles) and the Existing Volvo Finance Cooperation Agreement (Imported Vehicles)
“Farizon Technology”	遠程商用車科技有限公司 (Farizon Commercial Vehicle Technology Co., Ltd.*), a limited liability company established in the PRC, which is ultimately owned as to more than 70% by Mr. Li and his associates as at the date of this announcement
“Farizon Technology Group”	Farizon Technology and its subsidiaries
“Finance Cooperation Agreements”	collectively, the Volvo Finance Cooperation Agreements, the Livan Finance Cooperation Agreement and the Zhidou Finance Cooperation Agreement
“Geely Changxing”	吉利長興自動變速器有限公司 (Geely Changxing Automatic Transmission Co., Ltd.*), a limited liability company established in the PRC, which is indirectly owned as to 33% by the Group and as to 17% by Mr. Li and his associate as at the date of this announcement
“Geely Changxing Group”	Geely Changxing and its subsidiaries



“Geely Holding”	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited*), a limited liability company established in the PRC, which is ultimately beneficially wholly-owned by Mr. Li and his associate as at the date of this announcement
“Geely Holding and Related Party Groups”	collectively, the Geely Holding Group, the ZEEKR Group, the LYNK & CO Group, the Geely Technology Group, the smart Group, the Farizon Technology Group, the Commercial Vehicle Group, the Tianjin Chunqing Group, the Livan Automotive Group, the Lotus Technology Group, the Farizon Technology Group, the JIDU Group, the Aurobay Technology Group and the Geely Changxing Group
“Geely Holding Group”	Geely Holding and its subsidiaries
“Geely Ningbo”	吉利集團(寧波)有限公司 (Geely Group (Ningbo) Co., Ltd.*), a limited liability company established in the PRC, which is ultimately beneficially wholly-owned by Mr. Li and his associate as at the date of this announcement
“Geely Qizheng”	浙江吉利啟征汽車科技有限公司 (Zhejiang Geely Qizheng Automotive Technology Co., Ltd.*), a limited liability company established in the PRC, which is ultimately and beneficially wholly-owned by Mr. Li and his associate as at the date of this announcement
“Geely Sunwoda”	山東吉利欣旺達動力電池有限公司 (Shandong Geely Sunwoda Power Battery Co., Ltd.*), a limited liability company established in the PRC and is indirectly owned as to 41.5% by the Group and as to 28.5% by Mr. Li and his associate as at the date of this announcement.
“Geely Sunwoda Group”	Geely Sunwoda and its subsidiaries
“Geely Technology”	吉利科技集團有限公司 (Geely Technology Group Company Limited*), a limited liability company established in the PRC. As at the date of this announcement, Geely Technology is indirectly owned as to more than 85% by Mr. Li and his associate
“Geely Technology Group”	Geely Technology and its subsidiaries

“Genius AFC”	吉致汽車金融有限公司 (Genius Auto Finance Co., Ltd.*), a limited liability company established in the PRC, which is owned as to 75% by the Company, 20% by BNPP PF and 5% by Cofiplan, respectively, as at the date of this announcement. As certain key corporate matters of Genius AFC require a positive vote from BNPP PF or unanimous resolution of all directors (present in person or represented by proxy for the board meeting) of Genius AFC, Genius AFC is treated as a jointly controlled entity of the Company
“Group”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, which comprises all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders on the Non-exempt Continuing Connected Transactions
“Independent Financial Adviser”	Ballas Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Non-Exempt Continuing Connected Transactions
“Independent Shareholders”	Shareholders other than Mr. Li, Mr. Li Dong Hui, Daniel, Mr. Gui Sheng Yue, Ms. Wei Mei, Mr. Gan Jia Yue (as the case may be), and their respective associates
“InfiMotion”	無錫星驅科技有限公司 (Wuxi InfiMotion Technology Co., Ltd.*), a limited liability company established in the PRC and is indirectly owned as to more than 30% by Mr. Li and his associate as at the date of this announcement
“InfiMotion Group”	InfiMotion and its subsidiaries
“IT”	information and technology
“JIDU”	JIDU Auto Inc. (集度汽車公司*), a company incorporated in the Cayman Islands and is owned as to more than 30% by Mr. Li and his associate as at the date of this announcement

“JIDU Group”	JIDU and its subsidiaries
“LEVC”	浙江翼真新能源汽車有限公司 (Zhejiang LEVC New Energy Automobile Co., Ltd.*), a limited liability company established in the PRC, which is owned as to 50% by Geely Holding and 50% by Geely Ningbo as at the date of this announcement
“LEVC Group”	LEVC and its subsidiaries
“Livan Automotive”	重慶睿藍汽車科技有限公司 (Chongqing Livan Automotive Technology Co., Ltd.*), a limited liability company established in the PRC, which is owned as to 45% by Geely Qizheng as at the date of this announcement
“Livan Finance Cooperation Agreement”	the finance cooperation agreement entered into between Genius AFC and Livan Sales on 15 August 2024, pursuant to which Genius AFC conditionally agreed to provide vehicle financing services to the dealers, after-sales service providers, other sellers and retail customers
“Livan Retail Annual Cap(s)”	the proposed annual cap(s) for the Livan Retail Financing business for each of the financial years ending 31 December 2024, 2025 and 2026
“Livan Retail Financing”	the provision of vehicle financing and other financing services by Genius AFC to the Livan retail customers to assist them with purchasing Livan brand vehicles, auto accessories and services
“Livan Retail Financing Agreement(s)”	the financing agreement(s) to be entered into between Genius AFC and retail customers setting out the terms of the financing to be provided by Genius AFC to retail customers for purchasing Livan brand vehicles, auto accessories or services
“Livan Sales”	重慶睿藍汽車銷售有限公司 (Chongqing Livan Automotive Sales Co., Ltd.*), a limited liability company established in the PRC which is ultimately owned as to more than 30% by Mr. Li and his associates as at the date of this announcement
“Lotus Technology”	武漢路特斯科技有限公司 (Wuhan Lotus Technology Company Limited*), a limited liability company established in the PRC, which is indirectly owned as to more than 30% by Mr. Li and his associate as at the date of this announcement
“Lotus Technology Group”	Lotus Technology and its subsidiaries

“LYNK & CO”	領克汽車科技有限公司 (LYNK & CO Automotive Technology Co., Ltd.*), a Chinese-foreign-equity joint venture of the Company established in the PRC, which is owned as to 50%, 20% and 30% by Ningbo Geely, Geely Holding and VCI as at the date of this announcement
“LYNK & CO Group”	LYNK & CO and its subsidiaries
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial shareholder holding approximately 41% of the total issued share capital of the Company as at the date of this announcement
“NAFR”	National Administration of Financial Regulation, which has been newly formed on the basis of China Banking and Insurance Regulatory Commission
“NEV(s)”	new energy vehicle(s)
“Ningbo Geely”	寧波吉利汽車實業有限公司 (Ningbo Geely Auto Industry Company Limited*), a limited liability company established in the PRC, which is an indirectly wholly-owned subsidiary of the Company as at the date of this announcement
“Non-exempt Continuing Connected Transactions”	the transactions contemplated under the Services Agreement; the transactions contemplated under the Automobile Components Sales and Purchase Agreement; and the transactions contemplated under the Operation Services Agreement
“Operation Services Agreement”	the master agreement entered into among the Company, Geely Holding, LYNK & CO, ZEEKR, Geely Technology, Aurobay Technology, Geely Changxing, Lotus Technology, JIDU, smart, Tianjin Chunqing, Farizon Technology, Commercial Vehicle, Livan Automotive and YoeNing Technology on 15 August 2024, pursuant to which the Group conditionally agreed to: (i) provide to the Geely Holding and Related Party Groups operation services; and (ii) procure from the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the Geely Technology Group, the Aurobay Technology Group, and the Geely Changxing Group operation services
“PBOC”	the People’s Bank of China
“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules

“PRC”	the People’s Republic of China, but for the purposes of this announcement only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“R&D”	research and development
“Retail Customer(s)”	retail customers for purchasing the Volvo brand vehicles, Zhidou brand vehicles and/or Livan brand vehicles
“Retail Financing”	the Volvo Retail Financing; the Livan Retail Financing; and the Zhidou Retail Financing
“Retail Financing Cooperation Agreement(s)”	the agreements entered into among Genius AFC with the relevant dealers or other sellers (as the case may be), pursuant to which the relevant dealers or other sellers shall recommend their retail customers to use Genius AFC for obtaining vehicle financing to finance their purchase of the relevant brand of vehicles, auto accessories and services
“Retail Financing Business”	the business of the Volvo Retail Financing; the Livan Retail Financing; and the Zhidou Retail Financing
“Retail Individual Financing Agreement(s)”	the Volvo Retail Financing Agreement(s); the Livan Retail Financing Agreement(s); and the Zhidou Retail Financing Agreement(s)
“RMB”	Renminbi, the lawful currency of the PRC
“Services Agreement”	the master agreement dated 15 August 2024 entered into between the Company and Geely Holding (i) for the sale of CKDs by the Group to the Geely Holding Group; and (ii) for the purchase of CBUs by the Group from the Geely Holding Group
“SFO”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholders”	the holder(s) of the Share(s)

“smart”	智馬達汽車有限公司 (smart Automobile Co., Ltd.*), a limited liability company established in the PRC, which is owned as to more than 30% by Mr. Li and his associate as at the date of this announcement
“smart Group”	smart together with its subsidiaries
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental CBU Sales Agreement”	the supplemental agreement to the 2021 CBU Sales Agreement dated 9 June 2023 entered into between the Company and Geely Holding for the revised annual caps
“Supplemental Operation Services Agreement”	the supplemental agreement to the 2023 Operation Services Agreement entered into between the Company, Geely Holding, LYNK & CO, ZEEKR and Geely Technology dated 7 February 2024 for the revised annual caps
“Supplemental Services Agreement”	the supplemental agreement to the Existing Services Agreement entered into between the Company and Geely Holding dated 9 September 2022 for the revised annual caps
“Tianjin Chunqing”	天津醇氫生態科技有限公司 (Tianjin Chunqing Technology Co., Ltd.*), a limited liability company established in the PRC, which is ultimately owned as to more than 80% by Mr. Li and his associates as at the date of this announcement
“Tianjin Chunqing Group”	Tianjin Chunqing and its subsidiaries
“VCDC”	沃爾沃汽車銷售(上海)有限公司 (Volvo Car Distribution (Shanghai) Co., Ltd.*), a limited liability company established in the PRC which is a wholly-owned subsidiary of Volvo as at the date of this announcement
“VCI”	沃爾沃汽車(中國)投資有限公司 (Volvo Car (China) Investment Co., Ltd.*), a limited liability company established in the PRC, which is a wholly-owned subsidiary of Volvo as at the date of this announcement
“VCIC”	沃爾沃汽車(亞太)投資控股有限公司 (Volvo Car (APAC) Investment Holding Co., Ltd.*), a limited liability company established in the PRC which is owned as to 50% by Volvo and as to 50% by Geely Holding as at the date of this announcement

“Volvo”	Volvo Car Corporation, a limited liability company incorporated under the laws of Sweden, which is an indirect non-wholly-owned subsidiary of Geely Holding as at the date of this announcement
“Volvo Dealer(s)”	enterprises that are authorised under the terms of a franchise dealer agreement with VCDC or VCIC (as the case may be) to sell Volvo brand vehicles to the Volvo Retail Customers
“Volvo Finance Cooperation Agreement (Domestic Vehicles)”	the cooperation agreement entered into between Genius AFC and VCIC on 15 August 2024 which sets out, among other things, the terms under which Genius AFC agreed to provide vehicle financing services to the Volvo Dealers, after-sales service providers, other sellers and the Volvo Retail Customers for Volvo brand vehicles manufactured domestically
“Volvo Finance Cooperation Agreement (Imported Vehicles)”	the cooperation agreement entered into between Genius AFC and VCDC on 15 August 2024 which sets out, among other things, the terms under which Genius AFC agreed to provide vehicle financing services to the Volvo Dealers, after-sales service providers, other sellers and the Volvo Retail Customers for imported Volvo brand vehicles
“Volvo Finance Cooperation Agreements”	the Volvo Finance Cooperation Agreement (Domestic Vehicles) and the Volvo Finance Cooperation Agreement (Imported Vehicles)
“Volvo Group”	Volvo together with its subsidiaries
“Volvo Retail Annual Cap(s)”	the proposed annual cap(s) for the Volvo Retail Financing business for each of the financial years ending 31 December 2025, 2026 and 2027
“Volvo Retail Customer(s)”	retail customers who purchase Volvo brand vehicles from the Volvo Dealers
“Volvo Retail Financing”	the provision of vehicle financing and other financing services by Genius AFC to the Volvo retail customers to assist them with purchasing Volvo brand vehicles, auto accessories and services
“Volvo Retail Financing Agreement(s)”	the financing agreement(s) to be entered into between Genius AFC and retail customers setting out the terms of the financing to be provided by Genius AFC to retail customers for purchasing Volvo brand vehicles, auto accessories or services

“Volvo Wholesale Annual Cap(s)”	the proposed annual cap(s) for the Volvo Wholesale Financing business for each of the financial years ending 31 December 2025, 2026 and 2027
“Volvo Wholesale Financing”	the provision by Genius AFC of vehicle loans and other financing to the Volvo Dealers to assist them to buy Volvo brand vehicles from VCDC or VCIC (as the case may be)
“Wholesale Customer(s)”	including but not limited to the Volvo Dealer(s); after-sales service providers; and other sellers
“Wholesale Facility Agreements”	the Volvo Wholesale Facility Agreements
“Wholesale Financing”	the Volvo Wholesale Financing
“Wholesale Financing Business”	the Volvo Wholesale Financing business
“YoeNing Technology”	浙江耀寧科技集團有限公司 (ZheJiang YoeNing Technology Group Co., Ltd.*), a limited liability company established in the PRC, which is owned as to more than 90% by Mr. Li and his associate as at the date of this announcement
“YoeNing Technology Group”	YoeNing Technology and its subsidiaries
“ZEEKR”	ZEEKR Intelligent Technology Holding Limited (NYSE: ZK), a limited liability company incorporated in the Cayman Islands, which is an indirect subsidiary of the Company as at the date of this announcement
“ZEEKR Group”	ZEEKR together with its subsidiaries
“Zhidou Finance Cooperation Agreement”	the finance cooperation agreement entered into between Genius AFC and Zhidou Sales on 15 August 2024, pursuant to which Genius AFC conditionally agreed to provide vehicle financing services to the dealers, after-sales service providers, other sellers and retail customers
“Zhidou Retail Annual Cap(s)”	the proposed annual cap(s) for the Zhidou Retail Financing business for each of the financial years ending 31 December 2025, 2026 and 2027



“Zhidou Retail Financing”	the provision of vehicle financing and other financing services by Genius AFC to Zhidou retail customers to assist them with purchasing Zhidou brand vehicles, auto accessories and services
“Zhidou Retail Financing Agreement(s)”	the financing agreement(s) to be entered into between Genius AFC and retail customers setting out the terms of the financing to be provided by Genius AFC to retail customers for purchasing Zhidou brand vehicles, auto accessories or services
“Zhidou Sales”	蘭州知豆汽車銷售有限公司 (Lanzhou Zhidou Automobile Sales Company Limited*), a limited liability company established in the PRC and is ultimately owned as to more than 30% by Mr. Li and his associates as at the date of this announcement
“%”	per cent

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

Hong Kong, 15 August 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Li Dong Hui, Daniel (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Ms. Wei Mei, Mr. Gan Jia Yue and Mr. Mao Jian Ming, Moosa; and the independent non-executive directors of the Company are Mr. An Qing Heng, Mr. Wang Yang, Ms. Gao Jie, Ms. Yu Li Ping, Jennifer and Mr. Zhu Han Song.*

\* *For identification purposes only*