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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)

**CONNECTED TRANSACTION IN RELATION TO FORMATION OF A
JOINT VENTURE**

Financial Adviser to Geely Automobile Holdings Limited



THE JV FRAMEWORK AGREEMENT

On 2 March 2025, Zhejiang Jirun, a subsidiary of the Company, Two Rivers Industrial Fund, Chongqing Industrial Master Fund, Chongqing Maichi, Lotus Robotics, Qianli Technology and Jianghehui entered into the JV Framework Agreement, pursuant to which the parties conditionally agreed to establish the JV Company to engage in the intelligent driving business. Upon Closing, the JV Company will be owned as to 30% by the Group, as to 30% by Chongqing Maichi, as to 30% by QL Partnership, as to 5% by Lotus Robotics and as to 5% by the Employee Incentive Platform.

IMPLICATIONS UNDER THE LISTING RULES

As the highest of the applicable percentage ratios (as defined under the Listing Rules) is less than 5%, the entering into of the JV Framework Agreement and the transactions contemplated thereunder do not constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Lotus Robotics is a company indirectly owned as to more than 50% by Mr. Li and his associate and is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the entering into of the JV Framework Agreement and the transactions contemplated thereunder constitute connected transactions for the Company pursuant to Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect

of the transactions contemplated under the JV Framework Agreement exceeds 0.1% but all of which are less than 5%, these connected transactions are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

FORMATION OF THE JV COMPANY

On 2 March 2025, Zhejiang Jirun, a subsidiary of the Company, entered into the JV Framework Agreement for the JV Formation. The JV Company will not be accounted for as a subsidiary of the Group upon Closing. The principal terms of the JV Framework Agreement are set out below:

The JV Framework Agreement

Date

2 March 2025

Parties

- (i) Zhejiang Jirun
- (ii) Two Rivers Industrial Fund
- (iii) Chongqing Industrial Master Fund
- (iv) Chongqing Maichi
- (v) Lotus Robotics
- (vi) Qianli Technology
- (vii) Jianghehui

Subject Matter

The parties conditionally agreed to establish the JV Company to engage in the intelligent driving business. Upon Closing, the JV Company will have a registered capital of RMB200 million and a shareholding structure as follows:

Name of shareholders	Registered capital subscribed	Consideration (cash and contribution in kind)	Approximate shareholding
Zhejiang Jirun or its designated entity	RMB60,000,000	RMB1,500,000,000	30%
Chongqing Maichi	RMB60,000,000	RMB1,500,000,000	30%
QL Partnership	RMB60,000,000	RMB1,500,000,000	30%
Lotus Robotics or its designated entity	RMB10,000,000	RMB250,000,000	5%
Employee Incentive Platform	RMB10,000,000	RMB1,500,000	5%
Total	RMB200,000,000	RMB4,751,500,000	100%

Contribution to the JV Company

The contribution to the JV Company was determined by the parties after arm's length negotiations and with reference to the capital requirement for the development of the JV Company and the appraised value of the assets to be contributed by the Industrial Parties (as defined below) as at 31 December 2024 determined by the Independent Valuer, Yatai Xinghua (Beijing) Assets Appraisal Co., Ltd.

The aggregate contribution of the parties to the JV Company is RMB4,751,500,000, of which RMB200,000,000 will be accounted for as the registered capital of the JV Company, and the balance of RMB4,551,500,000 will be accounted for as the capital reserve of the JV Company. The respective contributions of the parties to the JV Company are as follows:

Zhejiang Jirun

- Injected Assets, which comprises certain intelligent driving-related technologies of the Group, of RMB1.3 billion

Zhejiang Jirun and its affiliates shall retain the right to continue using such technologies free-of-charge upon the JV Formation for their own intelligent driving business. The appraised value of the assets to be contributed by Zhejiang Jirun is RMB1.314 billion with reference to the Valuation Report using the income approach. The Valuation Report is prepared under the PRC Valuation Standards in accordance with the requirements of the State-owned Assets Supervision and Administration Commission.

A summary of the Valuation Report, including key assumptions, the valuation model, and input parameters used for the valuation of the Injected Assets, is provided in Appendix I of this announcement.

- Cash of RMB200 million

It is expected that the cash contribution by the Group to the JV Company will be funded by the internal cash reserve of Zhejiang Jirun.

Chongqing Maichi

- Business and technologies relating to intelligent driving (RMB1.5 billion)

The appraised value of the above assets to be contributed by Chongqing Maichi is RMB1.515 billion with reference to the valuation report issued by the Independent Valuer on 27 February 2025.

Lotus Robotics

- Technologies relating to intelligent driving (RMB250 million)

The appraised value of the above assets to be contributed by Lotus Robotics is RMB257 million with reference to the valuation report issued by the Independent Valuer on 27 February 2025.

QL Partnership

- Cash of RMB1.5 billion

Employee Incentive Platform

- Cash of RMB1.5 million

The consideration of contribution by the Employee Incentive Platform is lower since the registered capital to be subscribed by the employees of the JV Company is offered at a discount as an incentive. It is expected that the Employee Incentive Platform will not include any connected persons to the Company.

Conditions precedent

Closing is conditional upon fulfilment of the following conditions:

- (1) Chongqing Maichi, Zhejiang Jirun or its designated entity, Lotus Robotics or its designated entity (collectively, the “**Industrial Parties**”) and the Employee Incentive Platform shall set up the JV Company in the Chongqing Liangjiang New Area (重慶兩江新區直管區) within five working days after the following conditions are fulfilled:
 - (a) the Employee Incentive Platform having been legally established and obtained a business licence;

- (b) each of the parties having completed all internal and external approvals and consents in relation to the JV Formation, including but not limited to, going through its internal decision-making process, obtaining the resolutions of the investment decision making committee and/or the shareholders' meeting and the board of directors, and having completed the relevant approval procedures (if required) in accordance with its respective articles of association/partnership agreement and the applicable listing rules and other regulatory requirements of the stock exchange on which the company is listed;
 - (c) the following transaction documents in relation to the JV Formation having been duly executed and are all in force:
 - (i) the JV Framework Agreement having been duly executed by the parties;
 - (ii) the articles of association of the JV Company for its establishment (the “**Articles of Association**”) having been duly executed by the Industrial Parties and the Employee Incentive Platform;
 - (iii) all agreements and documents required for the filing of the PRC merger notification in relation to the JV Formation (the “**Merger Notification**”) having been signed by the parties; and
 - (iv) the partnership agreement of QL Partnership having been duly executed by Two Rivers Industrial Fund, Chongqing Industrial Master Fund, the designated wholly-owned subsidiary of Qianli Technology, and the designated entity of Jianghehui;
 - (d) the parties to the JV Framework Agreement having agreed on the form and content of the Definitive Agreements;
 - (e) the parties having passed the examination of the Merger Notification or having been determined not to require filing such notification in accordance with the applicable antitrust laws, regulations and regulatory documents.
- (2) The Industrial Parties shall complete the contribution in kind to the JV Company in accordance with the JV Framework Agreement within ten (10) working days after the fulfilment of the following conditions:
- (a) the parties to the JV Framework Agreement having completed due diligence on the assets, personnel and business to be injected into the JV Company by the Industrial Parties and the results of the due diligence being satisfactory to the parties;
 - (b) a wholly-owned subsidiary designated by Qianli Technology, Two Rivers Industrial Fund or its designated related parties, Chongqing Industrial Master Fund and the designated entity of Jianghehui having completed the establishment of QL Partnership in Chongqing Liangjiang New Area and obtained a business licence;

- (c) the Definitive Agreements having been duly executed and are in force;
 - (d) the shareholders' meeting of Chongqing Maichi having approved the withdrawal of Chongqing Zhi Chi Yi Xing Enterprise Management Consulting Partnership (Limited Partnership)* (重慶智馳逸行企業管理諮詢合夥企業(有限合夥)).
- (3) QL Partnership shall make cash contribution of RMB1.5 billion to the JV Company within five working days after the fulfilment of the conditions set out below but no later than ten working days after the completion of the conditions set out below (unless the delay is not due to reasons attributable to QL Partnership itself):
- (a) the pre-investment valuation of the JV Company of RMB3.3 billion being supported by a valuation report issued by a valuation agency recognised by all parties;
 - (b) the conditions precedent mentioned in (1) and (2) above having been satisfied;
 - (c) the Industrial Parties having completed all contribution in kind to the JV Company and the injection of assets, of which the personnel may be transferred to the JV Company in batches as agreed in the JV Framework Agreement;
 - (d) issuance of a capital verification report by an auditor recognised by the parties in respect of the capital contribution of the Industrial Parties;
 - (e) the JV Company having completed the capital surplus transfer in accordance with the JV Framework Agreement, the industrial and commercial registration having been completed and the amended business license of the JV Company having been obtained;
 - (f) QL Partnership having made the capital injection to the JV Company in accordance with the JV Framework Agreement, and the JV Company having completed the industrial and commercial registration and obtained the amended business licence in respect of capital increase.
- (4) On the same date as QL Partnership contributes the RMB1.5 billion cash contribution to the JV Company under the JV Framework Agreement, Zhejiang Jirun (or its designated entity) shall contribute its RMB200 million cash contribution to the JV Company;
- (5) In the event that the JV Formation is not completed in accordance with the JV Framework Agreement by the expiry date of six months after the JV Framework Agreement becoming effective (for the avoidance of doubt, the review period of the Merger Notification is not taken into account when calculating the aforesaid six-month period), or such longer period as the parties may otherwise agree, the Industrial Parties that have made the contribution in kind shall have the right (but shall not be obliged) to request the dissolution of the JV Company, in which case the parties shall cooperate to restore the status quo; and

- (6) The Employee Incentive Platform shall complete the cash contribution of its subscribed capital within five years after the establishment of the JV Company.

Definitive Agreements

The JV Framework Agreement sets out the principal terms for the parties to further negotiate and discuss the detailed terms and conditions of the Definitive Agreements. The Company will make further announcement(s) in connection with the Definitive Agreements as and when appropriate or if required by the Listing Rules.

Termination

The JV Framework Agreement shall terminate on the earliest of the following events: (1) the shareholders agreement of the JV Company and the amended Articles of Association have been duly executed by the parties and have become effective; or (2) the shareholders agreement of the JV Company fails to be duly executed within three months after the signing of the JV Framework Agreement.

Effectiveness of the JV Framework Agreement

The JV Framework Agreement shall take effect upon the completion of the internal and external decision-making and approval process by Chongqing Industrial Master Fund.

PROFIT FORECAST

As the income approach is used as the basis of the valuation of the Injected Assets in determining the consideration for the JV Formation, the valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

The Financial Adviser to the Company is satisfied that the forecast contained in the Valuation Report was made by the Board after due and careful enquiry.

Grant Thornton Hong Kong Limited, the Reporting Accountant, has reported on the arithmetical calculations of the discounted future estimated cash flows upon which the valuation prepared by the Independent Valuer were based.

The letter from the Financial Adviser and letter from the Reporting Accountant both dated 2 March 2025 regarding the profit forecast contained in the Valuation Report are set out in Appendix II and Appendix III to this announcement, respectively, for the purpose of Rule 14.62 of the Listing Rules.

EXPERTS AND CONSENTS

The followings are the qualifications of the experts who have given their opinions or advices in this announcement:

Name	Qualification	Date of Opinion
SPDB International Capital Limited	a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO	2 March 2025
Grant Thornton Hong Kong Limited	Certified Public Accountants, Hong Kong	2 March 2025
Yatai Xinghua (Beijing) Assets Appraisal Co., Ltd.	Independent Valuer	27 February 2025

As of the date of this announcement, none of the above experts has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate other persons to subscribe for securities in any member of the Group.

As of the date of this announcement, each of the above experts has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letter and references to its name and letter, where applicable, in the form and context in which they respectively appear.

REASONS FOR AND BENEFITS OF THE JV FORMATION

The Group is dedicated to developing safe and convenient intelligent automotive products for users, with intelligent driving being one of its core R&D strategies. Leveraging its independent R&D efforts, the Group has accumulated related technologies in the field of intelligent driving. It has adopted an open cooperation approach by establishing the JV Company with partners to further enhance R&D capabilities in this field and accelerate the development of intelligent driving technologies.

The JV Company will integrate the strengths of all partners in intelligent driving technologies, R&D resources, funding, and industrial resources to achieve greater synergies, improve R&D efficiency, and reduce costs, thereby accelerating the formation of a leading industrial advantage in the intelligent driving field.

The JV Company will become an important partner for the Group in building an artificial intelligence ecology in the automotive industry and will provide advanced intelligent driving solutions for the Group's future products. Meanwhile, the Group will work closely with the JV Company to improve the intelligent driving system and applications of products, accelerate the iteration and upgrade of intelligent driving functions, enhance market competitiveness of future products, and deliver a safer and more convenient intelligent mobility experience to users.

The Directors (including the independent non-executive Directors) believe that although the JV Formation is not entered into in the ordinary and usual course of business of the Group, the terms of the JV Framework Agreement and the transactions contemplated therein are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES TO THE JV FRAMEWORK AGREEMENT

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.

Zhejiang Jirun

Zhejiang Jirun is principally engaged in the research, development, production, marketing and sales of vehicles and related automobile components in the PRC. It is a limited liability company established in the PRC. As at the date of this announcement, Zhejiang Jirun is an indirectly 99% owned subsidiary of the Company.

Two Rivers Industrial Fund

Two Rivers Industrial Fund is principally engaged in equity investments with private equity funds. It is a private equity investment fund partnership established in the PRC and is ultimately controlled by the PRC government.

Chongqing Industrial Master Fund

Chongqing Industrial Master Fund is principally engaged in equity investments with private equity funds. It is a private equity investment fund partnership established in the PRC and is ultimately controlled by the PRC government.

Chongqing Maichi

Chongqing Maichi is principally engaged in technical services, technology development, technology consulting, technology exchange, technology transfer, and technology promotion; information system integration services; software development; data processing services; sales of communications equipment; non-residential real estate leasing; business management consulting; social economy consulting services; conference and exhibition services; computer and office equipment maintenance; professional design services; corporate image planning; organisation of cultural and artistic exchange activities; technology import and export; and import and export of goods. It is a limited liability company established in the PRC. As at the date of this announcement, the ultimate beneficial owner of Chongqing Maichi is Mr. Yang Mu.

Lotus Robotics

Lotus Robotics, established in 2021 and registered in Ningbo, Zhejiang, provides autonomous driving software, testing tools, and cloud-based simulation toolchains to empower Advanced Driver-Assistance Systems (ADAS) and autonomous driving systems. Partnering with global leading automakers, the company aims to accelerate the transition of intelligent driving technologies and promote safer, more efficient, and accessible transportation. It is a limited liability company established in the PRC. As at the date of this announcement, it is ultimately owned by more than 50% by Mr. Li and his associate.

Qianli Technology

Qianli Technology is a joint stock limited company incorporated in mainland China, with its registered address located in Liangjiang New District of Chongqing Municipality. Qianli Technology was listed on the Shanghai Stock Exchange in 2010 (stock code: 601777). Qianli Technology is mainly engaged in the research and development, production and sales (including export) of automobiles (including new energy vehicles), motorbikes and engines, and through machines.

Jianghehui

Jianghehui is principally engaged in business management, business management consultancy, software development, property management, information consultancy services. As at the date of this announcement, the ultimate beneficial owner of Jianghehui is Mr. Yin Qi.

To the best knowledge of the Directors, other than Lotus Robotics, each of Two Rivers Industrial Fund, Chongqing Industrial Master Fund, Chongqing Maichi, Qianli Technology, and Jianghehui, and their respective ultimate beneficial owners, are third parties independent of and not connected with the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

As the highest of the applicable percentage ratios (as defined under the Listing Rules) is less than 5%, the entering into of the JV Framework Agreement and the transactions contemplated thereunder do not constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, Lotus Robotics is a company indirectly owned as to more than 50% by Mr. Li and his associate and is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the entering into of the JV Framework Agreement and the transactions contemplated thereunder constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the transactions contemplated under the JV Framework Agreement exceeds 0.1% but all of which are less than 5%, these connected transactions are subject to the reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

Mr. Li, an executive Director, is considered to be interested in the JV Framework Agreement by virtue of his interests in Lotus Robotics. As a result, Mr. Li has abstained from voting on the Board resolutions for approving the JV Framework Agreement and the transaction contemplated thereunder.

DEFINITIONS

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

“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“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 (as the case may be)
“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
“Chongqing Industrial Master Fund”	重慶產業投資母基金合夥企業(有限合夥)(Chongqing Industrial Investment Master Fund Partnership (Limited Partnership)*). It is a private equity investment fund partnership established in the PRC and is ultimately controlled by the PRC government
“Chongqing Maichi”	邁馳智行(重慶)科技有限公司 (Maichi Zhixing (Chongqing) Technology Company Limited*). It is a limited liability company established in the PRC. As at the date of this announcement, the ultimate beneficial owner of Chongqing Maichi is Mr. Yang Mu.
“Closing”	completion of the transactions contemplated under the JV Framework Agreement, on which the last of the conditions precedent has been satisfied or, as the case maybe, waived in accordance with the terms of the JV Framework Agreement

Definitive Agreements	the capital contribution agreements to be entered into by the Industrial Parties, the capital increase agreements to be entered into by QL Partnership, the shareholders agreement and the amended articles of association of the JV Company and each of the other agreements and documents required in connection with implementing the JV Formation
“Director(s)”	directors of the Company, each a “Director”
“Employee Incentive Platform”	incentive platform designed for the employees of the JV Company
“Financial Adviser”	SPDB International Capital Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders, excluding Mr. Li and his associates
“Independent Valuer”	亞泰興華(北京)資產評估有限公司 (Yatai Xinghua (Beijing) Assets Appraisal Co., Ltd.*), an independent valuer appointed by the Company to assess the fair value of the Injected Assets
“Injected Assets”	the intelligent driving-related technologies to be contributed to the JV Company by Zhejiang Jirun, and Zhejiang Jirun and its affiliates shall retain the right to continue using such technologies free-of-charge upon the JV Formation for their own intelligent driving business
“Jianghehui”	重慶江河匯企業管理有限責任公司(Chongqing Jianghehui Management Company Limited*). As at the date of this announcement, the ultimate beneficial owner of Jianghehui is Mr. Yin Qi.
“JV Company”	a limited liability company to be established in the PRC pursuant to the JV Framework Agreement
“JV Formation”	the proposed formation of a JV Company pursuant to the JV Framework Agreement

“JV Framework Agreement”	a framework agreement dated 2 March 2025 entered into by and among Zhejiang Jirun, Two Rivers Industrial Fund, Chongqing Industrial Master Fund, Chongqing Maichi, Lotus Robotics, Qianli Technology and Jianghehui, pursuant to which the parties conditionally agreed to establish the JV Company to engage in the intelligent driving business
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lotus Robotics”	寧波路特斯機器人有限公司 (Ningbo Lotus Robotics Company Limited*). It is a limited liability company established in the PRC. As at the date of this announcement, it is ultimately owned by more than 50% by Mr. Li and his associate
“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
“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
“Qianli Technology”	重慶千里科技股份有限公司 (Chongqing Qianli Technology Company Limited*). It is a joint stock limited company incorporated in the PRC and listed on the Shanghai Stock Exchange (stock code: 601777)
“QL Partnership”	a limited partnership to be set up by a wholly-owned subsidiary of Qianli Technology, Two Rivers Industrial Fund or its designated affiliate, Chongqing Industrial Master Fund, and the designated entity of Jianghehui to hold their equity interest in the JV Company, where the wholly-owned subsidiary of Qianli Technology will be the general partner and the others will be the limited partners
“Reporting Accountant”	Grant Thornton Hong Kong Limited
“R&D”	research & development
“RMB”	Renminbi, the lawful currency of the PRC

“SFO”	the Securities and Futures Ordinance of Hong Kong, (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Two Rivers Industrial Fund”	重慶兩江新區高質量發展產業私募股權投資基金合夥企業(有限合夥)(Chongqing Two Rivers New Area High Quality Development Industry Private Equity Investment Fund Partnership (Limited Partnership)*), a private equity investment fund partnership established in the PRC, which is ultimately controlled by the PRC government as at the date of this announcement
“Valuation Date”	31 December 2024
“Valuation Report”	the valuation report dated 27 February 2025 prepared by the Independent Valuer in respect of the Injected Assets
“Zhejiang Jirun”	浙江吉潤汽車有限公司 (Zhejiang Jirun Automobile Co., Ltd.*), a limited liability company established in the PRC, which is an indirectly 99% owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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

Hong Kong, 2 March 2025

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*

APPENDIX I: SUMMARY OF THE VALUATION REPORT

1. VALUATION METHODOLOGY

In arriving at the appraised value of the 14 technologies related to intelligent driving technology held by Zhejiang Jirun (the “**Injected Assets**”), the Independent Valuer has considered three generally accepted approaches, namely market approach, cost approach and income approach.

Asset appraisal professionals shall, according to the purpose of the appraisal, the object of appraisal, the type of value, the collection of data, etc., analyze the applicability of the above three basic approaches, and select the appraisal approaches in accordance with the applicable laws and regulations.

The valuation approach selected for this valuation is income approach and the reasons are as follows:

When the cost approach is used to value intangible assets, the appraisal value shall be determined according to all the expenses (including capital cost and reasonable profit) required to re-form or acquire the intangible asset under the current conditions, and the actual functional depreciation and economic depreciation shall be deducted in the valuation. However, it is difficult for the value of technical intangible assets to reflect their true value at replacement cost, because the value of such assets is usually mainly reflected in the creative and intellectual labor of scientific and technological talents, and the fruits of such labor are difficult to measure in terms of labor force.

The precondition for the adoption of the market approach is that there must be the same or similar transaction cases and that the transaction behavior is an arm’s length transaction. Combined with the characteristics of intangible assets and market transactions, according to our market research and relevant introductions, the market approach is not applicable because we cannot find comparable historical transaction cases and transaction price data in this valuation.

The income approach refers to the valuation of intangible assets by estimating the expected future income of the assessed intangible assets and converting them into present value to determine the value of the assessed intangible assets. Through the on-site interviews between the appraisers and the technical personnel, combined with the analysis of the market economy and related information, the future income data of intangible assets can be obtained, and the relevant parameters of the income approach can also be obtained, and the conditions for adopting the income approach can be obtained in this valuation.

Due to the limitations of the market approach and cost approach, the income approach was adopted for valuing the Injected Assets.

2. KEY ASSUMPTIONS

The valuation is based on the following assumptions:

(1) General assumptions

- i. Assets to be valued are already in the process of being traded, and the valuation professional will conduct valuations based on simulated markets such as the trading conditions of the assets to be valued. The transaction assumption is one of the most basic assumptions for asset valuation to be carried out.
- ii. Assets traded in the market, or assets intended to be traded in the market, are equal to each other and have the opportunity and time to obtain sufficient market information to make rational judgments about the function, use and price of the asset. The open market assumption is based on the fact that assets can be bought and sold publicly in the market.
- iii. Assets under valuation will continue to be used for its current use, the manner, size, frequency, environment, etc., and does not take into account the optimal utilization of each asset.

(2) Special assumptions

- iv. The valuation is based on the assumptions of the specific purpose of the valuation set out in this valuation report;
- v. No major change assumption: It is assumed that there are no major changes in the current relevant laws and regulations of the country and the national macroeconomic situation, and that there will be no unforeseen major changes in the external economic environment such as interest rates, exchange rates, tax benchmarks and tax rates, and policy-based collection fees;
- vi. No adverse effects assumption: It is assumed that there are no other force majeure factors and unforeseen factors that have a material adverse impact on the holder's assets to be valued;

- vii. Direction consistency assumption: It is assumed that the assets holder's business scope and mode are consistent with the current direction on the basis of the existing management method and management level;
- viii. Policy consistency assumption: It is assumed that the accounting policies adopted by the assets holder in the future and the accounting policies used in the preparation of this report are substantially consistent in material respects;
- ix. Assumption of data authenticity: It is assumed that the financial reports and transaction data of the comparison companies on which the appraiser is based are true and reliable, and the relevant basic information and financial information provided by the Injected Assets holder are true, accurate and complete;
- x. Stable cash flow assumption: It is assumed that the assets holder receives an even net cash flow in the middle of the year;
- xi. It is assumed that the assets holder has the necessary resources to realize the subsequent research and development of the technology, including the research and development team, technical equipment and financial support;
- xii. It is assumed that measures to deal with technical risks have been identified and formulated during the R&D process, such as technical defects, technical changes, etc., to ensure the stability and reliability of the technical solution;
- xiii. It is assumed that the R&D topics related to intelligent driving currently developed are successfully implemented in accordance with the standard nodes of its project proposal and commercialized into the market;
- xiv. It is assumed that the target market has a clear demand for R&D technology, and the market demand is large enough to support the commercialization of the product;
- xv. It is assumed that the R&D products have differentiated competitive advantages in the market, can form an effective differentiation from existing products, and occupy a certain market share in the competition; and
- xvi. The scope of valuation is only based on the valuation declaration form, and does not consider the contingent assets and contingent liabilities that may exist outside the list.

3. VALUATION MODEL AND PARAMETERS

Financial forecast

The market value of the Injected Assets was calculated using the financial forecast prepared by the management of the Company. The Independent Valuer was given to understand that the financial forecast was prepared with reference to the projected sales volume of each vehicle model expected to be equipped with the intelligent driving technology included in the Injected Assets, as well as the forecasted revenue expected to be generated by such technology. The financial forecast covers a period of six years, ending on 31 December 2030 (the “**Forecast Period**”). Key parameters of the financial forecast and relevant analysis are summarized below:

Projected Revenue

The projected revenue of the vehicle models expected to be equipped with the aforementioned intelligent driving technology during the Forecast Period, which was calculated by multiplying the forecasted sales volume with the forecasted selling prices for each vehicle model of the Group, was provided by the management of the Company based on its business plan.

- a) Proportion of revenue contributed from intelligent driving technology

In the valuation process, the Independent Valuer considered the proportion of revenue from the contribution of intelligent driving technology to be 24.3%, which was calculated based on the proportion of Company’s historical investment in R&D related to intelligent driving to the total R&D investment cost for vehicle models equipped with intelligent driving technology.

- b) Technology Royalty rate for the Injected Assets

Firstly, the value range of the technology Royalty rate had been determined, and then according to the factors affecting the value of the patent and proprietary technology use rights, an evaluation system is established to determine the adjustment coefficient of the technology Royalty rate to be valued, and finally the Royalty rate is obtained. The calculation formula is as follows:

$$\text{Royalty rate: } K = m + (n-m) \times r$$

m – The lower limit of the Royalty rate	4.5
n – The upper limit of the Royalty rate	6
r – Adjustment factor for the Royalty rate	76.6%
K	5.65

Note: In the process of determining the adjustment factor “r”, we considered the method of expert judgment and scoring, legal factors, technical factors and economic factors were mainly considered.

The range of the Royalty rate is determined according to the technology commission ratio that has been recognized by many countries in international technology trade. With the development of the international technology market, the size of the Royalty rate has tended to a normative value, the United Nations Industrial Development Organization has made a large number of surveys and statistics on the Royalty rate of technology trade contracts in various countries, and the results show that the general value range of the Royalty rate is 0.5%-10% (the share base is the sales revenue), and the automotive industry that estimates the production of intangible assets, the commission rate is in the range of 4.5-6%, and the value of the above commission is globally recognized, and has been verified in the practice of technology trade.

c) Discount rate

The discount rate is determined using the discount rate applied in the risk accumulation determination assessment. The calculation is as follows:

$$\text{Discount rate} = \text{risk-free rate of return} + \text{risk-reward rate of return}$$

Risk-free rate of return: Determined by reference to the yield of recently issued 5-year to 10-year Treasury bonds in the PRC on the valuation date.

Factors influencing the risk-reward ratio include technical risk, market risk, capital risk and management risk. According to the characteristics of intangible assets and the current valuation practice, the value range of each risk coefficient is between 0% and 10%, and the specific value is valued according to different factors, total risk-reward ratio is 17.60% and the detailed rate of each factor is shown in the table below.

Risk-free rate of return	1.73%
Technical risk ratio	5.60%
Market risk ratio	4.00%
Capital risk ratio	6.00%
Management risk ratio	2.00%
Discount rate	19.33%

In the calculation process of the risk factors in above table, the value range of the coefficient of each factor is between 0% and 10%, and after each factor is scored separately, the total scoring results of the different factors are taken, and the detailed factors of scoring include the following: In terms of scoring technical risk factors, the risk of technology transformation, technology substitution, technology rights and technology integration are considered. In terms of scoring market risk factor, economies of scale, investment and switching costs and sales network are taken into account. In terms of scoring capital risk factors, financing risk and liquidity risk are considered. In terms of scoring management risk factors, sales service, quality management risk and technology development risk are taken into account.

In this valuation, since the market approach was not adopted and the risk accumulation method was taken into account when calculating the discount rate, comparable companies were not considered for the valuation.

d) Sensitivity analysis

A sensitivity analysis was prepared to project the valuation results based on the changes of discount rate.

The following table summarizes the resulting appraised values of the Injected Assets based on changes of discount rate:

Discount Rate (%)	Appraised value of the Injected Assets (RMB,0000) (RMB)
18.33%	133,800.00
19.33%	131,400.00
20.33%	129,200.00

4. CALCULATION OF VALUATION RESULTS

With the implementation of the valuation procedure, as at the Valuation Date, the market value of the 14 technologies related to intelligent driving technology held by Zhejiang Jirun was RMB1,314,000,000.00 excluding tax under the assumption that the assets would continue to be used.

APPENDIX II: LETTER FROM THE FINANCIAL ADVISER

The following is the full text of the letter from the Financial Adviser, for the purpose of among other things, incorporation into this announcement.

The Board of Directors

Geely Automobile Holdings Limited

Room 2301, 23rd Floor, Great Eagle Center
No. 23 Harbour Road
Wanchai
Hong Kong

2 March 2025

Ladies and Gentlemen:

We refer to the announcement of Geely Automobile Holdings Limited (the “**Company**”) dated 2 March 2025 (the “**Announcement**”) in relation to the proposed capital contribution in the JV Company by the Zhejiang Jirun. Unless otherwise defined or if the context otherwise requires, all terms defined in the Announcement shall have the same meaning when used in this letter.

The Announcement refers to the valuation of the Injected Assets by an independent valuer, namely Yatai Xinghua (Beijing) Assets Appraisal Co., Ltd. (the “**Independent Valuer**”), which are contained in the valuation report dated 27 February 2025 (the “**Valuation Report**”) prepared by the Independent Valuer for the purpose of the capital contribution to the JV Company by Zhejiang Jirun. We understand that the Valuation Report and certain other documents relevant to the capital contribution have been provided to you as Directors of the Company in connection with your consideration of the capital contribution. We understand that the Independent Valuer has adopted income approach for valuation of the Injected Assets in the Valuation Report, which is regarded as a profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Listing Rules.

For the purpose of this letter, we have (1) reviewed the Profit Forecast included in the Valuation Report and disclosed in the Announcement, for which you as the Directors are solely responsible, (2) made enquiries with you, the management of the Company and the Independent Valuer regarding the qualifications, bases and assumptions upon which the Profit Forecast in the Valuation Report has been made, and (3) reviewed the reports to the Directors from Grant Thornton Hong Kong Limited dated 2 March 2025, as set forth in Appendix III to the Announcement regarding the calculations of discounted future estimated cash flows on which the Profit Forecast is based. The Profit Forecast is based on a number of bases and assumptions. As the relevant bases and assumptions are about future events which may or may not occur, the actual financial performance of the business of the Injected Assets may or may not achieve as expected and the variation may be material.

On the basis of the foregoing and without giving any opinion on the reasonableness of the valuation methods, bases and assumptions selected by the Independent Valuer and the Company, for which the Independent Valuer and the Company are solely responsible, we are of the opinion that the Profit Forecast disclosed in the Announcement have been made after due and careful enquiry by you. The Directors are responsible for such Profit Forecast, including the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation Report. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation Report and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. For the avoidance of doubt, this letter does not constitute an independent valuation or fairness opinion and is expressly limited to the matters described herein.

The work undertaken by us is for the purpose of reporting solely to you under Rule 14.62(3) of the Listing Rules and for no other purpose. We have not independently verified the assumptions or computations leading to the valuation as set out in the Valuation Report. We have had no role or involvement and have not provided and will not provide any assessment of the valuation as set out in the Valuation Report. We have assumed that all information, materials and representations provided to us by the Company and the Independent Valuer, including all information, materials, and representations referred to or contained in the Announcement were true, accurate, complete and not misleading at the time they were supplied or made, and remained so up to the date of this letter and that no material fact or information has been omitted from the information and materials supplied. No representation or warranty, whether express or implied, is made by us on the accuracy, truthfulness or completeness of such information, materials or representations. Accordingly, we accept no responsibility, whether expressly or implicitly, on the valuation as set out in the Valuation Report.

Yours faithfully,

For and on behalf of

SPDB International Capital Limited

Mabel Lam

Managing Director

APPENDIX III: LETTER FROM THE REPORTING ACCOUNTANT

The following is the text of a letter from Grant Thornton Hong Kong Limited, the reporting accountant of the Company, for the purpose of inclusion in this announcement.

Geely Automobile Holdings Limited
Room 2301, 23/F
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

2 March 2025

Dear Sirs

Report on Calculations of Discounted Future Estimated Cash Flows in Connection with the Valuation of the intelligent driving-related technologies (the “Injected Assets”) held by Zhejiang Jirun Automobile Company Limited* 浙江吉潤汽車有限公司 (“Zhejiang Jirun”)

To the directors of Geely Automobile Holdings Limited (the “Company”)

We have examined the calculations of the discounted future estimated cash flows on which the valuation dated 27 February 2025, prepared by Yatai Xinghua (Beijing) Assets Appraisal Co., Ltd.* (亞泰興華(北京)資產評估有限公司) in respect of the valuation of the Injected Assets held by Zhejiang Jirun as at 31 December 2024, is based (the “**Valuation**”). The Valuation, based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and reference to the Valuation is included in an announcement dated 2 March 2025 issued by the Company in connection with the connected transaction in relation to the formation of a joint venture (the “**Announcement**”).

Directors’ Responsibilities

The directors of the Company are solely responsible for the reasonableness and validity of the assumptions (the “**Assumptions**”), based on which the discounted future estimated cash flows and the Valuation are prepared.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

It is our responsibility to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.60A(2) of the Listing Rules, and for no other purpose. The discounted future estimated cash flows does not involve the adoption of accounting policies. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the arithmetical calculations are concerned, have been properly compiled in accordance with the Assumptions.

Our work does not constitute any valuation of the Injected Assets held by Zhejiang Jirun. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

We believe that the evidence we have obtained is sufficient and appropriate to support our opinion.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects in accordance with the Assumptions.

Grant Thornton Hong Kong Limited

Certified Public Accountants

11th Floor, Lee Garden Two

28 Yun Ping Road

Causeway Bay

Hong Kong SAR

Ng Ka Kong

Practising Certificate No.: P06919

* *for identification only*