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吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

**EXEMPTED CONTINUING CONNECTED TRANSACTIONS
AND
EXEMPTED CONNECTED TRANSACTIONS IN RELATION TO THE
ASSETS TRANSFER AGREEMENT**

Financial Adviser to Geely Automobile Holdings Limited



(1) EXEMPTED CONTINUING CONNECTED TRANSACTIONS

(A) Supplemental CBUs Sales Agreement

Reference is made to the Company's announcement dated 15 August 2024 in relation to the Existing CBUs Sales Agreement entered into between the Company and Geely Holding.

In light of the annual caps under the Existing CBUs Sales Agreement for the three years ending 31 December 2027 being expected to be exceeded due to the delay of the Group's expansion plan of setting up its own dealership network, on 31 March 2025 (after trading hours), the Company and Geely Holding entered into the Supplemental CBUs Sales Agreement, pursuant to which the Group conditionally agreed to increase the annual caps for the sale of 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 Supplemental CBUs Sales Agreement for the three years ending 31 December 2027 are approximately RMB1,528.9 million, RMB761 million and RMB745.3 million, respectively.

(B) CBUs and CKDs Manufacturing Services Agreement

On 31 March 2025 (after trading hours), the Company, Geely Holding and smart entered into the CBUs and CKDs Manufacturing Services Agreement, pursuant to which the Group conditionally agreed to provide the CBUs and CKDs manufacturing services to the Geely Holding Group and the smart Group. The proposed annual caps under the CBUs and CKDs Manufacturing Services Agreement are approximately RMB2,077.8 million, RMB2,807.6 million and RMB2,790.4 million, respectively.

(2) EXEMPTED CONNECTED TRANSACTIONS

Assets Transfer Agreement

On 31 March 2025 (after trading hours), the Company and Geely Holding entered into the Assets Transfer Agreement, pursuant to which the Group conditionally agreed to (i) purchase the Target Assets I from the Geely Holding Group for a maximum cash consideration of RMB660.026 million; and (ii) sell the Target Assets II to the Geely Holding Group for a maximum cash consideration of RMB246.8 million.

IMPLICATIONS UNDER THE LISTING RULES

Exempted continuing connected transactions in relation to the Supplemental CBUs Sales Agreement and the CBUs and CKDs Manufacturing Services Agreement

As at the date of this announcement, Geely Holding is the substantial shareholder of the Company, holding 3,949,421,000 Shares, which is approximately 39% of the total issued share capital of the Company. As such, Geely Holding is a connected person of the Company under the Listing Rules.

As at the date of this announcement, 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.

As the applicable percentage ratios of the proposed annual caps under the Supplemental CBUs Sales Agreement and the CBUs and CKDs Manufacturing Services Agreement on an annual basis are over 0.1% but less than 5%, the transactions contemplated under the Supplemental CBUs Sales Agreement and the CBUs and CKDs Manufacturing Services Agreement 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.

Exempted connected transactions in relation to the Assets Transfer Agreement

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

As the applicable percentage ratios for the transactions regarding the transfer of each of the Target Assets I and Target Assets II contemplated under the Assets Transfer Agreement are over 0.1% but less than 5%, the transactions regarding each of the transfers of Target Assets I and Target Assets II contemplated under the Assets Transfer Agreement 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 and Mr. Li Dong Hui, Daniel, each an executive Director, are considered to be interested in the Exempted Continuing Connected Transactions and the Exempted 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 Exempted Continuing Connected Transactions and the Exempted Connected Transactions.

EXEMPTED CONTINUING CONNECTED TRANSACTIONS

(A) Supplemental CBUs Sales Agreement

Reference is made to the Company's announcement dated 15 August 2024 in relation to the Existing CBUs Sales Agreement entered into between the Company and Geely Holding. In light of the annual caps under the Existing CBUs Sales Agreement for the three years ending 31 December 2027 being expected to be exceeded due to the delay of the Group's expansion plan of setting up its own dealership network, on 31 March 2025 (after trading hours), the Company and Geely Holding entered into the Supplemental CBUs Sales Agreement to increase the annual caps for the sale of CBUs and related after-sales parts and accessories manufactured by the Group to the Geely Holding Group. Except for the increase in the annual caps, the other terms of the Existing CBUs Sales Agreement remain unchanged.

Subject matter

Pursuant to the Supplemental CBUs Sales Agreement, the Group conditionally agreed to sell, and the Geely Holding Group conditionally 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 under the Supplemental 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

Commencing from the effective date of the Supplemental CBUs Sales Agreement and ending on 31 December 2027.

Condition precedent to the Supplemental CBUs Sales Agreement

The Supplemental 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 2025 (or such later date as the parties may agree in writing), the Supplemental CBUs Sales Agreement will be terminated.

Pricing basis

The selling price of the CBUs and related after-sales parts and accessories under the Supplemental 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 2024 and the one month ended 31 January 2025; and (ii) the announced annual caps for the sales of CBUs and related after-sales parts and accessories by the Group for the five years ended/ending 31 December 2027.

	Historical transaction amounts for the year ended 31 December		Historical transaction amount for the one month ended 31 January	Announced annual caps for the year ended/ending 31 December				
	2023	2024	2025	2023	2024	2025	2026	2027
	RMB million (Audited)	RMB million (Audited)	RMB million (Unaudited)	RMB million	RMB million	RMB million	RMB million	RMB million
Sales of CBUs and related after-sales parts and accessories by the Group to the Geely Holding Group	1,892.4	1,008.4	96.4	3,992	3,992	213.2	212.2	211.6
Utilisation rate of annual caps				47.4%	26%	45.2% ^(Note)		

Note: The utilisation rate of the annual cap for the year ending 31 December 2025 was calculated by dividing the historical transaction amount for the one month ended 31 January 2025 by the announced annual cap for the full financial year ending 31 December 2025.

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 two years ended 31 December 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 Supplemental CBUs Sales Agreement for each of the three years ending 31 December 2027.

	Proposed annual caps for the year ending 31 December		
	2025	2026	2027
	<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	1,528.9	761	745.3

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 decrease in the proposed annual caps for the sales of CBUs and related after-sales parts and accessories by the Group to the Geely Holding Group for the two years ending 31 December 2027 is because it is expected that the Group's own dealership network will be set up gradually from 2026 onwards.

The Directors (including the independent non-executive Directors) are of the view that the Supplemental 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 Supplemental 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. As at the date of this announcement, the transaction amount of the continuing connected transactions under the Existing CBUs Sales Agreement has not exceeded the annual caps. If the aforementioned proposed annual caps are about to be exceeded, the Company will re-comply with the requirements under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL 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 a 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 Supplemental 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, by entering into the Supplemental 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 Existing CBUs Sales Agreement and the Supplemental CBUs Sales Agreement will be consistent with the practices between the Group and other independent third party distributors.

INTERNAL CONTROL MEASURES IN RELATION TO PRICING FOR THE EXISTING CBUs SALES AGREEMENT AND THE SUPPLEMENTAL 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 of the 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 Existing CBUs Sales Agreement and the Supplemental CBUs Sales Agreement are consistent with the practices between the Group and the independent third party distributors. 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 Supplemental 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 Supplemental 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 Supplemental CBUs Sales Agreement will not be exceeded.

In relation to the aforesaid internal control measures, the internal audit department of the Group will conduct reviews (which are 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 reviews 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) CBUs and CKDs Manufacturing Services Agreement

On 31 March 2025 (after trading hours), the Company, Geely Holding and smart entered into the CBUs and CKDs Manufacturing Services Agreement, pursuant to which the Group conditionally agreed to provide the CBUs and CKDs manufacturing services to the Geely Holding Group and the smart Group. The proposed annual caps under the CBUs and CKDs Manufacturing Services Agreement are approximately RMB2,077.8 million, RMB2,807.6 million and RMB2,790.4 million, respectively.

Subject matter

Pursuant to the CBUs and CKDs Manufacturing Services Agreement, the Group conditionally agreed to provide CBUs and CKDs manufacturing services to the Geely Holding Group and the smart Group.

The provision of CBUs and CKDs manufacturing services by the Group under the CBUs and CKDs Manufacturing Services Agreement 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) independent third parties.

Term

Commencing from the effective date of the CBUs and CKDs Manufacturing Services Agreement and ending on 31 December 2027.

Condition precedent to CBUs and CKDs Manufacturing Services Agreement

The CBUs and CKDs Manufacturing 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 has not been fulfilled on or before 31 December 2025 (or such later date as the parties may agree in writing), the CBUs and CKDs Manufacturing Services Agreement will be terminated.

Pricing basis

Pursuant to the CBUs and CKDs Manufacturing Services Agreement, service fees for manufacturing services of the CBUs and CKDs provided by the Group to the Geely Holding Group and the smart Group will be based on a cost-plus basis according to:

- (i) the purchase price of direct materials multiplied by the agreed margin rates; and
- (ii) the overheads other than direct material costs plus the agreed margin rates.

The margin rates will be determined by the Company, Geely Holding and smart after arm's length negotiation with reference to the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies producing similar manufacturing services as stated in a transfer pricing analysis report prepared by an independent certified public accountant or institution with the same qualification. According to the transfer pricing analysis report issued on 18 March 2025 (the “**Supply Pricing Analysis Report**”), the margin rates are applicable to the direct material costs and the overheads other than direct material costs respectively. Such margin rates are only for the purpose of calculating the proposed annual caps below and may be changed from time to time and shall not be deemed to be the fixed rate for the transactions throughout the term of the CBUs and CKDs Manufacturing Services Agreement. Having considered the pricing basis with reference to the Supply Pricing Analysis Report, the Directors (including the independent non-executive Directors) consider the pricing basis under the CBUs and CKDs Manufacturing Services Agreement to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The table below sets out the proposed annual caps for the provision of CBUs and CKDs manufacturing services by the Group to the Geely Holding Group and the smart Group pursuant to the CBUs and CKDs Manufacturing Services Agreement for each of the three years ending 31 December 2027.

	Proposed annual caps for the year ending		
	31 December		
	2025	2026	2027
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Provision of CBUs and CKDs manufacturing services by the Group to the Geely Holding Group and the smart Group	2,077.8	2,807.6	2,790.4

Basis of determination of the proposed annual caps

The above proposed annual caps have been determined by the Directors with reference to:

- (i) the estimated costs of direct materials for the estimated number of smart brand vehicles and Volvo brand vehicles for the three years ending 31 December 2027;
- (ii) the estimated overheads other than direct material costs, including but not limited to labour costs, manufacturing costs, transportation costs, and related taxes, in relation to smart brand vehicles and Volvo brand vehicles for the three years ending 31 December 2027;

- (iii) the margin rates over such estimated costs of direct materials with reference to the Supply Pricing Analysis Report; and
- (iv) the margin rates over such estimated overheads other than direct material costs with reference to the Supply Pricing Analysis Report.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CBUs AND CKDs MANUFACTURING SERVICES AGREEMENT

Given the sufficient production capacity reserved by the Group for the manufacturing of CBUs and CKDs of Geely brand SUV models, that adopt a different assembly process, the manufacture of the CBUs and CKDs of smart brand vehicles and Volvo brand vehicles is not expected to occupy the production capacity reserved for Geely brand SUV models. Therefore, the manufacture of CBUs and CKDs of Volvo brand vehicles and smart brand vehicles for the Geely Holding Group and the smart Group pursuant to the CBUs and CKDs Manufacturing Services Agreement is not anticipated to have any material adverse impact on the manufacture and sale of Geely brand SUV models.

The utilisation rate of the Group's manufacturing facilities is expected to increase with the production of more smart brand vehicles and Volvo brand vehicles during 2025 to 2027. In addition, the Group will benefit from broadening its income stream by providing manufacturing services to the Geely Holding Group and the smart Group.

Having considered the above reasons for and benefits of entering into the CBUs and CKDs Manufacturing Services Agreement, the Board (including the independent non-executive Directors) considers that (i) the transactions contemplated under the CBUs and CKDs Manufacturing Services Agreement are in the ordinary and usual course of business for the Group; and (ii) the CBUs and CKDs Manufacturing Services Agreement is entered into on normal commercial terms, with the terms being fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES IN RELATION TO PRICING FOR THE CBUs AND CKDs MANUFACTURING SERVICES AGREEMENT

In order to ensure that the aforesaid pricing basis for the CBUs and CKDs Manufacturing Services Agreement is adhered to, the Group will monitor the relevant direct material costs, manufacturing costs, and overhead costs to ensure that the selling price of such CBUs and CKDs is determined properly. The Company, Geely Holding, and smart will negotiate 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. The Company, Geely Holding, and smart will determine the margin rate with reference to a transfer pricing analysis report prepared by an independent certified public accountant or institution with the same qualification. The Company, Geely Holding, and smart will review the scope of the manufacturing services to be provided by the Group to the Geely Holding Group and the smart Group on an annual basis (or more frequently if it is determined necessary) to determine whether an updated transfer pricing analysis report shall be obtained for the determination of the

margin rates. The margin rates will be determined with reference to the lower quartile and upper quartile of the three-year weighted average cost-plus margins of comparable companies as stated in such updated transfer pricing analysis report.

EXEMPTED CONNECTED TRANSACTIONS

Assets Transfer Agreement

On 31 March 2025 (after trading hours), the Company and Geely Holding entered into the Assets Transfer Agreement, pursuant to which the Group conditionally agreed to (i) purchase the Target Assets I from the Geely Holding Group for a maximum cash consideration of RMB660.026 million; and (ii) sell the Target Assets II to the Geely Holding Group for a maximum cash consideration of RMB246.8 million.

The Target Assets I

The Target Assets I to be acquired by the Group from the Geely Holding Group pursuant to the Assets Transfer Agreement comprise predominantly equipment for production for Geely brand, LYNK & CO brand and ZEEKR brand vehicles.

Consideration for the Target Assets I

The consideration for the Target Assets I will equal the carrying value of the Target Assets I as at the date of delivery of the Target Assets I to the Group, but in any event will not exceed RMB660,026,000. The consideration will be payable in cash by the Group as to (i) 50% within 15 business days upon the delivery of the Target Assets I to the Group; and (ii) 50% within 15 business days upon completion of the final inspection and acceptance procedures by the Group.

The maximum consideration for the Target Assets I was determined after arm's length negotiations between the Company and Geely Holding and is equivalent to the aggregate carrying value of the Target Assets I as at 28 February 2025.

It is expected that the consideration for the acquisition of the Target Assets I will be funded by the internal resources of the Group.

The Target Assets II

The Target Assets II to be sold by the Group to the Geely Holding Group pursuant to the Assets Transfer Agreement comprise production-related machinery and equipment that are idle for use.

Consideration for the Target Assets II

The consideration for the Target Assets II will equal the carrying value of the Target Assets II as at the date of delivery of the Target Assets II to the Geely Holding Group, but in any event will not exceed RMB246,800,000. The consideration will be payable in cash by the Geely Holding Group as to (i) 50% within 15 business days upon the delivery of the Target Assets II to the Geely Holding Group; and (ii) 50% within 15 business days upon completion of the final inspection and acceptance procedures by the Geely Holding Group.

The maximum consideration for the Target Assets II was determined after arm's length negotiations between the Company and Geely Holding and is equivalent to the aggregate carrying value of the Target Assets II as at 28 February 2025.

Condition precedent to the Assets Transfer Agreement

The Assets Transfer Agreement is conditional upon the Company having complied with the relevant requirements of the Listing Rules with regard to the connected transaction contemplated under the agreement.

If the above condition has not been fulfilled on or before 31 December 2025 (or such later date as the parties may agree in writing), the Assets Transfer Agreement will be terminated.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ASSETS TRANSFER AGREEMENT

The acquisition of Target Assets I by the Group will enhance the production capabilities for the Geely brand, the LYNK & CO brand and the ZEEKR brand vehicles.

Regarding the transfer of Target Assets II to the Geely Holding Group, the Company considers that the Target Assets II are underutilised due to their idle condition. The Company believes that this transfer will not only reduce the depreciation and maintenance costs borne by the Group but also will generate proceeds to bolster the Group's working capital.

Although the transactions under the Assets Transfer Agreement are not entered into in the ordinary and usual course of business for the Company, the Board (including the independent non-executive Directors) considers that the transactions under the Assets Transfer Agreement 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

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, as well as 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.

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.

IMPLICATIONS UNDER THE LISTING RULES

Exempted continuing connected transactions in relation to the Supplemental CBUs Sales Agreement and the CBUs and CKDs Manufacturing Services Agreement

As at the date of this announcement, Geely Holding, is the substantial shareholder of the Company holding 3,949,421,000 Shares, which is approximately 39% of the total issued share capital of the Company. As such, Geely Holding is a connected person of the Company under the Listing Rules.

As at the date of this announcement, 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.

As the applicable percentage ratios of the proposed annual caps under the Supplemental CBUs Sales Agreement and the CBUs and CKDs Manufacturing Services Agreement on an annual basis are over 0.1% but less than 5%, the transactions contemplated under the Supplemental CBUs Sales Agreement and the CBUs and CKDs Manufacturing Services Agreement 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.

Exempted connected transactions in relation to the Assets Transfer Agreement

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

As the applicable percentage ratios for the transactions regarding the transfer of each of the Target Assets I and Target Assets II contemplated under the Assets Transfer Agreement are over 0.1% but less than 5%, the transactions regarding each of the transfers of Target Assets I and Target Assets II contemplated under the Assets Transfer Agreement 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 and Mr. Li Dong Hui, Daniel, each an executive Director, are considered to be interested in the Exempted Continuing Connected Transactions and the Exempted 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 Exempted Continuing Connected Transactions and the Exempted Connected Transactions.

DEFINITIONS

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

“Assets Transfer Agreement”	the master assets transfer agreement dated 31 March 2025 entered into between the Company and Geely Holding, for the conditional purchase of Target Assets I by the Group from the Geely Holding Group and the conditional sale of Target Assets II by the Group to the Geely Holding Group
“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“CBU(s)”	fully functional vehicles that meet relevant corporate standards, industry requirements and regulatory requirements and can be sold directly to customers

“CBUs and CKDs Manufacturing Services Agreement”	the master agreement dated 31 March 2025 entered into between the Company, Geely Holding and smart, pursuant to which the Group conditionally agreed to provide the CBUs and CKDs manufacturing services to the Geely Holding Group and the smart Group
“CKD(s)”	all parts and components in a disassembled state that can be assembled into CBU(s)
“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
“Exempted Connected Transactions”	transactions contemplated under the Assets Transfer Agreement
“Exempted Continuing Connected Transactions”	the transactions contemplated under the Supplemental CBUs Sales Agreement; and the transactions contemplated under CBUs and CKDs Manufacturing Services Agreement
“Existing CBUs Sales Agreement”	the master agreement dated 15 August 2024 entered into between the Company and Geely Holding, for the sale of CBUs and related after-sales parts and accessories manufactured by the Group to the Geely Holding Group
“Director(s)”	directors of the Company, each a “Director”
“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 Group”	Geely Holding and its subsidiaries
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	person(s) who is(are) third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)

“Independent Shareholders”	Shareholders other than Mr. Li, Mr. Li Dong Hui, Daniel, and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LYNK & CO”	領克汽車科技有限公司 (LYNK & CO Automotive Technology Co., Ltd.*), a limited liability company established in the PRC, which is an indirect non wholly-owned subsidiary of the Company as at the date of this announcement
“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
“RMB”	Renminbi, the lawful currency of the PRC
“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)
“smart”	智馬達汽車有限公司, 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 and its subsidiaries
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental CBUs Sales Agreement”	a supplemental agreement to the Existing CBUs Sales Agreement dated 31 March 2025 entered into between the Company and Geely Holding, pursuant to which the Group conditionally agreed to increase the annual caps for the sale of CBUs and related after-sales parts and accessories manufactured by the Group to the Geely Holding Group

“SUV”	sport utility vehicle
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Assets I”	the assets to be purchased by the Group from the Geely Holding Group pursuant to the Assets Transfer Agreement, which comprise predominantly equipment for the production for Geely brand, LYNK & CO brand and ZEEKR brand vehicles
“Target Assets II”	the assets to be sold by the Group to the Geely Holding Group pursuant to the Assets Transfer Agreement, which comprise production-related machinery and equipment that are idle for use
“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
“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
“%”	per cent

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

Hong Kong, 31 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, Mr. Zhu Han Song and Ms. Tseng Chin I.

* *For identification purposes only*