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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)

CONNECTED TRANSACTIONS

DISPOSALS OF EQUITY INTEREST IN GEELY SUNWODA

Financial Adviser to Geely Automobile Holdings Limited



CONNECTED TRANSACTIONS IN RELATION TO THE DISPOSALS

On 30 April 2025 (after trading hours), Zhejiang Jirun, a subsidiary of the Company, Geely Automobile Group and Zhejiang Jiyao entered into the Equity Transfer Agreement, pursuant to which Zhejiang Jirun and Geely Automobile Group have conditionally agreed to sell 41.5% and 28.5% equity interests in Geely Sunwoda to Zhejiang Jiyao, respectively, for considerations of RMB49,800,000 and RMB34,200,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Geely Automobile Group and Zhejiang Jiyao are ultimately and beneficially 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, and is a connected person of the Company. Accordingly, Geely Automobile Group and Zhejiang Jiyao are connected persons of the Company and the transactions contemplated under the Equity Transfer Agreement constitute connected transactions of the Company under the Listing Rules.

Given that the applicable percentage ratios exceed 0.1% but are less than 5%, the Disposals are subject to reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Li, an executive Director, is considered to have material interests in the Disposals by virtue of his interests in Geely Automobile Group and Zhejiang Jiyao. As a result, Mr. Li has abstained from voting on the Board resolutions for approving the transactions.

CONNECTED TRANSACTIONS IN RELATION TO THE DISPOSALS — THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out below:

Date

30 April 2025 (after trading hours)

Parties

Vendor 1: Zhejiang Jirun

Vendor 2: Geely Automobile Group

Purchaser: Zhejiang Jiyao

Subject matter

Pursuant to the Equity Transfer Agreement, Zhejiang Jirun has conditionally agreed to sell a 41.5% equity interest in Geely Sunwoda (representing RMB41.5 million in the registered capital of Geely Sunwoda, which has been fully paid up) to Zhejiang Jiyao, and Geely Automobile Group has conditionally agreed to sell a 28.5% equity interest in Geely Sunwoda (representing RMB28.5 million in the registered capital of Geely Sunwoda, which has been fully paid up) to Zhejiang Jiyao.

Consideration

The consideration for the transfer of a 41.5% equity interest in Geely Sunwoda by Zhejiang Jirun is RMB49,800,000. The consideration was determined after arm's length negotiations between the parties, with reference to a valuation of a 70% equity interest in Geely Sunwoda as at 31 January 2025, in which the 41.5% equity interest was valued at RMB50,677,435, prepared by Nanjing Changcheng using the asset-based approach.

Zhejiang Jiyao shall pay RMB49,800,000 and RMB34,200,000 to Zhejiang Jirun and Geely Automobile Group, respectively, within 30 Business Days after the completion of the business registration change for the equity transfers.

Completion of the Disposals

The completion date of the Disposals is the date when the business registration change for the equity transfers is completed. Zhejiang Jirun and Geely Automobile Group shall be responsible for completing the business registration change procedures for the equity transfers, including but not limited to obtaining resolutions from Geely Sunwoda's shareholders' meeting approving the equity transfers and waivers of pre-emptive rights from other shareholders of Geely Sunwoda.

The Disposals of 41.5% and 28.5% equity interests in Geely Sunwoda by Zhejiang Jirun and Geely Automobile Group to Zhejiang Jiyao are not inter-conditional. Each Disposal is independent and will proceed separately without reliance on the other.

Upon completion of the Disposal, the Group will cease to have any interest in Geely Sunwoda.

VALUATION METHODOLOGY

A. Valuation Methodology for Geely Sunwoda (Asset-Based Approach)

a. Background of valuation methods

In arriving at the market value of Geely Sunwoda, three generally accepted approaches were considered, the market approach, the cost approach, and the income approach. After careful analysis, the asset-based approach under the cost approach was selected for the valuation of Geely Sunwoda as the most appropriate method to reflect its market value as of the valuation date.

b. Selection of valuation method

The asset-based approach under the cost approach is adopted for the valuation of Geely Sunwoda. Under the asset-based approach, each identifiable asset and liability is valued using the appropriate valuation approaches, and the valuer's opinion of value is derived by adding component assets and deducting component liabilities.

The basic formula for the asset-based approach is as follows:

Equity value = Sum of the values of all assets – Sum of the values of all liabilities

c. Reason for the selection of asset-based approach

Given the business nature of Geely Sunwoda, which focuses on hybrid electric vehicle battery cells, battery modules, and battery packs, the asset-based approach is considered most appropriate. This approach is particularly suitable as the company has significant tangible assets, including production facilities, equipment, and inventory. The ownership of the assets and liabilities of Geely Sunwoda is relatively clear, and the assets and

liabilities have been inventoried and organised into books, which can be checked against the book records. The physical condition and ownership of the assets and liabilities can be surveyed and identified, meeting the basic conditions for the adoption of the asset-based method of appraisal. The adoption of the asset-based approach reflects the value of the enterprise from the perspective of asset purchase and construction.

The market approach was not selected due to the difficulty in finding comparable public companies or transactions that closely match Geely Sunwoda's specific business model and stage of development. The income approach was not selected because it would require multiple assumptions about future performance, introducing significant uncertainty into the valuation process.

d. Assumptions of the valuation

According to the valuation report prepared by Nanjing Changcheng, the following key assumptions were made in determining the market value of Geely Sunwoda's equity interest:

- (i) there will be no material change in the existing political, legal, technological, fiscal, or economic conditions that might adversely affect the business of Geely Sunwoda;
- (ii) the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- (iii) copies of the business licenses and company incorporation documents provided are reliable and legitimate;
- (iv) the financial and operational information provided by Geely Sunwoda is accurate and can be relied upon to a considerable extent in arriving at the opinion of value;
- (v) the capital structure of Geely Sunwoda will not change; and
- (vi) there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value.

e. Inputs and computation process of the valuation

The asset-based approach evaluated each category of assets and liabilities separately using appropriate methods:

- (i) Current assets, including cash and accounts receivable, were generally valued at their book values after verification, with adjustments made where necessary based on their recoverability and market conditions. For purchased inventories held for own use, the cost method of valuation is adopted to determine the appraised value based on

the current purchase cost on the valuation date; for inventories held for sale, the market method of valuation is adopted to determine the appraised value based on the market selling price less selling expenses, relevant taxes and fees.

(ii) Fixed assets:

- For buildings and structures without ownership certificates, the replacement cost method was applied. The replacement cost was determined by considering construction costs, preliminary expenses, other expenses, and capital costs, with deductions for physical, functional, and economic depreciation. The comprehensive depreciation rate was determined by considering both age-based depreciation (40% weighting) and condition-based depreciation from on-site inspection (60% weighting).
- For machinery equipment, the replacement cost method was also applied, with replacement costs including purchase price, transportation and installation costs, preliminary and other expenses, and capital costs. Depreciation factors included physical depreciation based on economic life and usage period, and economic depreciation for idle production lines.
- For transportation equipment, the market approach was applied using comparable transactions in the second-hand vehicle market with appropriate adjustments.

(iii) Intangible assets, including land use rights and software, were valued using the market approach and technical know-how was valued using the income approach.

(iv) Liabilities were confirmed through verification of supporting documents and were generally recognized at their book values.

f. Analysis of the reasons for the difference between appraised value and book value

According to the valuation report, as of 31 January 2025, Geely Sunwoda had a total book value of assets of RMB2,334,348,134, with an appraised value of RMB2,341,350,504, representing an increase of RMB7,002,370 or 0.3%. The net assets had a book value of RMB115,111,946 and an appraised value of RMB122,114,315, representing an increase of RMB7,002,370 or 6.1%.

The main reasons for this increase in value include:

- (i) Inventory: The book value of inventory is RMB143,548,321, and the appraised value is RMB152,867,095, increased by RMB9,318,774 or 6.5%. The main reason for the increase is that the evaluated values of finished products and dispatched goods include the profit from product sales.

- (ii) Fixed assets: The book value of fixed assets is RMB1,274,755,410, and the appraised value is RMB1,283,025,800, increased by RMB8,270,390 or 0.7%. The main reason for the increase is that Geely Sunwoda depreciates in accordance with accounting policies based on the prescribed depreciation period, while the newness rate adopted in the assessment is derived from the exploration service life and economic service life of the building. Because the economic useful life of fixed assets is longer than the accounting depreciation period, the appraised newness rate is less than the accounting depreciation rate, resulting in an increase in the appraised value.

The main reasons for this decrease in value include:

- (i) Construction in progress: The construction in progress had a book value of RMB17,631,607 and an appraised value of RMB13,936,618, representing a decrease of RMB3,694,989 or 21.0%, mainly because some construction projects had been completed and put into use but had not been transferred to fixed assets in the accounting records.
- (ii) Intangible assets: The intangible assets had a book value of RMB112,001,614 and an appraised value of RMB105,339,961, representing a decrease of RMB6,661,653 or 6.0%, mainly due to the technical obsolescence of technical know-how, which was partly offset by the increment in the market value of land use rights.

Based on the above valuation, the 70% equity interest in Geely Sunwoda has an appraised market value of RMB85,480,021 as of the valuation date. The valuation report is prepared under the PRC Valuation Standards as agreed between the parties to the Equity Transfer Agreement. There is no material difference to the valuation amount of the 70% equity interest in Geely Sunwoda under the PRC Valuation Standards and International Valuation Standards, as advised by Nanjing Changcheng. The valuations were conducted using the asset-based approach, ensuring a comprehensive and consistent assessment of Geely Sunwoda's net asset value by subtracting total liabilities from total assets and adjusting for fair market values.

Nanjing Changcheng has confirmed that the methodologies applied under both standards consider all relevant factors, including market conditions, asset characteristics, and financial performance. As a result, the valuations are aligned, with no material discrepancies identified.

Furthermore, the Disposal is not expected to have a significant impact on the Company's financial position or performance, given the immaterial difference in valuation amounts.

In assessing the fairness and reasonableness of the valuation, the Directors have reviewed the valuation report and discussed with Nanjing Changcheng the methodology, major assumptions, and quantitative inputs used in arriving at the market value of Geely Sunwoda. The Directors understand from Nanjing Changcheng that it has adopted the asset-based approach for the valuation.

The Directors have also reviewed the assumptions adopted in the valuation report and have been advised that the key assumptions adopted in the valuation report are commonly used in valuing similar companies. There are no irregularities noted by the Directors in relation to the quantitative inputs in the valuation. As such, the Directors consider that the key assumptions, quantitative inputs, and methodology adopted in the valuation are fair and reasonable.

B. Identity and Qualification of the Valuer

The identity and qualification of the valuer is as follows:

Nanjing Changcheng

Name: Nanjing Changcheng Land Real Estate Asset Appraisal and Cost Consulting Co., Ltd.

Qualification: Assessment of securities and futures-related business. This qualification encompasses expertise in valuing complex business assets, including intangible assets, intellectual property, and specialized manufacturing assets relevant to high-technology industries.

INFORMATION ON GEELY SUNWODA

Geely Sunwoda

Geely Sunwoda is a limited liability company established in the PRC. Its main business is the development, production, and sales of hybrid electric vehicle battery cells, battery modules, and battery packs.

Set out below is the financial information of Geely Sunwoda, prepared in accordance with HKFRS for the years/period as indicated below:

	For the year ended 31 December		For the three months ended
	2023	2024	31 March
	(Audited)	(Unaudited)	(Unaudited)
	RMB	RMB	RMB
(Loss)/Profit before taxation	(96,582,609)	220,900,143	(31,853,723)
(Loss)/Profit after taxation	(72,467,553)	164,576,980	(23,890,292)
Net asset value as at 31 December 2024		163,975,179	

Prior to the completion of the Disposal, Geely Sunwoda is owned as to 41.5% by Zhejiang Jirun, and its financial results are accounted for by the Group using the equity method.

Upon completion of the Disposal, the Group will no longer hold any interest in Geely Sunwoda.

The net proceeds from the Disposal are expected to serve as the Group's general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group has entered a new phase of strategic transformation, focusing on enhancing competitiveness in its core automotive business. This transformation involves initiatives to streamline operations, optimize resource allocation, and strengthen the Group's market position in the highly competitive automotive industry.

To advance this strategic transformation, the Group conducted a comprehensive review of its business segments, clarified business positioning, adjusted and optimized its business structure, and promoted in-depth integration and efficient utilization of internal resources. These efforts aim to sharpen brand focus, strengthen core business investments, divest non-core business investments, and enhance resource efficiency.

Geely Sunwoda currently primarily supplies its products to other brands under Geely Holding Group, while the Group's own brands have limited adoption of its products, resulting in weak operational synergies. The disposal of the equity interest in Geely Sunwoda, which specializes in the development, production, and sales of hybrid electric vehicle battery cells, battery modules, and battery packs, enables the Group to divest non-core business investments. This allows the Group to focus on its primary business and optimize cash flow.

Upon completion of the Disposal, the Group will more effectively concentrate and integrate resources, avoid redundant costs and investments, and create stronger synergies.

Although the Equity Transfer Agreement is not entered into in the ordinary and usual course of business of the Company, the Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder to be fair and reasonable, on normal commercial terms, and in the interests of the Company and the 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.

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.

Geely Automobile Group

Geely Automobile Group 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, which is ultimately and beneficially owned by Mr. Li and his associate as at the date of this announcement.

Zhejiang Jiyao

Zhejiang Jiyao is a limited liability company established in the PRC, which is ultimately and beneficially owned by Mr. Li and his associate as at the date of this announcement. It is principally engaged in holding investments in battery companies.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Geely Automobile Group and Zhejiang Jiyao are ultimately and beneficially 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, and is a connected person of the Company. Accordingly, Geely Automobile Group and Zhejiang Jiyao are connected persons of the Company and the transactions contemplated under the Equity Transfer Agreement constitute connected transactions of the Company under the Listing Rules.

Given that the applicable percentage ratios exceed 0.1% but are less than 5%, the Disposals are subject to reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Li, an executive Director, is considered to have material interests in the Disposals by virtue of his interests in Geely Automobile Group and Zhejiang Jiyao. As a result, Mr. Li has abstained from voting on the Board resolutions for approving the transactions.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below, unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	any 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
“Director(s)”	the director(s) of the Company
“Disposal(s)”	the disposals of a 41.5% equity interest in Geely Sunwoda by Zhejiang Jirun and a 28.5% equity interest in Geely Sunwoda by Geely Automobile Group to Zhejiang Jiyao pursuant to the Equity Transfer Agreement, each referred to as a “Disposal”
“Equity Transfer Agreement”	an equity transfer agreement dated 30 April 2025 entered into between Zhejiang Jirun, Geely Automobile Group and Zhejiang Jiyao in relation to the Disposals
“Geely Automobile Group”	吉利汽車集團有限公司 (Geely Automobile Group Co., Ltd.*), a limited liability company established in the PRC, which is a wholly-owned subsidiary of Geely Holding as at the date of this announcement

“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 and beneficially wholly-owned by Mr. Li and his associate as at the date of this announcement
“Geely Holding Group”	Geely Holding and its subsidiaries
“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, which is owned as to 41.5% by Zhejiang Jirun, 28.5% by Geely Automobile Group, and 30% by 欣旺達動力科技股份有限公司 (Sunwoda Power Technology Co., Ltd.*), an independent third party, as at the date of this announcement
“Group”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than Mr. Li and his associates
“independent third party(ies)”	third party(ies) independent of the Company and not connected persons (as defined under the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Nanjing Changcheng”	南京長城土地房地產資產評估造價諮詢有限公司 (Nanjing Changcheng Land Real Estate Asset Appraisal and Cost Consulting Co., Ltd.*,*) an independent valuer appointed by the Company to assess the fair value of Geely Sunwoda
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“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
“Zhejiang Jiyao”	浙江吉曜通行能源科技有限公司 (Zhejiang Jiyao Tongxing Energy 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
“%”	per cent

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

Hong Kong, 30 April 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*