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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 TRANSACTION

ACQUISITION OF EQUITY INTEREST IN INFIMOTION

Financial Adviser to Geely Automobile Holdings Limited



CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION

On 30 May 2025 (after trading hours), Zhejiang Powertrain, a subsidiary of the Company, and Ningbo Lotus entered into the Equity Transfer Agreement, pursuant to which Zhejiang Powertrain has conditionally agreed to purchase 17.5% equity interest in InfiMotion for a consideration of RMB420,000,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ningbo Lotus is indirectly owned as to more than 30% 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, Ningbo Lotus is a connected person of the Company, and the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under the Listing Rules.

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

Mr. Li is considered to have material interests in the Acquisition by virtue of his interests in Ningbo Lotus. As a result, Mr. Li has abstained from voting on the Board resolution for approving the Equity Transfer Agreement and the transaction contemplated hereunder.

CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION – THE EQUITY TRANSFER AGREEMENT

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

Date

30 May 2025 (after trading hours)

Parties

- (i) Zhejiang Powertrain (as purchaser); and
- (ii) Ningbo Lotus (as vendor)

Subject matter

Pursuant to the Equity Transfer Agreement, Zhejiang Powertrain has conditionally agreed to purchase, and Ningbo Lotus has conditionally agreed to sell, 17.5% equity interest in InfiMotion (representing RMB12.25 million in the registered capital of InfiMotion, which has been fully paid up).

Consideration

The consideration of RMB420,000,000 for 17.5% equity interest in InfiMotion was determined after arm's length negotiations between the parties, with reference to a valuation of 100% equity interest in InfiMotion in the amount of RMB2,418,000,000 as at 31 January 2025, prepared by AP Valuation using the market approach.

Within thirty (30) Business Days following the completion date of the Acquisition, the consideration will be settled by Zhejiang Powertrain's internal cash reserves.

Conditions precedent

Completion of the Acquisition is subject to and conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (a) Zhejiang Powertrain having been satisfied with the due diligence results of InfiMotion;
- (b) the shareholders' meeting of the Company or the Board having approved the Equity Transfer Agreement and the transaction contemplated hereunder in accordance with the requirements of the Listing Rules, and such approval remaining in effect;
- (c) the existing shareholders of InfiMotion having signed a shareholders' resolution confirming their waiver of any pre-emptive rights for the Acquisition;

- (d) all necessary approvals, consents, filings and waivers (if any) from governmental authorities and third parties in connection with the Acquisition having been obtained, including but not limited to InfiMotion completing the updated shareholder registration with the relevant industrial and commercial administration bureau;
- (e) the representations, warranties and undertakings made by Ningbo Lotus as set out in the Equity Transfer Agreement being true, accurate and complete in all material respects, and Ningbo Lotus having fully performed all of its obligations under the Equity Transfer Agreement that are required to be performed at or before completion;
- (f) there having been no occurrence of any matter that has a material adverse effect on the Acquisition or the existence, business or financial condition of InfiMotion, and no laws, regulations, legal proceedings or administrative directives having been promulgated, come into effect, initiated or issued that would prohibit or restrict the transaction contemplated under the Equity Transfer Agreement; and
- (g) no material adverse event having occurred with respect to InfiMotion from the date of the Equity Transfer Agreement to the completion date.

The conditions precedent set forth in paragraphs (b) and (d) above may not be waived. If any of the conditions precedent is not satisfied or waived within 90 days from the date of the Equity Transfer Agreement (or such later date as may be agreed in writing by the parties), either party may terminate the Equity Transfer Agreement by written notice to the other party.

Completion of the Acquisition

Completion of the Acquisition shall take place on the second Business Day after all conditions precedent have been satisfied or waived.

Upon completion of the Acquisition, InfiMotion will be owned as to 41.65% by Zhejiang Powertrain, and its financial results will continue to be equity accounted for in the consolidated financial statements of the Group.

VALUATION METHODOLOGY

A. Valuation Methodology for InfiMotion (Market Approach)

a. Background of valuation methods

In arriving at the market value, three generally accepted approaches are considered, the market approach, the cost approach and the income approach.

The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect the condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one must be wary of hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets.

The cost approach considers the cost to reproduce or replace the appraised assets in new condition in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market.

The income approach involves the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile.

b. Selection of valuation method

The market approach is adopted for the valuation of InfiMotion. In the market approach, the guideline public company method will be applied, which requires researching comparable companies' benchmark multiples and properly selecting a suitable multiple to derive the market value of InfiMotion.

c. Reason for the selection of market approach

Given the characteristics of InfiMotion, there are substantial limitations for the income approach and the cost approach in valuing the underlying asset. Firstly, the income approach requires subjective assumptions to which the valuation is highly sensitive. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by InfiMotion's business.

In view of the above, AP Valuation has adopted the market approach for the valuation. The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect the condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few assumptions. It also introduces objectivity in application as publicly available inputs are used.

d. Benchmark multiples comparison

In the valuation of InfiMotion, AP Valuation has applied the guideline public company method and selected comparable companies based on the following criteria:

- (i) the comparable companies are publicly listed, classified under automotive parts and equipment, and derive most, if not all, but over fifty percent of their revenues from the Asian market;
- (ii) the comparable companies derive most, if not all, but over fifty percent of their revenues from the manufacturing, sales, and research and development of motors, electric control systems, drivelines, powertrains, and n-in-one electric drive systems applied in automobiles, which share the similarities with InfiMotion;
- (iii) the market capitalization of the comparable companies is within the range of USD1.11 million and USD729.92 million which is defined as the micro-cap decile according to the Cost of Capital Navigator Study by Kroll, LLC.; and
- (iv) enterprise value/sales (“**EV/S**”) ratios of the comparable companies are available as at the valuation date.

As sourced from Capital IQ, a reliable third-party database service provider designed by Standard & Poor’s (S&P), an exhaustive list of comparable companies satisfying the above criteria was obtained on a best effort basis, and the multiples of these comparable companies are shown below:

Company Name	Ticker	EV/S Multiple
Igarashi Motors India Limited	BSE: 517380	2.53
Jing-jin Electric Technologies Co., Ltd.	SHSE: 688280	2.22
Zhejiang Founder Motor Co., Ltd.	SZSE: 002196	1.34
DAE-IL Corporation	KOSE: A092200	0.66
Average (Applied)		1.69

e. Major assumptions

The following key assumptions have been made in determining the market value of InfiMotion’s equity interest:

- (i) Valuation Date: 31 January 2025, with all comparable company market value data collected as of this date;

- (ii) Discount for Lack of Marketability (“**DLOM**”): A discount of 26% has been applied, based on the assumption that InfiMotion’s equity can be realized within 2 years, calculated using the Black-Scholes option pricing model;
- (iii) Control Premium: No control premium is applied as the valuation is based on the fair market value of 100% equity interest in InfiMotion from a non-controlling perspective;
- (iv) The EV/S multiple is an appropriate valuation metric for InfiMotion as it is not affected by profit fluctuations and is suitable for companies with rapid revenue growth but not yet achieving stable profitability; and
- (v) InfiMotion’s financial data, particularly its revenue of RMB1,705,849,869 for the period from January 2024 to December 2024, accurately reflects its business performance and is an appropriate basis for applying the selected multiple.

f. Summary of market approach

Based on the application of the market approach using the guideline public company method with the selected EV/S multiple, the valuation of InfiMotion is summarized as follows:

Item	Amount (RMB’000)
Financial Data (Revenue)	1,705,850
Enterprise Value (applying an EV/S multiple of 1.69x to Revenue)	2,879,608
Less: Net Debt	(388,502)
Equity Value Attributable to Shareholders	3,268,110
Less: DLOM of 26%	(849,709)
100% Equity Value (Rounded)	2,418,000

Net debt is calculated as borrowings minus cash and cash equivalents and short-term investment. The negative net debt of RMB388,502,000 indicates a cash surplus position.

Based on the above valuation, the 17.5% equity interest in InfiMotion has a market value of RMB423,000,000 as of 31 January 2025. The valuation report is prepared under the International Valuation Standards as agreed between the parties to the Equity Transfer Agreement.

In assessing the fairness and reasonableness of the valuation, the Directors have reviewed the valuation report and discussed with AP Valuation the methodology, major assumptions, and quantitative inputs used in arriving at the market value of InfiMotion. The Directors understand from AP Valuation that it has adopted a market approach for the

valuation, referencing the average of EV/S multiples of an exhaustive list of comparable companies operating in similar businesses, and then taking into account the market liquidity discount as the appropriate adjustment.

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:

AP Valuation

Name: Asia-Pacific Consulting and Appraisal Limited

Qualification: Royal Institution of Chartered Surveyors (RICS) regulated firm

INFORMATION ON INFIMOTION

InfiMotion

InfiMotion is a limited liability company established in the PRC. It focuses on the research, development, manufacturing and sales of high-performance electric drive systems (“EDS”) and components for pure electric and hybrid vehicles, including EDS, motors, electronic controls, and axle gears. InfiMotion has operations in Wuxi and Gothenburg, Sweden.

Set out below is the financial information of InfiMotion, 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	(111,643,490)	(55,010,692)	1,228,019
(Loss)/profit after taxation	(111,828,322)	(55,012,442)	1,228,019
Net asset value as at 31 December 2024		65,361,958	

As at the date of this announcement, InfiMotion is owned as to 24.15% by Zhejiang Powertrain, 17.5% by Ningbo Lotus, 26.25% by Ningbo Luma, and 32.1% by independent third parties.

InfiMotion was established by Ningbo Lotus and other parties. The original acquisition cost paid by Ningbo Lotus for the subscription of 17.5% equity interest in InfiMotion was RMB12,250,000.

Upon completion of the Acquisition, InfiMotion will be owned as to 41.65% by Zhejiang Powertrain, and its financial results will continue to be equity accounted for in the consolidated financial statements of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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.

InfiMotion supplies its products to multiple brands within the Group. The Group's Geely Galaxy brand is currently utilizing InfiMotion's electric drive products and plans to significantly expand their adoption, leading to strong operational synergies. The Acquisition will enable the Group to strengthen core business investments and achieve greater integration and synergy in the electric drive supply chain.

Upon completion of the Acquisition, 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 transaction contemplated thereunder are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON 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 Powertrain

Zhejiang Powertrain is a limited liability company established in the PRC, and is an indirectly 99% owned subsidiary of the Company as at the date of this announcement. It is principally engaged in the research, development, production, marketing, and sale of engines and related components in the PRC.

Ningbo Lotus

Ningbo Lotus is a limited liability company established in the PRC, which is indirectly owned as to more than 30% by Mr. Li and his associate as at the date of this announcement. It is principally engaged in venture capital investment (limited to investments in unlisted enterprises), investment activities with self-owned funds, and project planning and public relations services.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ningbo Lotus is indirectly owned as to more than 30% 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, Ningbo Lotus is connected person of the Company, and the transaction contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company under the Listing Rules.

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

Mr. Li is considered to have material interests in the Acquisition by virtue of his interests in Ningbo Lotus. As a result, Mr. Li has abstained from voting on the Board resolution for approving the Equity Transfer Agreement and the transaction contemplated hereunder.

DEFINITIONS

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

“Acquisition”	the acquisition of 17.5% equity interest in InfiMotion by Zhejiang Powertrain from Ningbo Lotus pursuant to the Equity Transfer Agreement
“AP Valuation”	Asia-Pacific Consulting and Appraisal Limited, an independent valuer appointed by the Company to assess the fair value of InfiMotion
“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
“Equity Transfer Agreement”	an equity transfer agreement dated 30 May 2025 entered into between Zhejiang Powertrain and Ningbo Lotus in relation to the Acquisition
“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

“InfiMotion”	無錫星驅科技有限公司 (Wuxi InfiMotion Technology Co., Ltd.*), a limited liability company established in the PRC, which is owned as to 24.15% by Zhejiang Powertrain, 17.5% by Ningbo Lotus, 26.25% by Ningbo Luma and 32.1% by independent third parties as at the date of this announcement
“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
“Ningbo Lotus”	寧波路特斯創業投資有限責任公司 (Ningbo Lotus Venture Capital Co., Ltd.*), a limited liability company established in the PRC, which is indirectly owned as to more than 30% by Mr. Li and his associate as at the date of this announcement
“Ningbo Luma”	寧波路馬企業管理合夥企業(有限合夥) (Ningbo Luma Enterprise Management Partnership (Limited Partnership)*), a limited partnership established in the PRC, which is ultimately and beneficially owned by Mr. Li as at the date of this announcement
“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
“USD”	United States Dollars, the lawful currency of the United States
“Zhejiang Powertrain”	浙江吉利動力總成有限公司 (Zhejiang Geely Powertrain 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, 30 May 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*