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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  
CONTRIBUTIONS TO A JV COMPANY  
AND  
DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY**

**Financial Adviser to the Company**



**THE CONTRIBUTION AGREEMENT AND THE JOINT VENTURE AGREEMENT**

On 20 June 2025, the Company, Geely Holding, GA(SGP) (a wholly-owned subsidiary of the Company), GH(SGP) (a wholly-owned subsidiary of Geely Holding), Renault, and the JV Company entered into the Contribution Agreement and the Joint Venture Agreement, pursuant to which (i) GA(SGP) conditionally agreed to contribute the entire issued share capital of its wholly-owned subsidiary, along with cash, to the JV Company in exchange for ordinary shares, warrants and convertible preferred share of the JV Company; and (ii) GH(SGP) conditionally agreed to contribute the entire issued share capital of its wholly-owned subsidiary to the JV Company in exchange for ordinary shares of the JV Company. Upon Closing, the JV Company will be owned as to 73.57% by Renault, as to 21.29% by GA(SGP), as to 5.11% by GH(SGP) and as to 0.03% by an independent third party.

**LISTING RULES IMPLICATION**

As at the date of this announcement, Geely Holding is a substantial shareholder of the Company and is ultimately owned by Mr. Li and his associates. Mr. Li is an executive Director and a substantial shareholder of the Company. Accordingly, Geely Holding is a connected person of the Company under the Listing Rules. The Contributions and the Disposal 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 Contributions and the Disposal, exceed 0.1% but are

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

The grant of the Call Option and Put Option, and the issuance of the Convertible Preferred Share and the Warrants are regarded as transactions and are classified with reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules. The exercise of the Put Option and the Warrants, as well as the conversion of the Convertible Preferred Share, is at the discretion of the Geely Parties, including the Company. According to Rule 14.75(1) of the Listing Rules, upon the grant of the Put Option, the Convertible Preferred Share, and the Warrants, only the premium (being Brazilian real 0.1 and nil, respectively) will be taken into account for calculating the percentage ratios. The Company will comply with the relevant Listing Rules upon the exercise of the Put Option and the Warrants, and the conversion of the Convertible Preferred Share, where required.

The Call Option is exercisable at the discretion of Renault. Under Rule 14.74(1) of the Listing Rules, upon the grant of the Call Option, the transaction is to be classified as if the Call Option had been exercised. As it is uncertain whether and when the Call Option may be exercised, the Company is unable to ascertain the actual monetary value of the exercise price, or the value of the underlying assets and the profits and revenue attributable to such assets at the time of the grant. Pursuant to Rule 14.76(1) of the Listing Rules, where the monetary values of the premium, exercise price, underlying assets, and their attributable profits and revenue are not determined at the time of granting an option, the listed issuer must use the highest possible monetary value for classification purposes. Without such determination, the transaction would be classified as at least a major transaction. The Company has obtained a waiver from the Stock Exchange from strict compliance with Rule 14.76(1) of the Listing Rules. The Stock Exchange has ruled that the grant of the Call Option to Renault will not be classified as a major transaction under this rule.

Mr. Li and Mr. Li Dong Hui, Daniel, each an executive Director, are considered to have interests in the Contribution Agreement and the Joint Venture Agreement by virtue of their respective interests and/or directorships in Geely Holding. Accordingly, both Mr. Li and Mr. Li Dong Hui, Daniel, abstained from voting on the Board resolutions approving the Contribution Agreement and the Joint Venture Agreement, and the transactions contemplated thereunder.

Reference is made to the announcement of the Company dated 18 February 2025, in relation to the proposed investment by Geely Holding in the JV Company. The Board is pleased to announce that on 20 June 2025 (non-trading hours), the Company, Geely Holding, GA(SGP), GH(SGP) and Renault entered into the Contribution Agreement and the Joint Venture Agreement, pursuant to which (i) GA(SGP) conditionally agreed to contribute to the JV Company by way of GA(SGP) In-Kind Contribution and GA(SGP) Cash Contribution in exchange for GA Ordinary Shares, the Warrants and the Convertible Preferred Share; and (ii) GH(SGP) conditionally agreed to contribute to the JV

Company by way of GH(SGP) Contribution in exchange for GH Ordinary Shares. Upon Closing, the JV Company will be owned as to 21.29% by GA(SGP), 5.11% by GH(SGP), 73.57% by Renault, and 0.03% by an independent third party.

The contribution to be made by GA(SGP) by way of GA(SGP) In-Kind Contribution, namely the transfer of the Group's interest in IP Newco GA on the Closing Date, constitutes a disposal by the Group as IP Newco GA will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the Group's financial statements.

## **THE CONTRIBUTION AGREEMENT**

The principal terms of the Contribution Agreement are summarized as follows:

### **Date**

20 June 2025 (non-trading hours)

### **Parties**

- (i) the Company;
- (ii) Geely Holding;
- (iii) GA(SGP);
- (iv) GH(SGP);
- (v) Renault; and
- (vi) the JV Company.

### **Subject matter**

Pursuant to the Contribution Agreement, (i) GA(SGP) conditionally agreed to contribute to the JV Company by way of GA(SGP) In-Kind Contribution and GA(SGP) Cash Contribution in exchange for GA Ordinary Shares, the Warrants and the Convertible Preferred Share; and (ii) GH(SGP) conditionally agreed to contribute to the JV Company by way of GH(SGP) Contribution in exchange for GH Ordinary Shares. Upon Closing, the shareholding structure of the JV Company will be as follows:

| <b>Name of Shareholders</b> | <b>Number of Ordinary Shares</b> | <b>Shareholding Percentage</b> | <b>Warrants</b>       | <b>Convertible Preferred Share</b> |
|-----------------------------|----------------------------------|--------------------------------|-----------------------|------------------------------------|
| Renault                     | 310,633,242,445                  | 73.57%                         | None                  | None                               |
| GA(SGP)                     | 89,909,186,517                   | 21.29%                         | 48,592,693,459        | One (1)                            |
| GH(SGP)                     | 21,585,340,414                   | 5.11%                          | None                  | None                               |
| Independent third party     | 124,303,018                      | 0.03%                          | None                  | None                               |
| <b>Total</b>                | <b>422,252,072,394</b>           | <b>100%</b>                    | <b>48,592,693,459</b> | <b>One</b>                         |

### **Contributions to the JV Company**

The respective contributions of the Geely Parties to be made to the JV Company on the Closing Date are as follows:

#### ***GA(SGP)***

- (i) GA(SGP) In-Kind Contribution, which comprises the entire issued share capital of IP Newco GA; and
- (ii) GA(SGP) Cash Contribution, being an amount in Brazilian real equivalent to EUR75 million (approximately RMB585 million).

#### ***GH(SGP)***

- (i) GH(SGP) Contribution, which comprises the entire issued share capital of IP Newco GH.

The consideration values of the equity interest in the JV Company and the contributions to the JV Company were determined by the Parties after arm's length negotiations, with reference to the appraised value of the JV Group, IP Newco GA, and IP Newco GH as at 31 December 2024, as determined by the Independent Valuer. Summaries of the appraised values of the JV Group and IP Newco GA are provided in Appendices I and II of this announcement, respectively.

The consideration value of the equity interest in the JV Company is EUR1,742 million (approximately RMB13,584 million). The aggregate consideration value of GA(SGP)'s contributions is EUR504 million (approximately RMB3,930 million), including GA(SGP) In-Kind Contribution valued at EUR429 million (approximately RMB3,345 million), representing the consideration value of the intellectual property license rights to be contributed and GA(SGP) Cash Contribution equivalent to EUR75 million (approximately RMB585 million). The consideration value of GH(SGP)'s contribution is EUR121 million (approximately RMB944 million), representing the value of the intellectual property license rights to be contributed under GH(SGP) Contribution.

The GA(SGP) Cash Contribution will be paid via bank transfer to the JV Company's designated bank account and will be funded by the Group's internal cash reserves.

### **Rights attached to the Convertible Preferred Share**

The subscription price for the Convertible Preferred Share is Brazilian real 0.1.

GA(SGP) shall be entitled to convert the Convertible Preferred Share if the cumulative volumes of vehicles based on certain designated Geely Brands and Renault Brand, invoiced by the JV Company and sold, meets specified targets, and the aggregate shareholding percentage in the JV Company held by the Geely Parties is less than the Shareholding Threshold (as defined below) at the time of conversion. Upon conversion, GA(SGP) shall pay Brazilian real 1.0. The number of newly issued ordinary shares in the JV Company to which GA(SGP) will be entitled upon conversion shall be determined based on a conversion ratio, which takes into account the designated cumulative volumes, the then total number of ordinary shares issued by the JV Company, and the percentage of ordinary shares in the JV Company held by GA(SGP) and GH(SGP) immediately prior to the conversion.

Prior to conversion, the Convertible Preferred Share does not entitle the GA(SGP) to vote at general meetings of shareholders or in the election of directors of the JV Company, nor does it carry any right to dividends. However, in the event of liquidation of the JV Company, the Convertible Preferred Share shall have priority, proportional to its share in the total share capital of the JV Company, over the ordinary shares.

### **The Warrants**

There is no issuance price for the Warrants. GA(SGP) is entitled to subscribe for newly issued ordinary shares of the JV Company by exercising the Warrants, once during every twelve-month period following the issuance date, for a total duration of 36 months, provided that the aggregate shareholding percentage in the JV Company held by the Geely Parties is less than the Shareholding Threshold at the time of exercise. The exercise ratio is one ordinary share of the JV Company per Warrant, subject to adjustment in the event of modifications to the share capital of the JV Company. The exercise price per Warrant is the amount in Brazilian real equivalent to EUR0.00560565632414794.

The Warrants shall not entitle the holder to any shareholder rights in the JV Company prior to exercise. Upon exercise, the ordinary shares issued to GA(SGP) will carry the right to participate in dividends declared by the JV Company.

### **Shareholding Threshold in the JV Company upon the conversion of the Convertible Preferred Share and the exercise of the Warrants**

The Parties agree that the aggregated shareholding percentage and voting rights in the JV Company held by the Geely Parties shall not exceed 34% (the "**Shareholding Threshold**") upon the conversion of the Convertible Preferred Share and the exercise of the Warrants. Assuming no other changes in

the shareholding structure upon the conversion of the Convertible Preferred Share and the exercise of the Warrants, and that the Shareholding Threshold is reached, the JV Company will, at most, be owned as to 29.42% by GA(SGP).

### **Conditions precedent**

Closing is conditional upon the fulfilment (or, to the extent legally permissible, waiver by written agreement of all or the relevant Parties) of the following conditions (the “**Conditions**”) on or before the Long Stop Date:

- (1) obtaining the relevant regulatory approvals;
- (2) the Contribution Agreement, the Joint Venture Agreement, and other key transaction documents have been duly executed and are in force;
- (3) certain post-closing agreements relating to the operations of the JV Company, to be entered into between the JV Company and the Company or an affiliate of the Company (as the case maybe), are being finalized and in agreed form between the Parties;
- (4) no government authority having enacted, issued, promulgated, enforced, or entered any government order which prohibits or prevents the consummation of the transactions under the Contribution Agreement, and no proceeding shall be pending or threatened against the Parties that seek to prohibit or prevent the consummation of the transactions contemplated thereunder;
- (5) no material adverse change having occurred and be continuing at the Closing Date;
- (6) Renault having completed the change in legal form of the JV Company from a limited liability company to a corporation prior to the Closing Date;
- (7) the representations and warranties made by Renault and/or the JV Company under the Contribution Agreement being true, complete and accurate in all material respects as of the date of the Contribution Agreement and as of the Closing Date, subject to any disclosures required to be made by Renault pursuant to the Contribution Agreement;
- (8) due incorporation of IP Newcos and certain transaction documents having executed prior to the Closing Date and the representations and warranties made by the Geely Parties in respect of IP Newcos and such transaction documents being true, complete and accurate in all material respects as of the date of the Contribution Agreement and as of the Closing Date; and
- (9) an appraisal report prepared by a specialized company pursuant to applicable Brazilian laws in respect of IP Newco GA and IP Newco GH having been issued.

Save for Conditions (1) and (9), the other Conditions may be waived by written agreement of the Parties.

## **Termination**

The Contribution Agreement may be terminated (i) by serving written notice to the other Parties if the Closing has not occurred on or before the Long Stop Date, provided that a Party whose material breach caused or contributed to the failure to satisfy the Condition shall not have the right to terminate the agreement; (ii) if the Closing has been deferred once due to any Party's inability to deliver the required Closing deliverables or perform the necessary Closing actions; (iii) by mutual agreement of the Parties; (iv) by a Geely Party if any disclosure made by Renault prior to Closing pursuant to the Contribution Agreement reveals a material adverse effect; (v) if any Party is sanctioned; (vi) by a non-bankrupt Party if another Party (excluding the JV Company) faces insolvency; or (vii) if the Joint Venture Agreement is terminated.

## **THE JOINT VENTURE AGREEMENT**

The principal terms of the Joint Venture Agreement are summarized as follows:

### **Date**

20 June 2025 (non-trading hours)

### **Parties**

- (i) the Company;
- (ii) Geely Holding;
- (iii) GA(SGP);
- (iv) GH(SGP);
- (v) Renault; and
- (vi) the JV Company.

### **Principal business of the JV Company**

The principal business of the JV Group will be to produce and distribute passenger vehicles under the Renault Brand and the Geely Brands, as well as light commercial vehicles ("LCVs") under the Renault Brand in Brazil. The JV Group will also focus on developing the Renault Brand and the Geely Brands in Brazil to attract new customers.

## **Funding**

The Parties intend for the JV Group to be primarily self-financed. The JV Shareholders shall not be obligated to provide additional financing to or offer any guarantees or other security on behalf of the JV Group.

## **Dividend policy**

Unless otherwise agreed by the JV Shareholders, and subject, among other things, to the funding needs of the JV Group, the JV Company shall distribute the maximum amount of its consolidated net profit (after taxation, minority interests, and extraordinary items) available for distribution, as shown in the JV Company's consolidated financial statements for the relevant financial year, in accordance with applicable laws.

## **Term**

Subject to early termination, the Joint Venture Agreement shall remain in full force and effect for a period of 20 years from the Closing Date (the “**Initial Term**”) and shall be automatically renewed for an additional period of five (5) years, unless a Party serves a termination notice at least one (1) year prior to the end of the Initial Term.

## **JV Board composition and the appointment of JV Directors**

The JV Board shall consist of six (6) JV Directors. Upon Closing, the Geely Parties shall be entitled to propose two (2) JV Directors, and Renault shall be entitled to propose four (4) JV Directors. All JV Directors shall be appointed by the JV Shareholders.

## **The JV Board and the JV CEO**

The JV Board shall be responsible for determining and overseeing the implementation of the general direction and strategy of the JV Group, as well as the management and operations of the JV Group. The JV CEO shall be appointed by the JV Board upon the proposal of Renault.

## **Board reserved matters**

Certain matters shall be reserved for the approval of the JV Board and shall require the affirmative vote of a simple majority of the JV Directors, including at least one (1) JV Director proposed by Renault and at least one (1) JV Director proposed by the Geely Parties. These reserved matters include, but are not limited to: (a) removal of the JV CEO for failure to meet key performance indicators; (b) any decision that is, or is reasonably likely to be, material and/or adverse to the business, image, or strategy of the Geely Brands in Brazil; (c) purchase, sale, or lease of a material part of assets or business; (d) winding-up, liquidation, or dissolution of the JV Company; (e) entry into, or substantial amendment of, any joint venture, partnership, or strategic cooperation agreement

in Brazil with an original equipment manufacturer; (f) substantial modification of, or entry into, any new related-party transaction; (g) provision of any loan or guarantee; and (h) entry into any material agreements.

### **Shareholders' unanimity matters**

Certain matters shall require the unanimous approval of all shareholders. These include, without limitation, approval of an increase in the share capital under certain circumstances; approval of reduction of capital, redemption, buy-back, cancellation, repayment, repurchase or other acquisition of shares under certain circumstances; approval of any amendment to the bylaws in relation to a change in the business scope, a change in corporate form, or any other matter that may adversely affect the rights of Geely Holding and/or the Company; approval of any liquidation or dissolution of the JV Company, or any merger, consolidation, amalgamation with another entity, or spin-off; approval of the transfer or other disposal of all or substantially all of the assets to a third party; approval of any dividend distribution that is not compliant with the agreed distribution policy; approval of any action required in connection with a public offering of securities issued by the JV Company; and approval of any equity incentive plans for employees.

### **Restriction on transfer and the joint transfer**

During the Lock-Up Period, save for permitted transfers as defined in the Joint Venture Agreement, no JV Shareholder shall transfer any of its JV Instruments to any person without the prior written consent of the other JV Shareholders. However, the JV Shareholders may jointly decide to (i) transfer a portion of their JV Instruments, on a *pro rata* basis, and under the same price, terms and conditions, to a third party; or (ii) authorise the issuance of JV Instruments to a third party on terms and conditions agreed among the JV Shareholders.

### **Right of first offer**

At any time after the Lock-up Period, if a JV Shareholder (whether the Geely Parties or Renault) proposes to transfer its JV Instruments (the “**ROFO Transferor**”), the other JV Shareholder shall have a right of first offer in respect of such proposed transfer. If no offer is made, or if the offer is rejected, the ROFO Transferor may, subject to certain restrictions, proceed with the sale to an independent third party.

### **Tag-along right**

Following the expiry of the Lock-up Period and after the right of first offer procedure has been applied, (i) if Renault transfers its JV Instruments to an independent third party representing 15% or more of the JV Instruments, the Geely Parties shall have the right to participate in such transfer on a *pro rata* basis, or (ii) if Renault transfers its JV Instruments to an independent third party resulting in Renault ceasing to control the JV Company, the Geely Parties shall have the right to participate in such transfer by selling all of their JV Instruments alongside Renault.

## Call Option

Renault may exercise the call option (the “**Call Option**”) requiring the Geely Parties to transfer all of their JV Instruments to Renault if the Joint Venture Agreement is terminated under any of the following circumstances (each, a “**Call Option Event**”): (i) mutual agreement of the Parties; (ii) upon expiration of the term of the Joint Venture Agreement; (iii) failure by any Geely Party to remedy a material breach; (iv) any of the Geely Party or the JV Company becomes insolvent; (v) the Geely Parties hold less than five percent (5%) of the share capital of the JV Company; (vi) any Geely Party becomes a sanctioned person, under certain conditions; (vii) there is an unresolved deadlock on specified shareholder unanimity matters or board reserved matters that persists after two consecutive duly convened meetings (or, in the absence of quorum, upon the second convening) and is reasonably expected to have a material adverse effect on the ability to conduct the business as a whole or materially impair the objectives of the JV Company; (viii) early termination of a key transaction document resulting in the failure by the Geely Parties to deliver initial documents; or (ix) a breach by the Geely Parties of certain representation and warranties in the key transaction documents, which remains uncured after a remediation period agreed between the Parties, or where the Parties fail to agree on a remediation plan within a specified period.

If the Call Option is exercised, the exercise price shall be the higher of (i) the then fair market value of the JV Company, as determined by a jointly appointed expert or experts (the “**Fair Market Value**”), multiplied by the Geely Parties’ shareholding percentage; or (ii) a floor value of the JV Company (the “**Floor Price**”) as pre-agreed by Renault and the Geely Parties, except as otherwise provided in the Joint Venture Agreement.

Following the occurrence of any Call Option Event, Renault may exercise the Call Option by delivering written notice to the Company, specifying its intention to acquire the JV Instruments.

## Put Option

The Geely Parties may exercise the put option (the “**Put Option**”) requiring Renault to purchase all of their JV Instruments if the Joint Venture Agreement is terminated under any of the following circumstances: (i) failure by Renault to remedy a material breach; (ii) Renault or the JV Company becomes insolvent; (iii) Renault ceases to control the JV Company and is no longer able to consolidate the JV Group into its financial statements; (iv) Renault becomes a sanctioned person, under certain conditions; or (v) there is an unresolved deadlock on specified shareholder unanimity matters or board reserved matters that persists after two consecutive duly convened meetings (or, in the absence of quorum, upon the second convening), and is reasonably expected to have a material adverse effect on the ability to conduct the business as a whole or materially impair the objectives of the JV Company.

If the Put Option is exercised, the exercise price shall be the higher of (i) the Fair Market Value of the JV Company, multiplied by the Geely Parties' shareholding percentage; or (ii) the Floor Price. However, if the Put Option is triggered by Renault's failure to remedy a material breach, the exercise price shall be 120% of the higher value of (i) the Floor Price; or (ii) the Fair Market Value multiplied by the Geely Parties' shareholding percentage.

### **Material breach**

A material breach occurs when a JV Shareholder (the "**Defaulting JV Shareholder(s)**") breaches any of the following circumstances: (i) the restrictive covenants under the Joint Venture Agreement, (ii) certain restrictions on the transfer of the JV Instruments, (iii) sanctions compliance procedures, (iv) any other provisions of the Joint Venture Agreement that results in a material adverse effect, or (v) obligations specifically imposed on the Geely Parties pursuant to the Joint Venture Agreement. In the event of a material breach, the Parties shall engage in good faith discussions to remedy the breach. If the breach is not remedied within a specified period, the Non-defaulting Shareholder(s) may terminate the Joint Venture Agreement.

## **REASONS FOR AND BENEFITS OF THE CONTRIBUTIONS AND THE DISPOSAL**

The Group is continuously seeking business opportunities to accelerate internationalization. Through the Agreements, the Group aims to strengthen its brand influence and expand its market presence in the Brazil by collaborating with Renault.

### **Strategic entry into the Brazilian market**

The transaction marks a significant step in the Group's global expansion strategy, which aims to accelerate penetration into developing markets by offering of high-value, high-quality products. The partnership with Renault provides the Group immediate access to Brazil, the largest automotive market in Latin America. This strategic entry not only boosts the Group's brand visibility in Brazil but also supports the diversification of its global footprint beyond existing core markets, particularly in light of growing uncertainties in global trade policies. By leveraging Renault's well-established local production footprint and deep market insight, the Group is well-positioned to fast-track its expansion across Latin America and strengthen its influence in Brazilian market.

### **Leveraging distribution network**

As a shareholder of the JV Company, the Group can leverage the advantages from the JV Company's well-established commercial capabilities and comprehensive ecosystem in Brazil. This includes a robust distribution infrastructure and a wide network of dealers with nationwide coverage, offering both sales and after-sales services. These advantages will help expand the market share of the Group's products in Brazil.

## **Granting access to manufacturing infrastructure**

The transaction grants the Group's access to the JV Company's manufacturing facilities, without the need for significant capital expenditure on greenfield investments. Local manufacturing capabilities and an established supply chain network will enable the Group to accelerate production ramp-up and better serve the Brazilian market with products tailored to local preferences and requirements. The arrangement also presents opportunities for the Group to generate operational synergies with Renault in Brazil through shared production facilities and optimized resource allocation.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Contribution Agreement and Joint Venture Agreement are fair and reasonable, that the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group and that they are in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL IMPACT ON THE GROUP**

Upon completion of the Disposal, IP Newco GA will cease to be a subsidiary of the Company, and its financial results will no longer be consolidated by the Group. In exchange, the Group will receive equity interest in the JV Company. It is estimated that no gain or loss will be recorded on the Disposal by the Group, as the net book value of IP Newco GA is equal to the consideration received (before taxation, transaction costs, and other customary adjustments). The actual gain or loss resulting from the Disposal will be subject to adjustment upon completion of the final audits.

Following the formation of the JV Company, the Group's investment in the JV Company will be accounted for using the equity method. The JV Company's net assets and profits or losses attributable to the Group will be recognized in the Group's consolidated financial statements.

The analysis above is provided for illustrative purposes only and does not purport to reflect the actual financial performance of the Group upon completion of the Disposal.

## **INFORMATION OF THE COMPANY AND PARTIES TO THE AGREEMENTS**

### **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 components, as well as investment holding.

## **GA(SGP)**

GA(SGP) is a company incorporated under the laws of Singapore with limited liability. It was established by the Company as a special purpose vehicle to invest in the JV Company. Its principal business is investment holding, and it is wholly-owned by the Company as at the date of this announcement.

## **Geely Holding**

Geely Holding is a limited liability company incorporated in the PRC. It is principally engaged in the wholesale and retail of automobiles and related parts and components. As at the date of this announcement, Geely Holding is a substantial shareholder of the Company, holding approximately 39.2% of the total issued share capital of the Company.

## **GH(SGP)**

GH(SGP) is a company incorporated under the laws of Singapore with limited liability. It was established by Geely Holding as a special purpose vehicle to invest in the JV Company. Its principal business is investment holding, and it is wholly-owned by Geely Holding as at the date of this announcement. Accordingly, GH(SGP) is an associate of Geely Holding and a connected person of the Company under the Listing Rules.

## **Renault**

Renault S.A.S. (“**Renault**”) is a simplified limited company (société par actions simplifiée) incorporated under the laws of France, with its registered office located in Boulogne-Billancourt, France. Renault is wholly owned by Renault S.A., a public limited company (société anonyme) also incorporated under the laws of France, with its registered office located in Boulogne-Billancourt, France. Renault S.A.’s shares are listed on Euronext Paris (stock code: RNO.PA). Renault S.A. is principally engaged in the design, manufacture, sale, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles), as well as the design and production of parts and equipment used in connection with the manufacturing and operation of vehicles.

## **INFORMATION OF THE JV COMPANY**

Renault do Brasil (the “**JV Company**”) is a limited liability company (sociedade limitada) incorporated under the laws of Brazil, with its registered office located in São José dos Pinhais, Paraná, Brazil. The JV Company is principally engaged in the development, supply, production, and distribution of passenger vehicles and light commercial vehicles under the Renault Brand in Brazil.

As at the date of this announcement, the JV Company is owned as to 99.96% by Renault and 0.04% by an independent third party. To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, the JV Company, Renault, the independent third party, and their respective ultimate beneficial owners are third parties independent of, and not connected with, the Company or its connected persons.

Based on the unaudited financial information of the JV Group for the year ended 31 December 2024, prepared in accordance with IFRS, the unaudited consolidated net asset value of the JV Group was BRL3,432 million (approximately RMB4,262 million) as at 31 December 2024.

Set out below is the unaudited financial information of the JV Group for the years indicated, prepared in accordance with IFRS:

|                          | For the year ended 31<br>December 2023 |                   | For the year ended 31<br>December 2024 |                   |
|--------------------------|--|-------------------|--|-------------------|
|                          | BRL in<br>million                      | RMB in<br>million | BRL in<br>million                      | RMB in<br>million |
| Revenue                  | 14,539                                 | 18,056            | 16,301                                 | 20,244            |
| Profit/(loss) before tax | 612                                    | 760               | (281)                                  | (349)             |
| Profit/(loss) after tax  | 719                                    | 893               | (321)                                  | (399)             |

The appraised value of the JV Group is approximately EUR1,766 million (approximately RMB13,772 million), as of 31 December 2024 (the “**Valuation Date**”), as determined with reference to the JV Group Valuation Report. The valuation was conducted using the market approach by the Independent Valuer. The JV Group Valuation Report was prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

A summary of the JV Group Valuation Report, including the valuation methodology, assumptions, and inputs, is provided in Appendix I of this announcement.

## **INFORMATION OF GA(SGP) IN-KIND CONTRIBUTION**

GA(SGP) shall incorporate IP Newco GA, and the Group shall grant IP Newco GA a license to use, among other things, the intellectual property rights relating to 50% interest in the Geely Mechanical Architecture, and 100% interest in the Geely EE Architecture, and other relevant intellectual property rights associated with the cooperation models.

The appraised value of GA(SGP) In-Kind Contribution is approximately EUR429 million (approximately RMB3,345 million), as determined with reference to the IP Newco GA Valuation Report. The valuation was conducted using the relief-from-royalty method by the Independent Valuer. The IP Newco GA Valuation Report was prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

A summary of the IP Newco GA Valuation Report, including key assumptions, the valuation model, and input parameters, is provided in Appendix II of this announcement.

## **INFORMATION OF GH(SGP) CONTRIBUTION**

GH(SGP) shall incorporate IP Newco GH, and Geely Holding shall grant IP Newco GH a license to use, among other things, the intellectual property rights relating to 50% interest in the Geely Mechanical Architecture.

The appraised value of GH(SGP) Contribution is approximately EUR121 million (approximately RMB944 million), as determined with reference to the IP Newco GH Valuation Report. The valuation was conducted using the relief-from-royalty method by the Independent Valuer. The IP Newco GH Valuation Report was prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

A summary of the IP Newco GH Valuation Report, including valuation methodology, assumptions, major input parameters used, and a sensitivity analysis, is provided in Appendix II of this announcement.

As the income approach was used as the basis for valuing the GA(SGP) In-Kind Contribution, the valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules.

The Financial Adviser is satisfied that the profit forecast contained in the IP Newco GA Valuation Report was made by the Board after due and careful enquiry.

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

The letter from the Financial Adviser and the letter from the Reporting Accountant both dated 20 June 2025 regarding the profit forecast contained in the IP Newco GA Valuation Report, are set out in Appendix III and Appendix IV to this announcement, respectively, for the purposes of Rule 14.62 of the Listing Rules.

## **EXPERTS AND CONSENTS**

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

| <b>Name</b>                                   | <b>Qualification</b>  | <b>Date of Opinion</b> |
|---|---|------------------------|
| 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 | 20 June 2025           |
| Grant Thornton Hong Kong Limited              | Certified Public Accountants, Hong Kong   | 20 June 2025           |
| Asia-Pacific Consulting and Appraisal Limited | Independent Valuer  | 20 June 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.

## **LISTING RULES IMPLICATION**

As at the date of this announcement, Geely Holding is a substantial shareholder of the Company and is ultimately owned by Mr. Li and his associates. Mr. Li is an executive Director and a substantial shareholder of the Company. Accordingly, Geely Holding is a connected person of the Company under the Listing Rules. The Contributions and the Disposal 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 Contributions and the Disposal, exceed 0.1% but are all less than 5%, these connected transactions are subject to reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The grant of the Call Option and Put Option, and the issuance of the Convertible Preferred Share and the Warrants, are regarded as transactions and are classified with reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules. The exercise of the Put Option and the Warrants, as well as the conversion of the Convertible Preferred Share, is at the discretion of the Geely Parties, including the Company. According to Rule 14.75(1) of the Listing Rules, upon the grant of the Put Option, the Convertible Preferred Share, and the Warrants, only the premium (being Brazilian real 0.1 and nil, respectively) will be taken into account for calculating the percentage ratios. The Company will comply with the relevant Listing Rules upon the exercise of the Put Option and the Warrants, and the conversion of the Convertible Preferred Share, where required.

The Call Option is exercisable at the discretion of Renault. Under Rule 14.74(1) of the Listing Rules, upon the grant of the Call Option, the transaction is to be classified as if the Call Option had been exercised. As it is uncertain whether and when the Call Option may be exercised, the Company is unable to ascertain the actual monetary value of the exercise price, or the value of the underlying assets and the profits and revenue attributable to such assets at the time of the grant. Pursuant to Rule 14.76(1) of the Listing Rules, where the monetary values of the premium, exercise price, underlying assets, and their attributable profits and revenue are not determined at the time of granting an option, the listed issuer must use the highest possible monetary value for classification purposes. Without such determination, the transaction would be classified as at least a major transaction. The Company has obtained a waiver from the Stock Exchange from strict compliance with Rule 14.76(1) of the Listing Rules. The Stock Exchange has ruled that the grant of the Call Option to Renault will not be classified as a major transaction under this rule.

## **GENERAL**

Mr. Li and Mr. Li Dong Hui, Daniel, each an executive Director, are considered to have interests in the Contribution Agreement and the Joint Venture Agreement by virtue of their respective interests and/or directorships in Geely Holding. Accordingly, both Mr. Li and Mr. Li Dong Hui, Daniel, abstained from voting on the Board resolutions approving the Contribution Agreement and the Joint Venture Agreement, and the transactions contemplated thereunder.

## **DEFINITIONS**

|                           |   |
|---------------------------|---|
| “Agreements”              | the Contribution Agreement and the Joint Venture Agreement  |
| “associate(s)”            | having the meaning ascribed thereto under the Listing Rules   |
| “Board”                   | the board of Directors  |
| “Brazilian real” or “BRL” | the lawful currency of the Federative Republic of Brazil  |
| “Business Day”            | a day (other than a Saturday or Sunday or public holiday) on which banks are generally open for business in France, the People’s Republic of China, Singapore and Brazil  |
| “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  |
| “Closing”                 | completion of the Contributions, which would occur on the Closing Date  |

|                               |   |
|-------------------------------|---|
| “Closing Date”                | on the last Business Day of the month during which the latest Condition is satisfied or waived in accordance with the terms of the Contribution Agreement, if such Condition is satisfied ten (10) Business Days or less before the last Business Day of that month, the last Business Day of the subsequent calendar month, or any other date to be agreed upon by the Parties   |
| “Condition(s)”                | the conditions precedent to the Contribution Agreement, as set out in the section headed “The Contribution Agreement – Conditions precedent” in this announcement   |
| “Contributions”               | GA(SGP) In-Kind Contribution, GA(SGP) Cash Contribution and GH(SGP) Contribution  |
| “Contribution Agreement”      | the subscription and contribution agreement entered into on 20 June 2025 among the Company, Geely Holding, GA(SGP), GH(SGP), Renault, and the JV Company, pursuant to which (i) GA(SGP) conditionally agreed to contribute, by way of GA(SGP) In-Kind Contribution and GA(SGP) Cash Contribution, to the JV Company in exchange for GA Ordinary Shares, the Warrants and the Convertible Preferred Share; and (ii) GH(SGP) conditionally agreed to contribute, by way of GH(SGP) Contribution, to the JV Company in exchange for GH Ordinary Shares |
| “Convertible Preferred Share” | one (1) new convertible preferred share of the JV Company   |
| “Defaulting Shareholder(s)”   | has the meaning as defined under the section headed “The Joint Venture Agreement – Material breach” in this announcement  |
| “Director(s)”                 | directors of the Company, each a “ <i>Director</i> ”  |
| “Disposal”                    | the transfer of the Group’s entire interest in IP Newco GA on the Closing Date  |
| “EBITDA”                      | earnings before interest, tax, depreciation and amortization  |
| “EUR”                         | European dollars, the lawful currency of the European Union   |
| “Financial Adviser”           | SPDB International Capital Limited, a licensed corporation to carry out on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Company   |
| “GA Ordinary Shares”          | 89,909,186,517 ordinary shares of the JV Company  |

|                                 |  |
|---------------------------------|--|
| “GA(SGP)”                       | Geely Automobile (Singapore) Pte. Ltd., a company incorporated under the laws of Singapore on 17 March 2025 and is wholly-owned by the Company as at the date of this announcement   |
| “GA(SGP) Cash Contribution”     | cash in Brazilian real equivalent to EUR75 million   |
| “GA(SGP) In-Kind Contribution”  | the entire issued share capital of IP NewCo GA   |
| “Geely Brands”                  | “Geely”, “Galaxy”, and any other brand that the Company and Geely Holding may from time to time agree to designate as a “Geely Brand” (excluding “Volvo Cars”, “smart”, “Polestar”, “Proton”, “Aston Martin”, and “Lotus”)   |
| “Geely EE Architecture”         | the electric and electronic architecture of Geely vehicles (including cockpit elements related to the cooperation models), developed and owned by the Group, as implemented in certain vehicles  |
| “Geely Holding”                 | 浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited*), a limited liability company incorporated in the PRC, which is ultimately beneficially wholly-owned by Mr. Li and his associate as at the date of this announcement                                   |
| “Geely Mechanical Architecture” | the zero- and low-emission vehicle mechanical architecture (including the technical solutions for the battery, charger, BMS, and e-motor), developed and co-owned by Geely Holding, the Group, and their respective affiliates, as implemented in certain vehicles |
| “Geely Parties”                 | the Company, Geely Holding, GA(SGP) and GH(SGP), each a “ <b>Geely Party</b> ”   |
| “GH Ordinary Shares”            | 21,585,340,414 ordinary shares of the JV Company   |
| “GH(SGP)”                       | Geely (Singapore) Holding Pte. Ltd., a company incorporated under the laws of Singapore on 18 October 2022 and is wholly-owned by Geely Holding as at the date of this announcement  |
| “GH(SGP) Contribution”          | the entire issued share capital of IP Newco GH   |
| “Group”                         | the Company and its subsidiaries   |
| “HKD” or “HK\$”                 | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                     | the Hong Kong Special Administrative Region of the PRC   |

|                                |   |
|--------------------------------|---|
| “IFRS”                         | International Financial Reporting Standards   |
| “Independent Shareholders”     | Shareholders other than Mr. Li, Mr. Li Dong Hui, Daniel and their respective 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   |
| “Independent Valuer”           | Asia-Pacific Consulting and Appraisal Limited, an independent valuer appointed by the Company to appraise the value of GA(SGP) In-Kind Contribution and equity interest of the JV Group   |
| “IP Newco GA”                  | a limited liability company to be incorporated in Luxembourg and wholly-owned by GA(SGP)  |
| “IP Newco GA Valuation Report” | the valuation report dated 20 June 2025 prepared by the Independent Valuer in respect of the intellectual property rights relating to the IPs   |
| “IP Newco GH”                  | a limited liability company to be incorporated in Luxembourg and wholly-owned by GH(SGP)  |
| “IP Newco GH Valuation Report” | the valuation report dated 20 June 2025 prepared by the Independent Valuer in respect of the intellectual property rights relating to a 50% interest in the Geely Mechanical Architecture   |
| “IP Newcos”                    | IP Newco GA and IP Newco GH, each an “ <i>IP Newco</i> ”  |
| “IPs”                          | a 50% interest in the Geely Mechanical Architecture, a 100% interest in the Geely EE Architecture, and other relevant intellectual property related to the cooperation models   |
| “Joint Venture Agreement”      | the joint venture agreement entered into on 20 June 2025 among the Company, Geely Holding, GA(SGP), GH(SGP), Renault, and the JV Company, pursuant to which the Parties set forth their respective rights and obligations in connection with the JV Company |
| “JV Board”                     | the board of directors of the JV Company  |
| “JV CEO”                       | the chief executive officer of the JV Company   |
| “JV Company”                   | Renault do Brasil LTDA., a limited liability company incorporated under the laws of Brazil on 7 November 1995   |

|                                 |   |
|---------------------------------|---|
| “JV Director(s)”                | directors of the JV Company, each a “ <b><i>JV Director</i></b> ”   |
| “JV Group”                      | the JV Company and its subsidiaries   |
| “JV Group Valuation Report”     | the valuation report dated 20 June 2025 prepared by the Independent Valuer in respect of the JV Group   |
| “JV Instruments”                | (i) any JV Shares and (ii) any instrument, document or security granting a right of subscription for, or conversion into JV Shares, and (iii) any shareholder loan of the JV Company (if any) |
| “JV Share(s)”                   | ordinary share(s) issued by the JV Company  |
| “JV Shareholder(s)”             | the Parties and/or their respective affiliates holding shares of the JV Company from time to time, each a “ <b><i>JV Shareholder</i></b> ”  |
| “Listing Rules”                 | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Lock-Up Period”                | the period starting from the Closing Date and ending on the fifth anniversary of such date  |
| “Long Stop Date”                | 31 December 2025  |
| “Mr. Li”                        | Mr. Li Shu Fu, an executive Director and a substantial shareholder holding approximately 41.3% of the total issued share capital of the Company as at the date of this announcement           |
| “Non-defaulting Shareholder(s)” | has the meaning as defined under the section headed “The Joint Venture Agreement – Material breach” in this announcement  |
| “percentage ratio(s)”           | has the meaning ascribed to it under Rule 14.07 of the Listing Rules  |
| “Parties” or “Party”            | the Company, Geely Holding, GA(SGP), GH(SGP), and Renault, each a “ <b><i>Party</i></b> ”   |
| “PRC”                           | the People’s Republic of China, but for the purposes of this announcement only, excludes Hong Kong, Macau Special Administrative Region and Taiwan  |
| “Reporting Accountant”          | Grant Thornton Hong Kong Limited  |

|                  |  |
|------------------|--|
| “Renault”        | Renault S.A.S., a company incorporated in Boulogne-Billancourt, France and is a wholly-owned subsidiary of Renault S.A., a limited liability company whose shares are listed on Euronext Paris (stock code: RNO.PA). Renault is principally engaged in automobile business |
| “Renault Brand”  | the “Renault brand”, as well as any additional brands of the Renault Group that Renault may, from time to time, designate as a “Renault Brand”   |
| “Renault Group”  | Renault and its subsidiaries   |
| “RMB”            | Renminbi, the lawful currency of the PRC   |
| “R&D”            | research and development   |
| “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  |
| “Warrants”       | 48,592,693,459 warrants of the JV Company  |
| “%”              | per cent   |

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

Hong Kong, 20 June 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), Mr. Gan Jia Yue and Mr. Mao Jian Ming, Moosa; and the independent non-executive directors of the Company are Ms. Gao Jie, Ms. Yu Li Ping, Jennifer, Mr. Zhu Han Song and Ms. Tseng Chin I.*

*For the purpose of this announcement, the exchange rates of (i) EUR1.00 = RMB7.7982 and (ii) BRL1.00 = RMB1.2419 have been used for currency translation, where applicable. These exchange rates are provided for illustrative purposes only and do not constitute representations that any amounts in EUR, RMB, or BRL have been, could have been, or may be converted at such rates.*

*\* For identification purpose only*

## **APPENDIX I: SUMMARY OF THE JV GROUP VALUATION REPORT**

### **Valuation Methodology**

To determine the market value of a 100% equity interest in the JV Group, the Independent Valuer considered three generally accepted approaches: the market approach, cost approach and income approach.

The market approach evaluates prices recently paid for similar assets, adjusting those prices to reflect the condition and utility of the appraised assets relative to the market comparables. This method is suitable for assets with an established secondary market. Its advantages include simplicity, clarity, speed and minimal reliance on assumptions. It also introduces objectivity by using publicly available inputs. However, users must be cautious of hidden assumptions embedded in those inputs, as comparable asset values inherently carry assumptions. Additionally, finding truly comparable assets can be challenging, and the approach relies heavily on the efficient market hypothesis.

The cost approach estimates the cost to reproduce or replace the appraised assets in new condition, based on current market prices for similar assets. It accounts for depreciation or obsolescence, whether physical, functional, or economic. This method is most suitable for assets lacking a known secondary market. While it is simple and transparent, it does not directly reflect the economic benefits provided by the subject assets.

The income approach converts expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more than the present value of anticipated future benefits (income) from a similar project with a comparable risk profile. This method supports prospective valuation of future profits and is backed by both empirical and theoretical foundations. However, it involves numerous assumptions over a long time horizon, making the results highly sensitive to certain inputs. It also presents only a single scenario.

Given the characteristics of the JV Group, both the income and cost approaches have substantial limitations. Firstly, the income approach requires subjective assumptions, making the valuation highly sensitive. Secondly, the cost approach does not incorporate the economic benefits contributed by the business.

In view of the above, the Independent Valuer adopted the market approach for the valuation. The market approach uses prices recently paid for similar assets, adjusted for condition and utility, and is suitable for assets with an established secondary market. Its benefits include simplicity, clarity, speed, and objectivity due to reliance on publicly available inputs.

In this valuation exercise, the market value of a 100% equity interest in the JV Group was determined using the guideline public company method, a technique under the market approach. This method involves researching benchmark multiples of comparable companies and selecting a suitable multiple

to derive the market value of the JV Group's equity interest. The Independent Valuer considered price-to-book ("**P/B**"), price-to-sales ("**P/S**"), enterprise value-to-sales ("**EV/S**"), enterprise value-to-EBITDA ("**EV/EBITDA**") and price-to-earnings ("**P/E**") multiples.

According to the consolidated financial statements provided by the JV Group management, the JV Group has not been profitable. Therefore, the P/S and EV/S multiples – commonly used for valuing loss-making companies – are more appropriate than P/E and EV/EBITDA. The P/B multiple is unsuitable because book value rarely reflects intangible factors such as R&D capabilities, brand premium, and supply chain management, which are critical in automotive manufacturing.

When comparing companies with different capital structures, the EV/S multiple is preferred because enterprise value accounts for both debt and equity, unlike market capitalization. Consequently, the Independent Valuer concluded that the P/S multiple is not appropriate for assessing the market value of the JV Group's equity interest.

To reflect the JV Group's latest financial performance, the EV/S ratio (the "**EV/S Ratio**") was selected as the suitable multiple. This ratio is calculated using the enterprise value and the most recent available revenue for the last twelve months ("**LTM**") as of 31 December 2024 (the "**Valuation Date**"). The resulting value was then adjusted for market liquidity discount to arrive at the final market value.

### **Valuation Assumptions**

In determining the market value of the equity interest in the JV Group, the Independent Valuer has made the following key assumptions:

- It is assumed that the projected business will align with the proposed business plan of the JV Group and can be achieved through the efforts of the JV Group's management;
- All relevant legal approvals, business certificates, and licenses required to operate the businesses in which the JV Group is engaged or intends to engage have been or will be officially obtained and are renewable upon expiry;
- There will be no major change in the political, legal, economic, or social environments in which the JV Group operates or intends to operate;
- Interest rates and exchange rates in the regions where the JV Group will not differ materially from current prevailing levels;
- It is assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;

- The financial and operational information about the JV Group provided by the Company and the JV Group is accurate, and the Independent Valuer has relied significantly on this information in forming its opinion of value;
- To realize the future economic benefit of the business and maintain a competitive edge, the necessary manpower, equipment, and facilities must be employed. For the purposes of the valuation, it is assumed that all proposed facilities and systems will function properly and will be sufficient for future operation;
- It is assumed that there will be no material changes in the international financial environment, global economic conditions, or national macroeconomic circumstances, and that the political, economic, and social environments in which the appraised entity operates will remain stable.
- The Independent Valuer has assumed the accuracy of the financial and operational information provided by the Company and the JV Group and has relied significantly on such information in forming its opinion of value; and
- The Independent Valuer has assumed that there are no hidden or unexpected conditions associated with the asset being valued that might adversely affect the reported value. Further, the Independent Valuer assumes no responsibility for changes in market conditions after the Valuation Date.

## **Valuation Inputs**

### ***Comparable companies and market multiples***

In determining the comparable companies and the market multiple, the selection criteria include the following:

- The comparable companies are publicly listed and operate in geographical regions similar to those of the JV Group;
- The comparable companies derive most, if not all, but at least fifty percent, of their revenues from sales of automobiles, automobile parts and components, which aligns with the business activities of the JV Group; and
- EV/S Ratio of the comparable companies are available, as at the Valuation Date.

As sourced from Capital IQ, a reliable third-party database service provided by Standard & Poor's (S&P), an exhaustive list of comparable companies meeting the above criteria was obtained on a best-effort basis. The details of these comparable companies are presented below:

| Comparable Company | Company Description   | Revenue % derived<br>from sales of<br>automobiles,<br>automobile parts<br>and components |
|--------------------|---|--|
| Company A          | <p>Company A engages in the design, manufacture, sale, repair, maintenance, and leasing of motor vehicles in Europe, Eurasia, Africa, the Middle East, the Asia Pacific, and the Americas. It also engages in the design and production of parts and equipment used for manufacturing and operation vehicles. The company operates through Automotive, Sale Financing, and Mobility Services segments. Its Automotive segment produces, sells, and distributes passenger cars and light commercial vehicles.</p>  | <i>Approximately 90%</i>   |
| Company B          | <p>Company B manufactures and sells automobiles in Germany, other European countries, North America, South America, the Asia-Pacific, and internationally. It operates through four segments: Passenger Cars and Light Commercial Vehicles, Commercial Vehicles, Power Engineering, and Financial Services. The Passenger Cars and Light Commercial Vehicles segment engages in the development of vehicles, engines, motors, vehicle software and batteries; produces and sells passenger cars and light commercial vehicles, and related parts; and offers motorcycles.</p> | <i>Approximately 90%</i>   |

| Comparable Company | Company Description  | Revenue % derived<br>from sales of<br>automobiles,<br>automobile parts<br>and components |
|--------------------|--|--|
| Company C          | Company C engages in the design, engineering, manufacturing, distribution, and sale of automobiles and light commercial vehicles, engines, transmission systems, metallurgical products, mobility services, and production systems worldwide. It provides luxury and premium vehicles; global sport utility vehicles; American and European brand vehicles, as well as parts and accessories; contracts; retail and dealer financing; and leasing and rental services. | <i>Approximately 100%</i>  |
| Company D          | Company D designs, develops, manufactures, assembles, and sells passenger cars in Sweden and internationally. It also provides vehicle parts and accessories, as well as sells online.   | <i>Approximately 80%</i>   |
| Company E          | Company E develops, delivers, and services trucks, sport utility vehicles, commercial vans and cars, and luxury vehicles worldwide. It also sells vehicles, service parts, and accessories through distributors and dealers, as well as through dealerships to commercial fleet customers, daily rental car companies, and governments. In addition, it engages in the vehicle-related financing and leasing activities to and through automotive dealers.             | <i>Approximately 90%</i>   |

| Comparable Company | Company Description  | Revenue % derived<br>from sales of<br>automobiles,<br>automobile parts<br>and components |
|--------------------|--|--|
| Company F          | <p>Company F designs, builds, and sells trucks, crossovers, cars, and automobile parts worldwide. In addition, Company F sells trucks, crossovers, cars, and automobile parts through retail dealers, distributors and dealers, as well as to fleet customers, including daily rental car companies, commercial fleet customers, leasing companies, and governments. Further, it offers software-enabled services and subscriptions; and various range of after-sale services through dealer network, such as maintenance, light repairs, collision repairs, vehicle accessories, and extended service warranties. Additionally, Company F provides automotive financing; and software-enabled services and subscriptions.</p> | <i>Approximately 90%</i>   |
| Company G          | <p>Company G designs, manufactures, assembles, and sells passenger vehicles, minivans and commercial vehicles, and related parts and accessories in Japan, North America, Europe, Asia, Central and South America, Oceania, Africa, and the Middle East. It operates through Automotive, Financial Services, and All Other segments. Company G offers subcompact and compact cars; mini-vehicles; mid-size, luxury, sports, and specialty cars; recreational and sport-utility vehicles; pickup trucks; minivans; trucks; and buses.</p>   | <i>Approximately 90%</i>   |

| Comparable Company | Company Description   | Revenue % derived<br>from sales of<br>automobiles,<br>automobile parts<br>and components |
|--------------------|---|--|
| Company H          | Company H develops, manufactures, and distributes motorcycles, automobiles, power products, and other products in Japan, North America, Europe, Asia, and internationally. It operates through four segments: Motorcycle Business, Automobile Business, Financial Services Business, and Power Product and Other Businesses. The Automobile Business segment offers passenger cars, light trucks, and mini vehicles. Company H also sells spare parts; and provides after-sale services through retail dealers directly, as well as through independent distributors and licensees. | <i>Approximately 60%</i>   |
| Company I          | Company I manufactures and sells vehicles and automotive parts worldwide. Company I offers vehicle and vehicle parts; engines, manual transmissions, and multiplier/reducer units; automotive parts; axles; and other related components. Additionally, the company imports and sells cars and parts; manages professional soccer club; and hold football and other sports event.   | <i>Approximately 90%</i>   |
| Company J          | Company J, together with its subsidiaries, manufactures and distributes motor vehicles and parts worldwide. Company J operates through Vehicle, Finance, and Others segments.   | <i>Approximately 80%</i>   |

| <b>Comparable Company</b> | <b>Company Description</b>   | <b>Revenue % derived from sales of automobiles, automobile parts and components</b> |
|---------------------------|--|---|
| Company K                 | Company K, an investment holding company, operates as an automobile manufacturer primarily in the People's Republic of China. Company K engages in the research and development, production, marketing, and sale of passenger vehicles, automobile parts, and related automobile components, as well as provision of related after-sales and technical services. It also offers sedans, wagons, sport utility cars, and electric vehicles; vehicles design, technology consulting, general logistics, packing, and storage services; researches and develops technology. It operates in Malaysia, Eastern Europe, the Middle East, Northern Europe, the Philippines, Central and South America, Africa, and internationally. | <i>Approximately 90%</i>  |

*Source: Capital IQ and financial reports of the companies*

Based on the aforementioned selection criteria, the list of eleven comparable companies shown above was identified, each of which is considered a fair and representative sample. Further details of these eleven comparable companies, with available EV/S Ratios as at the Valuation Date, are presented below:

| <b>Comparable Company</b> | <b>EV/S Ratio as at the Valuation Date</b> |
|---------------------------|--|
| Company A                 | 1.09                                       |
| Company B                 | 0.79                                       |
| Company C                 | 0.20                                       |
| Company D                 | 0.11                                       |
| Company E                 | 0.90                                       |
| Company F                 | 0.87                                       |
| Company G                 | 1.34                                       |
| Company H                 | 0.60                                       |

| Comparable Company       | EV/S Ratio as at the<br>Valuation Date |
|--------------------------|--|
| Company I                | 0.69                                   |
| Company J                | 0.99                                   |
| Company K                | 0.40                                   |
| <b>Average (Applied)</b> | <b>0.725</b>                           |

*Source: Capital IQ*

### ***Discount for lack of marketability (“DLOM”)***

The value level of a company value can be described as follows: the marketable minority interest value, which refers to the price quoted in the public market, less the DLOM, equals to the non-marketable minority interest value, representing the value held by a non-controlling shareholder in a private company.

A key factor in valuing privately held companies is the marketability of an interest in such businesses. Marketability is defined as the ability to convert a business interest into cash quickly, with minimum transaction and administrative costs, and with a high degree of certainty regarding the net proceeds. There is typically a cost and time lag associated with locating interested and capable buyers for interests in privately-held companies, due to the absence of an established market with readily available buyers and sellers. All else being equal, an interest in a publicly traded company is worth more because it is readily marketable. Conversely, an interest in a private held company is worth less due to the lack of an established market.

In this valuation exercise, the interest in the JV Group does not enjoy immediate liquidity. Therefore, the Independent Valuer has assessed the DLOM using the median discount rate of 15.8% for the manufacturing industry, based on research from “the Stout Restricted Stock Study Companion Guide 2024 Edition”.

### **Calculation of Valuation Results**

Under the guideline public company method, the 100% equity value of the JV Group as at the Valuation Date is reasonably stated at approximately **EUR1,766,000,000 (EURO ONE BILLION SEVEN HUNDRED AND SIXTY SIX MILLION ONLY)**, which is derived by applying the average EV/S multiple of 0.725 from comparable companies to the JV Group LTM revenue of EUR2,533.126 million as of 31 December 2024. The resulting enterprise value is then adjusted by adding cash and short-term investments, subtracting borrowings, and applying a market liquidity discount of 15.8% as an appropriate adjustment.

## **APPENDIX II: SUMMARY OF THE IP NEWCO GA VALUATION REPORT**

### **Valuation Methodology**

In determining the market value of the right to use know-how intellectual property, relating to the licensing rights to a 50% interest in the Geely Mechanical Architecture, and a 100% interest in the Geely EE Architecture, and other relevant IPs associated with cooperation models, the Independent Valuer has considered three generally accepted approaches, namely the market approach, the cost approach and the income approach.

The market approach estimates the value of an intangible asset by referencing market activity, such as transactions involving identical or similar assets. It involves comparing recent sales or offerings of comparable or substitute properties and analyzing related market data. However, it is often challenging to find market evidence for identical assets.

The cost approach assesses the value of an asset based on the cost required to create or replace it with a similar one. It is typically applied to secondary assets or in cases where forecast data is unavailable. In practice, the cost approach is commonly used for valuing purchased software, internally developed software, and assembled workforces.

The income approach converts expected periodic benefits of ownership into an indication of value. It is based on the principle that a rational buyer would not pay more for a project than the present value of anticipated future benefits (income) from a similar project with a comparable risk profile. This method supports the prospective valuation of future profits and is underpinned by numerous empirical and theoretical justifications for discounting expected future cash flows to their present value.

Given the characteristics of the subject intangible assets, there are substantial limitations in applying the market approach and cost approach to value the underlying assets. Firstly, the market approach estimates value through the analysis of recent transactions involving comparable assets. However, as of the Valuation Date, there is no available evidence of transactions involving identical intangible assets. Secondly, the cost approach does not account for the economic benefits generated by the subject intangible assets, making it less suitable for this valuation.

In light of the above, the Independent Valuer has adopted the income approach for the valuation. Within this framework, two alternative methods were considered: the excess earnings method and the relief-from-royalty method.

The excess earnings method estimates the value of an intangible asset by calculating the present value of the cash flows attributable to the asset, after deducting the portion of cash flows attributable to other contributing assets. This method is commonly used when allocating the purchase price of a business among tangible assets, identifiable intangible assets, and goodwill.

Under the relief-from-royalty method, the value of an intangible asset is determined based on the hypothetical royalty payments that would be avoided by owning the asset, rather than licensing it from a third party. Conceptually, this method can also be viewed as a discounted cash flow approach, applied to the cash flows that the asset owner could generate by licensing the intangible asset to third parties. This method is widely used in the valuation of trademarks, patents, know-how, and similar assets.

Based on the above considerations, the Independent Valuer concluded that the relief-from-royalty method is the most appropriate for valuing the IPs. The steps involved in applying this method are as follows:

- (a) develop projections associated with the intangible asset over its useful life;
- (b) determine an appropriate royalty rate for the intangible asset;
- (c) apply the royalty rate to the projections to calculate the royalty payments avoided through ownership;
- (d) apply the relevant tax rate to determine the after-tax saving from ownership;
- (e) determine the appropriate discount rate and calculate the present value of the after-tax savings; and
- (f) add the tax amortization benefit associated with the intangible asset.

### **Valuation Assumptions**

In determining the market value of the right to use the IPs, the Independent Valuer made the following key assumptions:

- It is assumed that the cash flows will occur evenly throughout the forecast period, from the date of the JV Company's establishment to 31 December 2040. This period is based on the relevant production plan and the license term of the IPs;
- It is assumed that the projected business will follow the proposed business plan and the forecasted outcomes will be achieved;
- To realize future economic benefits and maintain competitiveness, it is assumed that the necessary manpower, equipment, and facilities will be employed. For the purpose of this valuation, it is further assumed that all proposed facilities and systems will function properly and be sufficient for future operation;

- It is assumed that there will be no material changes in the international financial environment, global economic conditions or national macroeconomic policies. In addition, it is assumed that the political, economic, and social environment in which the appraised subject operates will remain stable;
- The accuracy of financial and operational information provided by the Parties is assumed. The Independent Valuer has relied significantly on this information in forming the valuation opinion; and
- It is assumed that there are no hidden or unexpected conditions associated with the valued assets that could adversely affect their reported value.

## **Major Assumptions and Parameters**

The following major assumptions were applied in valuing the IPs using the relief-from-royalty approach:

### ***Financial Forecast***

Revenue forecasts were provided by the Parties and are based on net sale price, volume, and respective proportion rates, with reference to the R&D costs of the IPs.

### ***Royalty Rate***

The royalty rate was estimated with reference to the average royalty rate of five comparable transactions in automotive industry ranging from 2% to 7.5%, which also falls within the median and average automotive industry royalty rate on sales sourced from *IPSCIO Report-Royalty Rate Industry Summary 2024*, which is an annual analysis of royalty rates from the Royalty Source database, providing benchmarks for licensing rates covering 14 industries over 30 years of data.

### ***Income Tax Rate***

An income tax rate of 25% was applied, based on the primary tax rate applicable to the underlying IPs.

### ***Discount Rate***

The discount rate used in the valuation is calculated as the sum of the weighted average cost of capital (“WACC”) for the automobile manufacture business and a specific risk premium of 1%. WACC is the weighted average of the cost of equity and the cost of debt. Cost of equity is determined using the capital asset pricing model (“CAPM”). Cost of debt refers to the long-term borrowing rate, net of tax effects, for the relevant operating regions, which include both emerging and developed economies. The key parameters and calculations used to derive the WACC are detailed below:

(i) *risk-free rate*

Emerging Economic Region:

A risk-free rate of 12.25% is adopted, representing the yield on long-term government bonds in emerging markets, as quoted on the Central Bank of Brazil website (<https://www.bcb.gov.br/estatisticas/detalhamentoGrafico/graficosestatisticas/metaselec>);

Developed Economic Region:

A risk-free rate of 2.61% is adopted, representing the yield on long-term Europe government bonds, as quoted on the European Central Bank website ([https://www.ecb.europa.eu/stats/financial\\_markets\\_and\\_interest\\_rates/euro\\_area\\_yield\\_curves/html/index.en.html](https://www.ecb.europa.eu/stats/financial_markets_and_interest_rates/euro_area_yield_curves/html/index.en.html));

(ii) *equity risk premium*

An equity risk premium of 7.31% is adopted, based on research published in the “**Kroll Cost of Capital Navigator**” by Kroll, LLC;

(iii) *beta*

A beta of 1.25 is adopted, derived from comparable companies listed in the Capital IQ database, a reputable third-party data provider developed by Standard & Poor’s (S&P);

(iv) *specific risk premium*

A specific risk premium of 2.00% is applied, reflecting differences in operating status, product offerings, and other factors between the IPs and comparable companies;

Cost of equity in emerging economic region=(i)+(ii)\*(iii)+(iv)=12.25%+7.31%\*1.25+2.00%  
=23.38%

Cost of equity in developed economic region=(i)+(ii)\*(iii)+(iv)=2.61%+7.31%\*1.25+2.00%  
=13.75%

(v) *debt to equity ratio (“D/E”)*

The debt-to-equity ratio is sourced from the global auto & truck industry data in the Damodaran database;

(vi) *cost of debt*

The cost of debt is determined based on the one-year borrowing rate applicable in each respective operating region;

(vii) WACC

WACC is calculated by weighting the cost of equity and cost of debt according to their respective proportions in the capital structure. The formula is:

$$\begin{aligned}\text{WACC} &= \text{equity}/(\text{equity}+\text{debt}) * \text{cost of equity} + \text{debt}/(\text{equity}+\text{debt}) * \text{cost of debt (net of tax effect)} \\ &= 1/(1+\text{debt}/\text{equity}) * \text{cost of equity} + \text{debt}/\text{equity}/(1+\text{debt}/\text{equity}) * \text{cost of debt (net of tax effect)} \\ &= \text{Cost of equity}/(1+(v)) + (v)/(1+(v))\end{aligned}$$

(viii) Discount rate

A specific risk premium of 1.00% is added to the WACC to determine the final discount rate:

$$\begin{aligned}\text{The discount rate} &= \text{WACC} + 1\% \\ &= 17.00\% + 1.00\% = 18.00\% \text{ (emerging economic region)} \\ &= 10.00\% + 1.00\% = 11.00\% \text{ (developed economic region)}\end{aligned}$$

The key assumptions and parameters used in the valuation of IP Newco GH, which holds a 50% interest in the Geely Mechanical Architecture, are consistent with those applied in the valuation of IP Newco GA, as outlined in Appendix II.

## SENSITIVITY ANALYSIS

Sensitivity analysis in the market value of the IPs was carried out by varying the discount rate, royalty rate, and total sales volume. The results of the sensitivity analysis are summarized as follows:

Sensitivity analysis in the market value of the IPs was conducted by varying the discount rate, royalty rate, and total sales volume: a) increasing the discount rate by 1% would decrease the market value by EUR28.429 million, resulting in a revised value of EUR401.048 million. Conversely, decreasing the discount rate by 1% would increase the market value by EUR31.397 million, resulting in a revised value of EUR460.874 million; b) increasing the royalty rate by 0.5% would increase the market value by EUR47.801 million, resulting in a revised value of EUR477.278 million. Decreasing the royalty rate by 0.5% would decrease the market value by EUR47.61 million, resulting in a revised value of EUR381.867 million; and c) increasing the total sales volume by 5% would increase the market value by EUR21.474 million, resulting in a revised value of EUR450.951 million. Decreasing the total sales volume by 5% would decrease the market value by EUR21.474 million, resulting in a revised value of EUR408.003 million.

Sensitivity analysis in the market value of the 50% interest in the Geely Mechanical Architecture was conducted by varying the discount rate, royalty rate, and total sales volume: a) increasing the discount rate by 1% would decrease the market value by EUR8.07 million, resulting in a revised value of EUR112.594 million. Decreasing the discount rate by 1% would increase the market value by

EUR8.918 million, resulting in a revised value of EUR129.583 million; b) increasing the royalty rate by 0.5% would increase the market value by EUR13.43 million, resulting in a revised value of EUR134.091 million. Decreasing the royalty rate by 0.5% would decrease the market value by EUR13.38 million, resulting in a revised value of EUR107.288 million; and c) increasing the total sales volume by 5% would increase the market value by EUR6.03 million, resulting in a revised value of EUR126.698 million. Decreasing the total sales volume by 5% would decrease the market value by EUR6.03 million, resulting in a revised value of EUR114.632 million.

## **Valuation Results**

Based on the investigations and analyses, the market value of the right of use in the IPs relating to GA(SGP) In-Kind Contribution, as at 31 December 2024, is reasonably stated at approximately **EUR429,477,000 (EURO FOUR HUNDRED AND TWENTY-NINE MILLION FOUR HUNDRED AND SEVENTY-SEVEN THOUSAND ONLY)**. The market value of the right of use in the 50% interest in the Geely Mechanical Architecture relating to the GH(SGP) Contribution, as at 31 December 2024, is reasonably stated at approximately **EUR120,665,000 (EURO ONE HUNDRED AND TWENTY MILLION SIX HUNDRED AND SIXTY-FIVE THOUSAND ONLY)**.

### APPENDIX III: 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, 23/F, Great Eagle Centre  
No. 23 Harbour Road  
Wanchai  
Hong Kong

20 June 2025

Ladies and Gentlemen:

We refer to the announcement of Geely Automobile Holdings Limited (the “**Company**”) dated 20 June 2025 (the “**Announcement**”) in relation to the GA(SGP) In-Kind Contribution to be made by the Group. 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 GA(SGP) In-Kind Contribution conducted by an independent valuer, namely Asia-Pacific Consulting and Appraisal Limited (the “**Independent Valuer**”), as set out in the valuation report dated 20 June 2025 (the “**IP Newco GA Valuation Report**”) prepared by the Independent Valuer for the purpose of the GA(SGP) In-Kind Contribution to be made by the Group. We understand that the IP Newco GA Valuation Report and certain other documents relevant to the capital contribution have been provided to you, as the Directors, in connection with your consideration of the capital contribution. We further understand that the Independent Valuer has adopted the income approach for the valuation of the GA(SGP) In-Kind Contribution in the IP Newco GA 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 IP Newco GA 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 IP Newco GA Valuation Report has been prepared, and (3) reviewed the reports addressed to the Directors from Grant Thornton Hong Kong Limited dated 20 June 2025, as set forth in Appendix IV to the Announcement regarding the calculations of discounted future cash flows on which the Profit Forecast is based. The Profit Forecast is based on a number of assumptions and underlying bases. As

these relate to future events that may or may not occur, the actual financial performance of the business under the GA(SGP) In-Kind Contribution may differ from expectations, and such variations could 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 cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the IP Newco GA Valuation Report. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the IP Newco GA 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 IP Newco GA 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 IP Newco GA 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 IP Newco GA Valuation Report.

Yours faithfully,

For and on behalf of  
**SPDBI International Capital Limited**  
**Mabel Lam**  
*Managing Director*

## APPENDIX IV: 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

20 June 2025

Dear Sirs,

**Report on Calculations of Discounted Future Estimated Cash Flows in Connection with the Valuation of the intellectual property rights of a 50% interest in the Geely Mechanical Architecture and a 100% interest in the Geely EE Architecture (the “Intellectual Property Rights”) and other relevant IPs in relation with cooperation models held by the Group**

**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 20 June 2025, prepared by Asia-Pacific Consulting and Appraisal Limited in respect of the valuation of the Intellectual Property Rights held by the Group 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 20 June 2025 issued by the Company in connection with the connected transactions in relation to the capital contribution to a joint venture and disposal of equity interest in a subsidiary (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 do 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 Intellectual Property Rights held by the Group. 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