GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

CONNECTED TRANSACTION IN RELATION TO THE ACQUISITIONS AND CONTINUING CONNECTED TRANSACTIONS

Financial Adviser to Geely Automobile Holdings Limited

浦銀國際
SPDB INTERNATIONAL

EXEMPTED CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS

On 15 May 2026 (after trading hours), (1) Zhejiang Jirun and Geely Sales (as purchasers) and Zhejiang Radar (as seller) entered into the Equity Transfer Agreements in relation to the acquisition of the entire equity interests in Radar Shandong and Radar Sales at cash considerations of RMB159,000,000 and RMB59,000,000, respectively; and (2) CIL and GAIL (as purchasers) and Radar HK and Radar BVI (as sellers) entered into the SPA in relation to the acquisition of the entire issued share capital of Radar Thailand at a total cash consideration of RMB490,000. Upon completion of the Acquisitions, Radar Shandong, Radar Sales and Radar Thailand will become wholly-owned subsidiaries of the Company.

EXEMPTED CONTINUING CONNECTED TRANSACTIONS UPON COMPLETION OF THE ACQUISITIONS

In order to carry out the future businesses of the Radar PRC Companies in compliance with the Listing Rules and to streamline the Integrated Services between the Group and the Geely Holding Group, on 15 May 2026 (after trading hours), the Company, Geely Holding and Farizon Commercial Vehicles entered into the Integrated Services Procurement Agreement, pursuant to which the Group has conditionally agreed to procure the Integrated Services from the Geely Holding Group and the Farizon Commercial Vehicles Group. The aggregated annual caps under the Integrated Services Procurement Agreement are approximately RMB396.1 million, RMB451.6 million and RMB498.6 million for the three financial years ending 31 December 2028, respectively.

IMPLICATIONS UNDER THE LISTING RULES

Exempted Connected Transactions in relation to the Acquisitions

As at the date of this announcement, (1) Zhejiang Radar is ultimately wholly-owned by Mr. Li and his associates, and (2) each of Radar HK and Radar BVI is indirectly owned as to 85% by Mr. Li and his associates. As such, Zhejiang Radar, Radar HK and Radar BVI are associates of Mr. Li and connected persons of the Company under the Listing Rules. Accordingly, the Acquisitions constitute connected transactions of the Company.

As one or more of the applicable percentage ratios in respect of the Acquisitions are more than 0.1% but less than 5%, the Acquisitions are subject to the reporting and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Exempted Continuing Connected Transactions in relation to the Integrated Services Procurement Agreement

As at the date of this announcement, Geely Holding is beneficially wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial shareholder holding approximately 42% of the issued share capital of the Company. Accordingly, Geely Holding is a connected person of the Company under the Listing Rules.

As at the date of this announcement, Farizon Commercial Vehicles is ultimately wholly-owned by Mr. Li and his associates. Accordingly, Farizon Commercial Vehicles is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps under the Integrated Services Procurement Agreement are more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the Integrated Services Procurement Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

Mr. Li and Mr. Li Dong Hui, Daniel, each being an executive Director, are considered to be interested in the Equity Transfer Agreements, the SPA and the Integrated Services Procurement Agreement by virtue of their respective interests in and/or directorships in Geely Holding. As a result, both Mr. Li and Mr. Li Dong Hui, Daniel have abstained from voting on the Board resolutions approving the Equity Transfer Agreements, the SPA and the Integrated Services Procurement Agreement.

EXEMPTED CONNECTED TRANSACTION IN RELATION TO THE ACQUISITIONS

The principal terms of the Equity Transfer Agreements and the SPA are summarized as follows:

Date

15 May 2026 (after trading hours)

Parties

(1) Parties to the Equity Transfer Agreement in respect of Radar Shandong

(i) Zhejiang Jirun (as purchaser); and

(ii) Zhejiang Radar (as seller)

(2) Parties to the Equity Transfer Agreement in respect of Radar Sales

(i) Geely Sales (as purchaser); and

(ii) Zhejiang Radar (as seller)

(3) Parties to the SPA

(i) GAIL and CIL (as purchasers); and

(ii) Radar HK and Radar BVI (as sellers)

Subject matter

Pursuant to the Equity Transfer Agreements and the SPA, (1) Zhejiang Jirun has conditionally agreed to purchase the entire equity interest in Radar Shandong at a cash consideration of RMB159,000,000; (2) Geely Sales has conditionally agreed to purchase the entire equity interest in Radar Sales at a cash consideration of RMB59,000,000; and (3) GAIL and CIL have conditionally agreed to purchase the entire issued share capital of Radar Thailand at a total cash consideration of RMB490,000, upon completion of which Radar Thailand will be owned as to 99% by GAIL and 1% by CIL.

Considerations

The cash considerations for the Acquisitions were determined after arm's length negotiations between the relevant parties, with reference to the appraised values of (1) 100% of the equity interests in Radar Shandong and Radar Sales in the amounts of RMB159,081,000 and RMB58,789,000, respectively, as at 31 December 2025, and (2) the entire issued share capital of Radar Thailand in the amount of RMB492,000 as at 31 December 2025, as determined by the Independent Valuer using the cost approach.

The Directors (including the independent non-executive Directors) consider that the cash considerations for the Acquisitions are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

It is expected that the cash considerations for the Acquisitions will be funded by the Group's internal cash reserves.

Conditions precedent

Conditions precedent of the Equity Transfer Agreements

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

(1) the purchaser having been satisfied with the due diligence results of the Radar PRC Companies;

(2) the Radar PRC Companies having obtained or completed all necessary approvals, consents, licenses, and filings required to conduct business within the scope of their operations;

(3) the Company having made an announcement in accordance with the Listing Rules in respect of the Equity Transfer Agreements and the transactions contemplated hereunder;

(4) the Equity Transfer Agreements and the transactions contemplated thereunder having been duly authorized by the internal approvals of the relevant parties, including the internal approvals of the Company;

(5) all approvals, consents, filings and waivers (if any) from governmental authorities and third parties required in connection with the acquisitions of the Radar PRC Companies having been obtained, including, without limitation, approval from the Stock Exchange (if applicable), completion of the necessary industrial and commercial registration changes with the market supervision authority, and the obtaining of new business licenses of the Radar PRC Companies (if required);

(6) the representations and warranties made by the seller remaining true and accurate in all material respects and not misleading in any respect, and the seller having fully performed all of its obligations under the Equity Transfer Agreements; and

(7) no event having occurred that would materially and adversely affect the acquisitions or the existence, business or financial condition of the Radar PRC Companies, and there being no existing or pending laws, regulations, legal proceedings or administrative orders relating to the Radar PRC Companies as at the completion date that are reasonably expected to, or may, prohibit or restrict the completion of the transactions contemplated under the Equity Transfer Agreements.

Completion of each of the transactions contemplated under the Equity Transfer Agreements is conditional upon completion of the other, and none of them shall complete unless all are completed simultaneously.

Conditions precedent of the SPA

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

(1) the purchasers having been satisfied with the due diligence results of Radar Thailand;

(2) the sellers' representations and warranties remaining true, accurate and complete, and not misleading at the date of the SPA and at all times up to and including the completion date;

(3) the sellers, the purchasers and Radar Thailand having obtained all required approvals, consents, waivers, permissions or exemptions from governmental authorities, banks, other financial institutions and/or third parties in connection with the execution and performance of the transaction documents and the transactions contemplated thereunder, and such approvals, consents, waivers, permissions or exemptions remaining in full force and effect as at completion;

(4) no change, event or circumstance having occurred since the date of the SPA and up to the completion date that has or may have a material adverse effect;

(5) no notice, order, judgement, action or proceeding of any court, arbitral tribunal, governmental authority, statutory body or regulatory body having been served, issued or made that restrains, prohibits or renders unlawful any transaction contemplated by the transaction documents, or that is reasonably likely to materially and adversely affect the purchasers' right to own the legal and beneficial title to the Sale Shares, free from encumbrances, following completion; and

(6) the sellers having delivered, or procured Radar Thailand to deliver, to the purchasers (to the purchasers' satisfaction) the business and corporate documents, including copies of duly executed business agreements and copies of the updated register of shareholders reflecting all historical and current shareholdings and share transfers since incorporation.

Notwithstanding the fulfillment or waiver of the conditions precedent to the SPA by the purchasers, the purchasers shall not be obliged to complete the acquisition of Radar Thailand unless the transactions contemplated under the Equity Transfer Agreements have been completed.

The Equity Transfer Agreements are not conditional upon completion of the SPA.

Completion of the acquisitions of the Radar PRC Companies and Radar Thailand shall take place on the second Business Day after the respective conditions precedent have been fulfilled or waived (as the case may be), or on such other date the parties may agree in writing.

The cash considerations for the equity transfers of the Radar PRC Companies and the cash consideration for the Sale Shares shall be settled by the purchasers within three (3) months after the respective completion dates of the acquisitions.

If the conditions precedent set out in the Equity Transfer Agreements and the SPA are not satisfied or waived within thirty (30) calendar days from the date of such agreements (or such later date as the parties may agree in writing), the relevant party may terminate the respective agreements by giving written notice to the other party(ies). Upon any such termination, the relevant party shall not have any claim against, nor any liability or obligation to, any other party(ies) under the respective agreements, save for any antecedent breach.

VALUATION METHODOLOGY

a. Background of valuation methods

There are three generally accepted approaches to appraising the fair values of the equity interests in the Target Companies, namely the cost approach, the income approach, and the market approach. All three approaches were considered in the valuation of the Target Companies.

(a) The cost approach

In applying the cost approach in business valuation, the Independent Valuer determines the value of a business by calculating the net asset value of its assets and liabilities. This approach is based on the principle that the value of a business is primarily derived from its existing assets.

Under the cost approach, the values of all types of assets of a business entity are restated from their book values to appropriate standards of value. This includes both tangible and intangible assets. The aggregate of these restated values represents the value of the business entity's invested capital, encompassing both equity and debt capital.

In particular, the Independent Valuer identifies and values all assets, including working capital, tangible assets (such as property, plant, and equipment) and intangible assets (such as patents and trademarks). Such valuation is based on market value or replacement cost, as appropriate.

Thereafter, the total liabilities of the business are deducted from the total fair value of the assets. The resulting net asset value represents the equity value of the business.

The cost approach is particularly suitable for businesses with significant tangible assets and is commonly applied where a business is being liquidated or where its value is closely linked to its asset base.

(b) The income approach

The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of the anticipated future economic benefits generated by the subject asset.

The primary method under the income approach is the discounted cash flow ("**DCF**") method. Under the DCF method, value is derived from the present value of future economic benefits attributable to ownership of the enterprise. Accordingly, the equity value is calculated as the present value of a company's future free cash flows, less any outstanding interest-bearing debt. Future cash flows are discounted at a market-derived rate of return that reflects the risks and uncertainties associated with investing in a similar business.

(c) The market approach

The market approach provides an indication of value by comparing the subject asset with similar assets that have been transacted in the market, with appropriate adjustments made for differences between the subject asset and the comparable assets.

Under the market approach, the guideline public company method derives valuation multiples from publicly listed companies that are considered comparable to the subject asset and applies such multiples to the relevant financial base of the subject asset. The comparable transaction method derives valuation multiples from recent sale and purchase transactions of comparable assets and applies these multiples to the relevant financial base of the subject asset.

b. Selection of valuation method

The cost approach was adopted by the Independent Valuer in valuing the Target Companies.

c. Reasons for the selection of the cost approach

Each of the above valuation approaches is appropriate under different circumstances, and in certain cases, more than one approach may be applied. The selection of a valuation approach is largely determined by common valuation practice for business of a similar nature.

In assessing the fair value of the equity interests in the Target Companies, the Independent Valuer adopted the cost approach for the following reasons:

(1) the income approach was considered not appropriate for the valuation of the Target Companies, as the preparation of financial forecasts would involve multiple assumptions that are unobservable and subjective. Given that inappropriate assumptions could have a material impact on the fair values, the income approach was therefore not adopted for the valuation of the Target Companies;

(2) the market approach was also considered not applicable to the valuation of the Target Companies, as the Target Companies have recorded losses in recent years or have only achieved a turnaround over a short period, and have not yet established stable profitability. Under such circumstances, no meaningful earnings multiples could be derived for valuation purposes, nor were there comparable assets available in the market for reference. Accordingly, the market approach was not adopted for the valuation of the Target Companies; and

(3) the fair value derived under the cost approach is based on the principle that the aggregate value of the individual assets and liabilities represents the overall value of the Target Companies. As both the income approach and the market approach were considered not appropriate, and the net asset value of the Target Companies was considered to be the best representation of their current value, the cost approach was adopted for the valuation.

ASSUMPTIONS OF THE VALUATION

Assumptions considered to have a significant sensitivity effect on the valuation have been evaluated to provide a more accurate and reasonable basis for determining the assessed value.

The following principal factors are considered in determining the fair value of the 100% equity interests in the Target Companies:

(1) the economic outlook of the region in which the Target Companies operate and the specific competitive environment affecting the industry;

(2) the business risks of the Target Companies;

(3) the nature and prospects of the industry in which the Target Companies operate; and

(4) the legal and regulatory environment of the industry in general.

The following key assumptions have been adopted in determining the fair value of the 100% equity interests in the Target Companies:

(1) there will be no material change in the existing political, legal, technological, fiscal or economic conditions that may adversely affect the business of the Target Companies; and

(2) the Independent Valuer has assumed that there are no hidden or unforeseen conditions associated with the assets valued that may adversely affect the reported value. The Independent Valuer further assumes no responsibility for changes in market conditions after 31 December 2025, being the valuation date.

INPUTS AND COMPUTATION PROCESS OF THE VALUATION

In determining the fair value of the equity interests in the Target Companies as at 31 December 2025, the Independent Valuer obtained the book values of the assets and liabilities of the Target Companies. After marking fair value adjustments, the fair value of the equity interests in the Target Companies is set out below:

No.	**Entity Name**	**Book Value** *(RMB'000)*	**Fair Value of Equity** *(RMB'000)*
1	Radar Shandong	159,068	159,081
2	Radar Sales	59,123	58,789
3	Radar Thailand	51	492

The Directors note that the fair values of Radar Shandong and Radar Sales are broadly in line with their respective net book values as at the valuation date. The minor variances mainly resulted from customary fair value adjustments to certain assets and liabilities, including working capital items and depreciation.

For Radar Thailand, although the absolute variance is higher due to its relatively small net asset base, the fair value adjustment mainly reflects the fair value reassessment of certain assets and liabilities and does not involve any material revaluation uplift.

The Directors are of the view that the differences between the book values and fair values are reasonable, reflect normal valuation adjustments and do not indicate any material divergence between the accounting values and the assessed fair values.

In assessing the fairness and reasonableness of the valuation, the Directors have reviewed the valuation report in detail and have discussed with the Independent Valuer the valuation methodology, the principal assumptions, and the quantitative inputs adopted in arriving at the fair value of the Target Companies. The Directors understand from the Independent Valuer that the cost approach has been adopted in the valuation.

The Directors have also reviewed the assumptions adopted in the valuation report and have been advised that such assumptions are commonly used in valuations of similar companies. The Directors have not identified any material irregularities or unreasonable factors in relation to the quantitative inputs used. After due and careful enquiry, the Directors consider that the valuation methodology, the principal assumptions and the quantitative inputs adopted in the valuation are fair and reasonable.

IDENTITY AND QUALIFICATION OF THE VALUER

The identity and qualification of the valuer are as follows:

Name	**Qualification**
Hangzhou PG Advisory Co., Ltd. 杭州樸谷企業管理諮詢有限公司	Independent Valuer

INFORMATION ON THE TARGET COMPANIES

Radar PRC Companies

(1) Radar Shandong

Principal business of Radar Shandong

Radar Shandong is a limited liability company established in the PRC. As at the date of this announcement, it is a wholly-owned subsidiary of Zhejiang Radar, which is in turn wholly-owned by Geely Holding. Zhejiang Radar primarily serves as a shareholding platform for Radar Shandong and does not carry out any substantive business operations. Radar Shandong owns the core assets and value of the Radar pickup truck products and is responsible for product line management. It oversees end-to-end management of the entire industrial chain, covering upstream component procurement, midstream complete vehicle manufacturing, and downstream vehicle sales.

Financial information of Radar Shandong prepared in accordance with HKFRS

	For the year ended 31 December	
	2024	**2025**
	(Unaudited)	
	RMB'000	
Profit before taxation	90,411	-11,528
Profit after taxation	67,743	-8,646

	(Unaudited) *RMB'000*
Net asset value as at 31 December 2025	159,068

As at 31 December 2025, the total assets of Radar Shandong mainly comprised bank balances and cash, trade and other receivables, property, plant and equipment, intangible assets and deferred tax assets. The total liabilities of Radar Shandong mainly comprised bills payable and trade and other payables.

The total original investment cost incurred by Zhejiang Radar was RMB100,000,000.

(2) Radar Sales

Principal business of Radar Sales

Radar Sales is a limited liability company established in the PRC and is a wholly-owned subsidiary of Zhejiang Radar, which is in turn wholly-owned by Geely Holding as at the date of this announcement. It is principally engaged in the retail of vehicles and automotive spare parts.

Financial information of Radar Sales prepared in accordance with HKFRS

	For the year ended 31 December	
	2024	**2025**
	(Unaudited)	
	RMB'000	
Profit before taxation	-157,240	12,325
Profit after taxation	-117,952	12,325

	(Unaudited) *RMB'000*
Net asset value as at 31 December 2025	59,123

As at 31 December 2025, the total assets of Radar Sales mainly comprised bank balances and cash, bills receivable, trade and other receivables, inventory, property, plant and equipment, intangible assets and deferred tax assets. The total liabilities of Radar Sales mainly comprised trade and other payables.

The total original investment cost incurred by Zhejiang Radar was RMB5,000,000.

Radar Thailand

Principal business of Radar Thailand

Radar Thailand is a limited liability company established in Thailand, which is owned as to 99% by Radar HK and 1% by Radar BVI as at the date of this announcement. Both Radar HK and Radar BVI are subsidiaries of Geely Holding. It is principally engaged in the business of distributing electric vehicles in Thailand.

Financial information of Radar Thailand prepared in accordance with HKFRS

	For the year ended 31 December	
	2024	**2025**
	(Unaudited)	
	RMB'000	
Profit before taxation	-3,254	-14,184
Profit after taxation	-3,254	-10,697

	(Unaudited)
	RMB'000
Net asset value as at 31 December 2025	51

As at 31 December 2025, the total assets of Radar Thailand mainly comprised bank balances and cash, trade and other receivables, inventory, property, plant and equipment and deferred tax assets. The total liabilities of Radar Thailand mainly comprised trade and other payables.

The total original investment cost incurred by Radar HK and Radar BVI was THB100,000,000 (being the registered capital of Radar Thailand, equivalent to approximately RMB21,000,000).

Upon completion of the Acquisitions, the Radar PRC Companies and Radar Thailand will become indirectly wholly-owned subsidiaries of the Company, and their financial results will be consolidated into the Group's consolidated financial statements.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Acquisitions enable the Group to expand and diversify its product portfolio by incorporating a new energy pickup vehicle brand into its business. While other major global pickup truck markets currently have relatively high penetration rates, China's pickup truck market presents significant growth potential.

In parallel, advancements in electrification and intelligent vehicle technologies, together with rising oil prices, have jointly increased market interest in new energy pickup vehicles. Coupled with the gradual relaxation of policy restrictions on pickup trucks in various regions, Radar's products are well positioned to address the needs of both commercial users and private consumers. The Directors consider that the integration of Radar is expected to strengthen the Group's position in the pickup truck segment and support its overall market positioning.

The Acquisitions also facilitate the optimization of the Group's passenger vehicle business layout and resource allocation. By integrating Radar's operations into the Group's internal operating framework, the Group is expected to enhance synergies in product planning, resource deployment and brand management, thereby reducing duplicated investments, improving operational efficiency and strengthening cost control. Upon completion of the Acquisitions, the Target Companies will be able to leverage the Group's international distribution channels to rapidly expand into overseas markets, further driving export sales growth.

Although the Acquisitions are not entered into in the ordinary and usual course of business of the Company, the Directors (including the independent non-executive Directors), after due and careful consideration, are of the view that the terms of the Equity Transfer Agreements, the SPA and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

EXEMPTED CONTINUING CONNECTED TRANSACTIONS UPON COMPLETION OF THE ACQUISITIONS

Integrated Services Procurement Agreement

In order to carry out the future businesses of the Radar PRC Companies in compliance with the Listing Rules and to streamline the Integrated Services between the Group and the Geely Holding Group, on 15 May 2026 (after trading hours), the Company, Geely Holding and Farizon Commercial Vehicles entered into the Integrated Services Procurement Agreement.

The principal terms of the Integrated Services Procurement Agreement are set out below:

Date

15 May 2026 (after trading hours)

Parties

(i) the Company;

(ii) Geely Holding; and

(iii) Farizon Commercial Vehicles

Subject matter

Pursuant to the Integrated Services Procurement Agreement, the Group has conditionally agreed to procure from the Geely Holding Group and the Farizon Commercial Vehicles Group the Integrated Services, being a comprehensive range of services relating to the conversion of CKDs into CBUs, including, among others, processing, testing, assembly, installation, maintenance, modification and upgrade services.

The Group, the Geely Holding Group and the Farizon Commercial Vehicles Group will enter into separate agreements setting out the specific scopes of services, fee arrangements, payment terms and other detailed arrangements, which shall be consistent with the pricing principles set out in the Integrated Services Procurement Agreement.

Term

The term of the Integrated Services Procurement Agreement shall commence from the completion date of the acquisitions of the Radar PRC Companies and expire on 31 December 2028.

Conditions precedent

The transactions contemplated under the Integrated Services Procurement Agreement are subject to the following conditions precedent:

(a) completion of the acquisitions of the Radar PRC Companies simultaneously; and

(b) the Company having obtained the Board approvals and complied with other applicable requirements under the Listing Rules.

If the above conditions precedent are not satisfied on or before 31 December 2026, or such other date as the parties may agree in writing, either party shall have the right to terminate the Integrated Services Procurement Agreement. Upon any such termination, none of the parties shall have any claim against, or liability or obligation to, any other party under the agreement, save for any antecedent breach.

Pricing basis and aggregated annual caps

(a) Pricing basis

Pursuant to the Integrated Services Procurement Agreement, the fees payable for the Integrated Services shall be determined on a cost-plus basis, calculated in accordance with the following formula:

Value-added costs incurred by the Geely Holding Group and the Farizon Commercial Vehicles Group × (1 + value-added cost margin rate) + non-value-added costs

Notes:

1. "Value-added costs" refer to the direct and indirect costs incurred by the Geely Holding Group and the Farizon Commercial Vehicles Group in performing the Integrated Services, including, among others, labour costs, materials costs and a reasonable allocation of overheads, and excluding, among others, finance costs, non-operating expenses and income tax expenses. The allocation of indirect costs shall be determined on a consistent, reasonable and verifiable basis and shall be subject to review by the Group.

2. The value-added cost margin rate shall be determined with reference to a range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margin of comparable companies, as set out in a transfer pricing analysis report prepared by an independent Big Four accounting firm. The specific margin rate to be applied shall be determined on a consistent basis, taking into account the nature of the services provided, and shall remain within the aforesaid range.

3. "Non-value-added costs" refer to expenses incurred by the Geely Holding Group and the Farizon Commercial Vehicles Group in the course of providing the Integrated Services which are not treated as value-added costs, primarily representing pass-through or reimbursable expenses (such as third-party procurement costs), and excluding, among others, finance costs, non-operating expenses and income tax expenses. Such costs shall be charged without any mark-up.

For the avoidance of doubt, the same cost classification principles shall be consistently applied in determining value-added costs and non-value-added costs, and the classification and allocation of costs shall be subject to internal review and audit procedures of the Group.

The Directors consider that the above pricing mechanism is objective and transparent, as it is based on actual costs incurred with a market-referenced margin benchmarking mechanism, and, together with the Group's internal control procedures, is capable of ensuring that the terms of the Integrated Services are on normal commercial terms and no less favourable to the Group than those available from independent third parties.

(b) Aggregated annual caps

The table below sets out the proposed aggregated annual caps under the Integrated Services Procurement Agreement.

	Annual caps for the year ending 31 December		
	2026	**2027**	**2028**
	RMB million	*RMB million*	*RMB million*
Procurement of the Integrated Services	396.1	451.6	498.6

(c) Basis of determination of the aggregated annual caps

The proposed aggregated annual caps for the procurement of the Integrated Services from the Geely Holding Group and the Farizon Commercial Vehicles Group have been determined with reference to: (i) the projected unit sales of vehicles under the Geely and Radar brands for the three years ending 31 December 2028, based on the Group's business plans and expected market demand; (ii) the estimated value-added costs and non-value-added costs expected to be incurred in respect of different vehicle models, taking into account the anticipated scope and volume of the Integrated Services to be provided, and determined in accordance with the pricing formula under the Integrated Services Procurement Agreement; and (iii) the applicable value-added cost margin rate, which falls within the range between the lower and the upper quartile of the three-year weighted average cost-plus margin of comparable companies, as stated in the relevant transfer pricing analysis report prepared by an independent Big Four accounting firm, and which has been applied in estimating the service fees payable under the cost-plus pricing mechanism.

The increase in the proposed annual caps for the years ending 31 December 2027 and 2028 is mainly attributable to the expected growth in projected vehicle sales and the corresponding increase in demand for the Integrated Services.

The Board (including the independent non-executive Directors) is of the view that (i) the transactions contemplated under the Integrated Services Procurement Agreement are conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the Integrated Services Procurement Agreement and the proposed aggregated annual caps for the three years ending 31 December 2028, having been determined with reference to the factors set out above and together with the pricing mechanism and the Group's internal control measures governing such transactions, are on normal commercial terms, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INTEGRATED SERVICES PROCUREMENT AGREEMENT

The Geely Holding Group and the Farizon Commercial Vehicles Group have established technical capabilities, operational experience and resources in providing integrated services of the type required by the Group. By leveraging their existing capacity, infrastructure and know-how, the Group is able to enhance operational efficiency, reduce upfront capital investment and maintain operational flexibility, particularly during the integration and ramp up phase of the relevant businesses.

By procuring the Integrated Services from the Geely Holding Group and the Farizon Commercial Vehicles Group, the Group is expected to benefit from economies of scale, coordinated supply chain management and access to shared technical and operational resources. Such arrangement is also expected to facilitate a smoother transition and integration of the acquired businesses into the Group's existing operations, while allowing the Group to focus its resources on core business development.

The Directors are of the view that the procurement of the Integrated Services is carried out in the ordinary and usual course of business of the Group and on normal commercial terms. The Directors (including the independent non-executive Directors) consider that entering into the Integrated Services Procurement Agreement is in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES IN RELATION TO THE INTEGRATED SERVICES PROCUREMENT AGREEMENT

The Group has adopted the following internal control measures to monitor the implementation of the continuing connected transactions contemplated under the Integrated Services Procurement Agreement.

The designated finance managers within the finance department of the Group are responsible for monitoring the implementation of the transactions contemplated under the Integrated Services Procurement Agreement, and ensuring that such transactions are conducted in accordance with the terms thereof, in particular the pricing terms. The negotiation and approval of the relevant transactions will be subject to appropriate internal approval procedures to ensure segregation of duties.

With respect to the Integrated Services to be provided under the Integrated Services Procurement Agreement, the designated finance managers will obtain detailed cost breakdowns and supporting documentation from the Geely Holding Group and the Farizon Commercial Vehicles Group. Such information will separately identify value-added costs and non-value-added costs.

The designated finance managers will review and assess the cost breakdowns on a periodic basis to ensure that:

(a) value-added costs comprise only direct and indirect costs incurred in performing the Integrated Services and exclude, among others, finance costs, non-operating expenses and income tax expenses, and that any allocation of indirect costs is made on a consistent and reasonable basis; and

(b) non-value-added costs represent reimbursable expenses incurred in the course of providing the Integrated Services which are not treated as value-added costs, and exclude, among others, finance costs, non-operating expenses and income tax expenses, and are charged without any mark-up.

The designated finance managers will ensure that the agreed mark-up is applied only to the value-added costs and that non-value-added costs are reimbursed on a pass-through basis, in accordance with the pricing formula set out in the Integrated Services Procurement Agreement.

The designated finance managers will review the applicable value-added cost margin rate on at least an annual basis and assess whether such margin rate falls within the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margin of comparable companies as set out in the relevant transfer pricing analysis report. Where there are material changes in market conditions or the scope of services, the Group will consider obtaining an updated transfer pricing analysis report.

To ensure that the transaction amounts do not exceed the approved annual caps:

(a) the relevant subsidiaries of the Company will record transaction amounts on a monthly basis and report such amounts to the designated finance managers; (b) the designated finance managers will compile monthly summaries, monitor utilisation of the relevant annual caps and report to the management of the Group; and (c) where utilisation of any annual cap reaches a pre-determined threshold, the Group will closely monitor subsequent transactions and escalate the matter to the management of the Group for timely action.

If (i) a significant increase in transaction volume is expected; or (ii) the utilisation rate of any applicable annual cap approaches its limit, the Group will take appropriate measures, including controlling the transaction volume, or initiating procedures to revise the annual caps in compliance with Chapter 14A of the Listing Rules before conducting further transactions.

All relevant documentation, including cost breakdowns, pricing calculations and supporting information, will be properly maintained for audit and review purposes.

The internal audit department of the Group will conduct reviews of the continuing connected transactions at least annually (or more frequently, if necessary) to assess the effectiveness of the internal control measures.

The independent non-executive Directors will conduct an annual review in accordance with the Listing Rules and confirm whether the transactions have been conducted in the ordinary and usual course of business, on normal commercial terms, in accordance with the relevant agreements, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company's independent auditor will conduct annual reviews in accordance with the Listing Rules and issue its confirmation as required.

INFORMATION OF THE PARTIES

The Company

The Company is principally engaged in investment holding. The Group is principally engaged in the research and development, manufacturing and trading of automobiles, automobile parts and related automobile components, as well as investment holding.

Zhejiang Jirun

Zhejiang Jirun is a limited liability company established in the PRC and is an indirectly 99.2% owned subsidiary of the Company as at the date of this announcement. Zhejiang Jirun is principally engaged in automotive-related integrated vehicle services.

Geely Sales

Geely Sales is a limited liability company established in the PRC and is directly wholly-owned by Zhejiang Jirun, which is in turn indirectly 99.2% owned by the Company. Geely Sales is principally engaged in the wholesale and retail sales of automobiles and related parts and components.

GAIL

GAIL is a limited liability company incorporated in Hong Kong and is a subsidiary of the Company. GAIL is principally engaged in the distribution of products.

CIL

CIL is a limited liability company incorporated in the British Virgin Islands and is a subsidiary of the Company. CIL is principally engaged in investment holding.

Geely Holding

Geely Holding is principally engaged in the wholesale and retail sales of automobiles and related parts and components. As at the date of this announcement, Geely Holding is beneficially wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial shareholder, holding approximately 42% of the issued share capital of the Company. Accordingly, Geely Holding is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

Zhejiang Radar

Zhejiang Radar is a limited liability company established in the PRC and is a subsidiary of Geely Holding as at the date of this announcement. Accordingly, Zhejiang Radar is an associate of Mr. Li and a connected person of the Company under the Listing Rules. Zhejiang Radar is a shareholding platform for Radar Shandong and Radar Sales and does not carry out any substantive business operations.

Radar HK

Radar HK is a limited liability company incorporated in Hong Kong and is indirectly owned as to 85% by Geely Holding as at the date of this announcement. Accordingly, Radar HK is an associate of Mr. Li and a connected person of the Company under the Listing Rules. Radar HK is a shareholding platform and does not carry out any substantive business operations.

Radar BVI

Radar BVI is a limited liability company incorporated in the British Virgin Islands and is indirectly owned as to 85% by Geely Holding as at the date of this announcement. Accordingly, Radar BVI is an associate of Mr. Li and a connected person of the Company under the Listing Rules. Radar BVI is a shareholding platform and does not carry out any substantive business operations.

Farizon Commercial Vehicles

Farizon Commercial Vehicles is a limited liability company established in the PRC. As at the date of this announcement, it is ultimately wholly-owned by Mr. Li and his associates. Farizon Commercial Vehicles is principally engaged in the research and development, manufacturing and trading of commercial vehicles and automotive parts, as well as investment holding.

The Target Companies

Please refer to the section headed "Information on the Target Companies" in this announcement for further information on the Target Companies.

IMPLICATIONS UNDER THE LISTING RULES

Exempted Connected Transactions in relation to the Acquisitions

As at the date of this announcement, (1) Zhejiang Radar is ultimately wholly-owned by Mr. Li and his associates and (2) each of Radar HK and Radar BVI is indirectly owned as to 85% by Mr. Li and his associates. As such, Zhejiang Radar, Radar HK and Radar BVI are associates of Mr. Li and connected persons of the Company under the Listing Rules. Accordingly, the Acquisitions constitute connected transactions of the Company.

As one or more of the applicable percentage ratios in respect of the Acquisitions are more than 0.1% but less than 5%, the Acquisitions are subject to the reporting and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Exempted Continuing Connected Transactions in relation to the Integrated Services Procurement Agreement

As at the date of this announcement, Geely Holding is beneficially wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial shareholder holding approximately 42% of the issued share capital of the Company. Accordingly, Geely Holding is a connected person of the Company under the Listing Rules.

As at the date of this announcement, Farizon Commercial Vehicles is ultimately wholly-owned by Mr. Li and his associates. Accordingly, Farizon Commercial Vehicles is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the proposed annual caps under the Integrated Services Procurement Agreement are more than 0.1% but less than 5% on an annual basis, the transactions contemplated under the Integrated Services Procurement Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

Mr. Li and Mr. Li Dong Hui, Daniel, each being an executive Director, are considered to be interested in the Equity Transfer Agreements, the SPA and the Integrated Services Procurement Agreement by virtue of their respective interests in and/or directorships in Geely Holding. As a result, both Mr. Li and Mr. Li Dong Hui, Daniel have abstained from voting on the Board resolutions approving the Equity Transfer Agreements, the SPA and the Integrated Services Procurement Agreement.

DEFINITIONS

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

"Acquisitions"	collectively, the acquisitions of Radar PRC Companies and the acquisition of Radar Thailand
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	any day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong, the PRC, and Thailand (as the case may be)
"CBU(s)"	fully functional vehicles that meet relevant corporate standards, industry requirements and regulatory requirements and can be sold directly to customers
"CIL"	Centurion Industries Limited, a limited liability company incorporated in the British Virgin Islands, which is a directly owned subsidiary of the Company as at the date of this announcement
"CKD(s)"	all parts and components in a disassembled state that can be assembled into CBU(s)
"Company"	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock codes: 175 (HKD counter) and 80175 (RMB counter))
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company, each a "Director"

"Equity Transfer Agreement"	each of (1) an equity transfer agreement dated 15 May 2026 entered into between Zhejiang Jirun and Zhejiang Radar, pursuant to which Zhejiang Jirun has conditionally agreed to purchase, and Zhejiang Radar conditionally agreed to sell, the entire equity interest in Radar Shandong; and (2) an equity transfer agreement dated 15 May 2026 entered into between Geely Sales and Zhejiang Radar, pursuant to which Geely Sales had conditionally agreed to purchase, and Zhejiang Radar has conditionally agreed to sell, the entire equity interest in Radar Sales
"Farizon Commercial Vehicles"	浙江遠程新能源商用車集團有限公司 (Zhejiang Farizon New Energy Commercial Vehicle Group Co., Ltd.*), a limited liability company established in the PRC, which is ultimately wholly-owned by Mr. Li and his associates as at the date of this announcement
"Farizon Commercial Vehicles Group"	Farizon Commercial Vehicles and its subsidiaries
"GAIL"	Geely Auto International Limited, a limited liability company incorporated in Hong Kong, which is an indirectly owned subsidiary of the Company as at the date of this announcement
"Geely Holding"	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited*), a limited liability company established in the PRC, which is ultimately and beneficially wholly-owned by Mr. Li and his associate as at the date of this announcement
"Geely Holding Group"	Geely Holding and its subsidiaries
"Geely Sales"	浙江吉利控股集團汽車銷售有限公司 (Zhejiang Geely Holding Group Automobile Sales Co., Ltd.*), a limited liability company established in the PRC, which is an indirectly 99.2% owned subsidiary of the Company as at the date of this announcement
"Group"	the Company and its subsidiaries
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Shareholders"	Shareholders other than Mr. Li, Mr. Li Dong Hui, Daniel, and their respective associates

"Independent Valuer"	Hangzhou PG Advisory Co., Ltd. (杭州樸谷企業管理諮詢有限公司), an independent valuer appointed by the Company to assess the fair value of the Target Companies
"Integrated Services"	a comprehensive range of services relating to the conversion of CKDs into CBUs, including, among others, processing, value-added, testing, assembly, installation, maintenance, modification and upgrade services, as well as other ancillary or related services provided by the Geely Holding Group and the Farizon Commercial Vehicles Group to the Group under the Integrated Services Procurement Agreement
"Integrated Services Procurement Agreement"	a framework integrated services procurement agreement dated 15 May 2026 entered into between the Company, Geely Holding and Farizon Commercial Vehicles, pursuant to which the Group has conditionally agreed to procure the Integrated Services from the Geely Holding Group and the Farizon Commercial Vehicles Group
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Li"	Mr. Li Shu Fu, an executive Director and a substantial shareholder holding approximately 42% of the total issued share capital of the Company as at the date of this announcement
"percentage ratio(s)"	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
"PRC"	the People's Republic of China, which for the purposes of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Radar BVI"	Radar Auto Limited, a limited liability company incorporated in the British Virgin Islands, which is indirectly owned as to 85% by Geely Holding as at the date of this announcement
"Radar HK"	Radar HK Limited, a limited liability company incorporated in Hong Kong, which is indirectly owned as to 85% by Geely Holding as at the date of this announcement
"Radar PRC Companies"	collectively, Radar Shandong and Radar Sales

"Radar Shandong"	雷達汽車(山東)有限公司 (Radar Automobile (Shandong) Co., Ltd.*), a limited liability company established in the PRC, which is an indirect subsidiary of Geely Holding as at the date of this announcement
"Radar Sales"	雷達汽車銷售(山東)有限公司 (Radar Automobile Sales (Shandong) Co., Ltd.*), a limited liability company established in the PRC, which is an indirect subsidiary of Geely Holding as at the date of this announcement
"Radar Thailand"	Riddara Automobile (Thailand) Company Limited, a limited liability company established in Thailand, which is owned as to 99% by Radar HK and 1% by Radar BVI as at the date of this announcement
"RMB"	Renminbi, the lawful currency of the PRC
"SPA"	a share purchase agreement dated 15 May 2026 entered into by GAIL and CIL (as purchasers) and Radar HK and Radar BVI (as sellers), pursuant to which GAIL and CIL have conditionally agreed to acquire, and Radar HK and Radar BVI have conditionally agreed to sell, the entire issued share capital of Radar Thailand
"Sale Shares"	an aggregate of 20,000,000 shares with a par value of THB5 each, representing 100% of the issued share capital of Radar Thailand
"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
"Target Companies"	collectively, Radar Shandong, Radar Sales and Radar Thailand
"THB"	the lawful currency of Thailand
"Zhejiang Jirun"	浙江吉潤汽車有限公司 (Zhejiang Jirun Automobile Co., Ltd.*), a limited liability company established in the PRC, which is an indirectly 99.2% owned subsidiary of the Company as at the date of this announcement

"Zhejiang Radar"	雷達新能源汽車(浙江)有限公司 (Radar New Energy Vehicle (Zhejiang) Co., Ltd.*), a limited liability company established in the PRC, which is a wholly-owned subsidiary of Geely Holding as at the date of this announcement
"%"	per cent

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

Hong Kong, 15 May 2026

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 rate of THB1.00 = RMB0.21 has been used for currency translation, where applicable. Such exchange rate is provided for illustration purposes only and does not constitute a representation that any amounts in THB or RMB have been, could have been, or may be converted at such or any other rates.

* *For identification purposes only*