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)

(I) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS; AND (II) EXEMPTED CONTINUING CONNECTED TRANSACTIONS

Financial Adviser to Geely Automobile Holdings Limited

浦銀國際 SPDB INTERNATIONAL

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

BALLAS CAPITAL

(I) NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

(A) Automobile Components Sales and Purchase Agreement

Reference is made to the Company's announcement dated 15 August 2024 in relation to the Existing Automobile Components Sales and Purchase Agreement, which will expire on 31 December 2026. Reference is also made to the Company's announcement dated 14 November 2024 in relation to the Existing Components Framework Agreement, the automobile components transactions under which will also be consolidated within the Automobile Components Sales and Purchase Agreement. In light of the upcoming expiry, on 23 September 2026 (after trading hours), the Company, Geely Holding, Viridi, InfiMotion, LEVC Automobile, Geely Technology, YoeNing Technology, Jiyao, ECARX, smart, smart Mobility, smart Europe, Livan Automotive, Chunqing Ecological, Farizon Technology, Farizon Commercial Vehicles, Shandong Geely New Energy and Qingwei entered into the Automobile Components

Sales and Purchase Agreement, pursuant to which (i) the Group has conditionally agreed to sell automobile components to the Components Purchasers; and (ii) the Group has conditionally agreed to purchase automobile components from the Components Suppliers.

The proposed annual caps for the sale of automobile components by the Group to the Components Purchasers for each of the three years ending 31 December 2029 are approximately RMB9,905.0 million, RMB10,190.0 million and RMB10,537.0 million, respectively.

The proposed annual caps for the purchase of automobile components by the Group from the Components Suppliers for each of the three years ending 31 December 2029 are approximately RMB55,913.0 million, RMB63,990.0 million and RMB73,138.0 million, respectively.

(B) Powertrain Products Purchase Agreement

Reference is made to the Company's announcement dated 11 July 2023 in relation to the Existing Powertrain Purchase Agreement, which will expire on 31 December 2026. In light of the upcoming expiry, on 23 September 2026 (after trading hours), the Company, Aurobay Technology and Aurobay Changxing entered into the Powertrain Products Purchase Agreement, pursuant to which the Group has conditionally agreed to purchase the Powertrain Products from the Aurobay Group.

The proposed annual caps under the Powertrain Products Purchase Agreement for each of the three years ending 31 December 2029 are approximately RMB37,068.0 million, RMB37,686.0 million and RMB39,067.0 million, respectively.

(II) EXEMPTED CONTINUING CONNECTED TRANSACTIONS

(A) Operation Services Agreement

Reference is made to the Company's announcement dated 15 August 2024 in relation to the Existing Operation Services Agreement, which will expire on 31 December 2026. In light of the upcoming expiry, on 23 September 2026 (after trading hours), the Company, Geely Holding, Viridi, InfiMotion, LEVC Automobile, Geely Technology, YoeNing Technology, Jiyao, ECARX, Aurobay Technology, Aurobay Changxing, smart, smart Mobility, smart Europe, Livan Automotive, Chunqing Ecological, Farizon Technology, Farizon Commercial Vehicles, Shandong Geely New Energy, Lotus Inc, Mingtai Times, Hezhong Insurance and Wisdom Puhua entered into the Operation Services Agreement, pursuant to which the Group has conditionally agreed to (i) provide operation services to the Service Purchasers; and (ii) procure operation services from the Service Providers.

The proposed annual caps for the operation services to be provided by the Group for each of the three years ending 31 December 2029 are approximately RMB4,146.0 million, RMB4,256.0 million and RMB4,281.0 million, respectively.

The proposed annual caps for the operation services to be procured by the Group for each of the three years ending 31 December 2029 are approximately RMB3,058.0 million, RMB3,060.0 million and RMB3,062.0 million, respectively.

(B) Automobile Financing Services Agreement

Reference is made to the Company's announcements dated 15 September 2023 and 15 August 2024 in relation to the Existing Finance Cooperation Agreements, which will expire on 31 December 2026. In light of the upcoming expiry, on 23 September 2026 (after trading hours), Genius AFC entered into the Automobile Financing Services Agreement with Geely Holding, Livan Automotive, Lotus Sales, smart Sales and smart Mobility, pursuant to which Genius AFC has conditionally agreed to provide the Automobile Financing Services in connection with the sale of vehicles, automobile accessories and services by the Automobile Manufacturers.

The proposed annual caps under the Automobile Financing Services Agreement for each of the three years ending 31 December 2029 are approximately RMB1,622.6 million, RMB1,839.0 million and RMB1,973.1 million, respectively.

IMPLICATIONS UNDER THE LISTING RULES

Geely Holding is a substantial shareholder and a controlling shareholder of the Company, and Mr. Li is a controlling shareholder of the Company. Each of the other parties to the Framework Agreements is an associate of Mr. Li or of Geely Holding, or is a connected subsidiary of the Company, and is accordingly a connected person of the Company under the Listing Rules. Further details of the connected relationships are set out in the section headed "Implications under the Listing Rules" below.

As one or more of the applicable percentage ratios of the proposed annual caps under each of the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement, on an annual basis, are 5% or more, the continuing connected transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the applicable percentage ratios of the proposed annual caps under each of the Operation Services Agreement and the Automobile Financing Services Agreement, on an annual basis, are more than 0.1% but less than 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements, but are exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Mr. An Cong Hui, being the Chairman and an executive Director, Mr. Li Dong Hui, Daniel, being an executive Director, and Mr. Gan Jia Yue, being an executive Director, are each considered to be interested in the Non-Exempt Continuing Connected Transactions and the Exempted Continuing Connected Transactions by virtue of their respective interests in and/or directorships with Geely Holding or its subsidiaries. Accordingly, each of Mr. An Cong Hui, Mr. Li Dong Hui, Daniel and Mr. Gan Jia Yue has abstained from voting on the Board resolutions approving the Non-Exempt Continuing Connected Transactions and the Exempted Continuing Connected Transactions.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Non-Exempt Continuing Connected Transactions. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened and held to seek the Independent Shareholders' approval of the Non-Exempt Continuing Connected Transactions and the respective proposed annual caps thereunder. A circular containing, among other things, further information of the Non-Exempt Continuing Connected Transactions, the recommendation of the Independent Board Committee, the advice of the Independent Financial Adviser, and other information as required under the Listing Rules, together with a notice of the EGM, will be despatched to the Shareholders on or before 16 November 2026.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

(A) Automobile Components Sales and Purchase Agreement

Reference is made to the Company's announcement dated 15 August 2024 in relation to the Existing Automobile Components Sales and Purchase Agreement entered into among the Company, Geely Holding, LYNK & CO, ZEEKR, LEVC, Geely Technology, YoeNing Technology, InfiMotion and Geely Sunwoda, which will expire on 31 December 2026. Reference is also made to the Company's announcement dated 14 November 2024 in relation to the Existing Components Framework Agreement, the automobile components transactions under which will also be consolidated within the Automobile Components Sales and Purchase Agreement. The Existing Components Framework Agreement will be terminated with effect from the date on which the Automobile Components Sales and Purchase Agreement takes effect. With effect from 1 January 2027, the automobile components transactions previously governed by the Existing Components Framework Agreement will be conducted under, and subject to the proposed annual caps under, the Automobile Components Sales and Purchase Agreement.

In light of the upcoming expiry of the Existing Automobile Components Sales and Purchase Agreement, and in order to consolidate within a single framework agreement the continuing connected transactions in relation to the sale and purchase of automobile components between the Group and the relevant connected persons of the Company, on 23 September 2026 (after trading hours), the Company, Geely Holding, Viridi, InfiMotion, LEVC Automobile, Geely Technology, YoeNing Technology, Jiyao, ECARX, smart, smart Mobility, smart Europe, Livan Automotive, Chunqing Ecological, Farizon Technology, Farizon Commercial Vehicles, Shandong Geely New Energy and Qingwei entered into the Automobile Components Sales and Purchase Agreement.

Subject matter

Pursuant to the Automobile Components Sales and Purchase Agreement:

(i) the Group has conditionally agreed to sell automobile components to the Geely Holding Group, the Viridi Group, the YoeNing Technology Group, the Geely Technology Group, the InfiMotion Group, the Jiyao Group, the Shandong Geely New Energy Group, the smart Group, the LEVC Automobile Group, the ECARX Group, the Livan Group, the Farizon Commercial Vehicles Group, the Farizon Technology Group and the Chunqing Group (collectively, the "**Components Purchasers**"). The automobile components to be sold by the Group mainly comprise automobile spare parts, battery products, electric drive units and chargers and will be mainly used in Volvo brand vehicles, smart brand vehicles, Farizon brand vehicles and Livan brand vehicles; and

(ii) the Group has conditionally agreed to purchase automobile components from the Geely Holding Group, the Viridi Group, the YoeNing Technology Group, the Geely Technology Group, the InfiMotion Group, the Jiyao Group, the Shandong Geely New Energy Group, the smart Group, the LEVC Automobile Group, the ECARX Group and the Qingwei Group (collectively, the "**Components Suppliers**"). The automobile components to be purchased by the Group mainly comprise electronic control system products, display screens, seats and battery products, and will be mainly used in Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles.

Term

From 1 January 2027 to 31 December 2029, subject to the satisfaction of the conditions precedent thereunder.

Conditions precedent to the Automobile Components Sales and Purchase Agreement

The Automobile Components Sales and Purchase Agreement and the continuing connected transactions contemplated thereunder are conditional upon: (i) the Company having obtained the necessary approvals and/or consents from third parties, including the approval of the Independent Shareholders at the EGM; and (ii) the Company having complied with the relevant requirements under the Listing Rules and any other requirements imposed by the Stock Exchange as conditions precedent to the transactions contemplated thereunder.

If the above conditions are not fulfilled on or before 31 December 2026 (or such later date as the parties may agree in writing), the Automobile Components Sales and Purchase Agreement shall automatically terminate.

Historical transaction amounts and annual caps

The table below sets out the historical transaction amounts, existing annual caps, proposed annual caps and corresponding Utilisation Rates for the periods indicated.

	Historical transaction amounts[1]			Announced annual cap for the year ended/ending 31 December			Proposed annual cap for the year ending 31 December		
	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2026	2024	2025	2026	2027	2028	2029
	RMB million (Audited)	*RMB million* (Audited)	*RMB million* (Unaudited)	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Sale of automobile components by the Group	15,354.1	17,557.0	3,921.0	26,956.0	22,895.3	18,588.1	9,905.0	10,190.0	10,537.0
Utilisation Rate[2]				57.0%	76.7%	21.1%			
Purchase of automobile components by the Group	18,998.8	18,616.0	11,102.6	31,080.3	36,413.0	40,245.7	55,913.0	63,990.0	73,138.0
Utilisation Rate[2]				61.1%	51.1%	27.6%			
Transactions under the Existing Components Framework Agreement	Not applicable	3,750.2	1,493.9	Not applicable	5,527.1	5,676.7	Not applicable	Not applicable	Not applicable
Utilisation Rate[2]				Not applicable	67.9%	26.3%			

Notes:

(1) The historical transaction amounts for the purchases of automobile components exclude the transaction amounts with the ECARX Group, which were governed by the Existing Components Framework Agreement, and are therefore presented separately in the table. The Existing Components Framework Agreement will be terminated with effect from the date on which the Automobile Components Sales and Purchase Agreement takes effect, following which the sale and

purchase of automobile components between the Group and the relevant connected persons of the Company will be conducted under, and subject to the proposed annual caps under, a single framework agreement.

(2) The Utilisation Rates for the six months ended 30 June 2026 are not annualised and reflect the fact that a greater proportion of the Group's automobile components transactions is expected to be settled during the second half of 2026.

Basis of determination of the proposed annual caps

The proposed annual caps for the sale of automobile components by the Group to the Components Purchasers have been determined with reference to: (i) the projected number of units of each type of automobile component to be sold for use mainly in Volvo brand vehicles, smart brand vehicles, Farizon brand vehicles and Livan brand vehicles for each of the three years ending 31 December 2029; (ii) the projected unit sales of the vehicles manufactured using such automobile components for each of the three years ending 31 December 2029; (iii) the estimated unit selling price of each type of automobile component, determined with reference to historical selling prices and/or the prevailing market prices of similar products; and (iv) the applicable margin rates within the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies as set out in the Components Transfer Pricing Analysis Report. The margin rates are used solely for the purpose of determining the proposed annual caps, may be adjusted from time to time, and do not constitute fixed transaction margins under the Automobile Components Sales and Purchase Agreement.

The proposed annual caps for the purchase of automobile components by the Group from the Components Suppliers have been determined with reference to: (i) the projected number of units of each type of automobile component to be purchased for use mainly in Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles for each of the three years ending 31 December 2029; (ii) the projected unit sales of the vehicles manufactured using such automobile components for each of the three years ending 31 December 2029; (iii) the projected purchase price of each type of automobile component, determined with reference to the prevailing market price or, where such market price is unavailable, estimated costs; and (iv) the applicable margin rates within the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies as set out in the Components Transfer Pricing Analysis Report.

The decrease in the proposed annual caps for the sale of automobile components is mainly attributable to the fact that, following the acquisition and integration of ZEEKR and LYNK & CO, which resulted in such entities becoming indirect wholly-owned subsidiaries of the Company, transactions with ZEEKR and LYNK & CO have become intra-group transactions and no longer constitute continuing connected transactions under Chapter 14A of the Listing Rules.

The increase in the proposed annual caps for the purchase of automobile components by the Group for the year ending 31 December 2027, as compared with the announced annual cap for the year ending 31 December 2026, is mainly attributable to: (i) the expected increase in the procurement of battery systems, intelligent driving hardware, electric drive systems, intelligent cockpit components and other components for use in Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles; (ii) the projected increase in the Group's vehicle production volumes, particularly in respect of new energy vehicle models; (iii) the inclusion of automobile components transactions previously governed by the Existing Components Framework Agreement; and (iv) the expansion of procurement arrangements with the Components Suppliers in support of the Group's intelligentisation and electrification strategy.

The increase in battery products and electric drive systems primarily reflects the projected increase in the production and sales volumes of new energy vehicle ("**NEV**") models of the Group during the relevant period. The Company expects the proportion of NEV models in the Group's overall vehicle production and sales mix to continue increasing during the three years ending 31 December 2029. As battery products and electric drive systems generally have a higher unit value than conventional automobile components, the projected increase in transaction amounts reflects not only the anticipated growth in vehicle production volumes, but also the continuing shift in product mix towards higher-value electrification-related components.

Of the proposed annual cap for the year ending 31 December 2027, approximately 80% relates to battery products, electric drive systems, intelligent driving hardware and intelligent cockpit components, while approximately 20% relates to other automobile parts and components.

Reasons for and benefits of entering into the Automobile Components Sales and Purchase Agreement

The Automobile Components Sales and Purchase Agreement enables the Group to consolidate within a single framework agreement the continuing connected transactions relating to the sale and purchase of automobile components between the Group and the relevant connected persons of the Company, including those previously governed by the Existing Components Framework Agreement. This streamlines the contractual arrangements governing such transactions and enhances the efficiency and consistency of the Group's compliance monitoring and administration.

The Group manufactures a range of automobile components, in particular battery products, electric drive units and chargers. The sale of such automobile components to the Components Purchasers enables the Group to achieve better economies of scale in its component manufacturing operations, improve the utilisation of its production capacity and generate additional revenue, while maintaining sufficient supply for the Group's own vehicle production requirements.

At the same time, the Automobile Components Sales and Purchase Agreement enables the Group to secure a stable source of key automobile components, including battery products, electronic control system products, display screens and seats, for the manufacture of Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles. The Group has established long-standing business relationships with the Components Suppliers, which possess the technological expertise and production capabilities required for the supply of such components. The transactions contemplated under the Automobile Components Sales and Purchase Agreement will facilitate the Group's vehicle manufacturing operations by ensuring continuity of supply, consistency of product quality and operational efficiency in its procurement arrangements.

(B) Powertrain Products Purchase Agreement

Reference is made to the Company's announcement dated 11 July 2023 and the Company's circular dated 6 September 2023 in relation to the Existing Powertrain Purchase Agreement entered into among the Company, Aurobay Technology and Aurobay Changxing, which will expire on 31 December 2026.

In light of the upcoming expiry of the Existing Powertrain Purchase Agreement, on 23 September 2026 (after trading hours), the Company, Aurobay Technology and Aurobay Changxing entered into the Powertrain Products Purchase Agreement.

Subject matter

Pursuant to the Powertrain Products Purchase Agreement, the Group has conditionally agreed to purchase, and each of Aurobay Technology and Aurobay Changxing has conditionally agreed to procure members of the Aurobay Group to sell, Powertrain Products. The Powertrain Products mainly include vehicle engines, transmissions and related after-sales parts and will be mainly used in Geely brand vehicles, ZEEKR brand vehicles, LYNK & CO brand vehicles and other brand vehicles manufactured by the Group.

Term

From 1 January 2027 to 31 December 2029, subject to the satisfaction of the condition precedent thereunder.

Condition precedent to the Powertrain Products Purchase Agreement

The Powertrain Products Purchase Agreement and the continuing connected transactions contemplated thereunder are conditional upon the Independent Shareholders having passed the ordinary resolutions to approve the Powertrain Products Purchase Agreement and the proposed annual caps thereunder at the EGM.

If the above condition is not fulfilled on or before 31 December 2026 (or such later date as the parties may agree in writing), the Powertrain Products Purchase Agreement shall automatically terminate.

Historical transaction amounts and annual caps

The table below sets out the historical transaction amounts, existing annual caps, proposed annual caps and corresponding Utilisation Rates for the periods indicated.

	Historical transaction amounts			**Announced annual cap for the year ended/ending 31 December**			**Proposed annual cap for the year ending 31 December**		
	Year ended 31 December 2024	**Year ended 31 December 2025**	**Six months ended 30 June 2026**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
	(Audited)	(Audited)	(Unaudited)						
Purchase of Powertrain Products by the Group	12,340.5	24,982.0	10,237.1	25,070.4	25,846.6	24,442.3	37,068.0	37,686.0	39,067.0
Utilisation Rate(1)				49.2%	96.7%	41.9%			

Note:

(1) The Utilisation Rate for the year ended 31 December 2024 reflects the fact that transactions with the Aurobay Group only became continuing connected transactions upon completion of the formation of a joint venture company as disclosed in the announcement dated 11 July 2023. Accordingly, the historical transaction amount for 2024 includes only transactions conducted from 1 June 2024 onwards, following completion of the formation of that joint venture company on 31 May 2024.

Basis of determination of the proposed annual caps

The proposed annual caps for the purchase of Powertrain Products were determined by the Company with reference to: (i) the estimated number of units of the Powertrain Products to be purchased by the Group from the Aurobay Group for use in the manufacture of Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles for each of the three years ending 31 December 2029, which was determined with reference to the projected sales volumes and production plans for internal combustion engine vehicles and hybrid vehicles under those vehicle brands for the same period; (ii) the estimated manufacturing costs of the Powertrain Products for each of the three years ending 31 December 2029; and (iii) a margin rate over such estimated manufacturing costs, being a rate that falls within the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies as stated in the Powertrain Products Pricing Analysis Report.

The proposed annual caps for the purchase of Powertrain Products for each of the three years ending 31 December 2029 exceed the announced annual caps under the Existing Powertrain Purchase Agreement. This is mainly attributable to the projected increase in the number of Powertrain Products to be purchased by the Group, in particular the expected increase in the procurement volumes of Powertrain Products for hybrid and plug-in hybrid vehicles manufactured by the Group. The projected increase is primarily volume-driven rather than price-driven, reflecting the Group's expectation of continued growth in the production and sales volumes of hybrid and plug-in hybrid vehicle models during the relevant period. In addition, powertrain systems used in hybrid and plug-in hybrid vehicles generally have a higher unit value than those used in conventional internal combustion engine vehicles, which is also expected to contribute to the increase in the estimated procurement amounts.

Of the proposed annual cap for the year ending 31 December 2027, approximately 82% is attributable to procurement for Geely brand vehicles, approximately 11% is attributable to procurement for LYNK & CO brand vehicles and approximately 7% is attributable to procurement for ZEEKR brand vehicles.

Reasons for and benefits of entering into the Powertrain Products Purchase Agreement

The Aurobay Group has been manufacturing and supplying Powertrain Products to the Group and possesses the technological expertise, production capability and operational experience required for the manufacture of Powertrain Products. The Aurobay Group has also established a long-standing business relationship with the Group and has a thorough understanding of the Group's product requirements, quality standards and production schedules.

The Powertrain Products Purchase Agreement enables the Group to secure a continuous and stable supply of Powertrain Products, including vehicle engines, transmissions and related after-sales parts, for use in the manufacture of Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles. The Directors believe that maintaining long-term cooperation with the Aurobay Group will facilitate production planning, ensure consistency in product quality and technical specifications, and enhance the operational efficiency of the Group's vehicle manufacturing activities.

The Powertrain Products Purchase Agreement will also support the Group's continued development of hybrid and plug-in hybrid vehicle models by ensuring an adequate supply of the Powertrain Products required for such vehicles.

EXEMPTED CONTINUING CONNECTED TRANSACTIONS

(A) Operation Services Agreement

Reference is made to the Company's announcement dated 15 August 2024 and the Company's circular dated 24 September 2024 in relation to the Existing Operation Services Agreement entered into among the Company, Geely Holding, LYNK & CO, ZEEKR, Geely Technology, Aurobay Technology, Aurobay Changxing, Lotus Technology, JIDU, smart, Chunqing Ecological, Farizon Technology, Farizon Commercial Vehicles, Livan Automotive and YoeNing Technology, which will expire on 31 December 2026.

In light of the upcoming expiry of the Existing Operation Services Agreement, on 23 September 2026 (after trading hours), the Company, Geely Holding, Viridi, InfiMotion, LEVC Automobile, Geely Technology, YoeNing Technology, Jiyao, ECARX, Aurobay Technology, Aurobay Changxing, smart, smart Mobility, smart Europe, Livan Automotive, Chunqing Ecological, Farizon Technology, Farizon Commercial Vehicles, Shandong Geely New Energy, Lotus Inc, Mingtai Times, Hezhong Insurance and Wisdom Puhua entered into the Operation Services Agreement.

Subject matter

Pursuant to the Operation Services Agreement, the Group has conditionally agreed to:

(i) provide operation services to the Geely Holding Group, the Geely Technology Group, the Aurobay Group, the smart Group, the Farizon Commercial Vehicles Group, the Farizon Technology Group, the Chunqing Group, the Livan Group, the Lotus Inc Group, the YoeNing Technology Group, the LEVC Automobile Group, the Jiyao Group, the InfiMotion Group, the Shandong Geely New Energy Group and the ECARX Group (collectively, the "**Service Purchasers**"). Such operation services mainly include, but are not limited to, information technology services (including the provision of enterprise resource planning software and systems, technical consultancy services and other general information technology services), logistics and warehousing services (including the transportation and logistics of CBUs, powertrain products, automobile parts and raw materials, the supply of packaging materials and packaging services, in-plant logistics services, the provision of transportation equipment and logistics planning consultancy services), supplier quality engineering services, procurement services, back-office support services (including accounting services and human resources services), and leasing services (including but not limited to property leasing and equipment leasing).

    To the extent that any property leasing or equipment leasing arrangement contemplated under the Operation Services Agreement constitutes a lease within the meaning of Hong Kong Financial Reporting Standard 16, the Company will comply separately with the applicable requirements under Chapter 14A of the Listing Rules; and

(ii) procure operation services from the Geely Holding Group, the Geely Technology Group, the Aurobay Group, the Viridi Group, the InfiMotion Group, the Jiyao Group, the Mingtai Times Group, the Hezhong Insurance Group, the Shandong Geely New Energy Group, the Farizon Commercial Vehicles Group, the Farizon Technology Group, the Chunqing Group, the Wisdom Puhua Group and the LEVC Automobile Group (collectively, the "**Service Providers**"). Such operation services mainly include, but are not limited to, information technology services (including the development of enterprise intelligent management systems for the Group's operations and the development of home charging pile platforms), back-office support services (including advertising and publicity services and legal services), charging rights services, insurance services and logistics support services.

The Group previously procured business travel services from the Geely Holding Group under the Existing Operation Services Agreement. As disclosed in the Company's announcement dated 30 April 2026, following the completion of CaoCao Inc. ("**CaoCao**")'s acquisition of Zhejiang Geely Business Services Company Limited* (浙江吉利商務服務有限公司) on 24 March 2026, the provision of business travel services and event organisation services to the Group is regulated by the services agreement dated 30 April 2026 entered into between the Company and CaoCao. Accordingly, business travel services do not form part of the operation services to be procured by the Group under the Operation Services Agreement.

Term

From 1 January 2027 to 31 December 2029, subject to the satisfaction of the conditions precedent thereunder.

Conditions precedent to the Operation Services Agreement

The Operation Services Agreement and the continuing connected transactions contemplated thereunder are conditional upon the Company having complied with the relevant requirements under the Listing Rules and any other requirements imposed by the Stock Exchange as conditions precedent to the transactions contemplated thereunder.

If the above conditions are not fulfilled on or before 31 December 2026 (or such later date as the parties may agree in writing), the Operation Services Agreement shall automatically terminate.

Historical transaction amounts and annual caps

The table below sets out the historical transaction amounts, existing annual caps, proposed annual caps and corresponding Utilisation Rates for the periods indicated.

	Historical transaction amounts			Announced annual cap for the year ended/ending 31 December			Proposed annual cap for the year ending 31 December		
	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2026	2024	2025	2026	2027	2028	2029
	RMB million	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
	(Audited)	(Audited)	(Unaudited)						
Operation services provided by the Group	2,048.7	4,815.0	1,235.7	3,887.2	8,785.2	10,083.2	4,146.0	4,256.0	4,281.0
Utilisation Rate				52.7%	54.8%	12.3%			
Operation services procured by the Group	1,720.9	2,832.0	1,368.2	3,286.6	3,276.9	3,503.0	3,058.0	3,060.0	3,062.0
Utilisation Rate(1)				52.4%	86.4%	39.1%			

Note:

(1) The Utilisation Rates for the periods indicated reflect the reduction in the operation services transactions constituting continuing connected transactions of the Company following the acquisition and integration of ZEEKR and LYNK & CO into the Group, as certain operation services transactions ceased to constitute continuing connected transactions under Chapter 14A of the Listing Rules after such integration.

Basis of determination of the proposed annual caps

The proposed annual caps were determined by the Directors with reference to (i) the historical transaction amounts and Utilisation Rates; (ii) the projected staff costs of the Group to perform IT and other administrative functions for each of the three years ending 31 December 2029; (iii) the estimated portion of the IT and other administrative functions performed solely for the Service Purchasers, compared with the Group's overall IT and administrative functions, based on historical costs incurred by each party; (iv) the estimated costs (including but not limited to transportation, packaging, and labour costs) for the transportation of each vehicle, based on projected costs for logistic services; (v) the estimated number of vehicles for which the Group will provide logistic and warehousing services for each of the three years ending 31 December 2029; (vi) the projected total staff working hours required for supplier quality engineering services and procurement functions for each of the three years ending 31 December 2029; (vii) the projected hourly cost for staff in supplier quality engineering services and procurement functions, based on historical costs; (viii) the margin rates for services in relation to IT, logistics, supplier quality engineering services, procurement services and other administrative functions, relative to estimated costs, with reference to the Operation Services Transfer Pricing Analysis Reports; (ix) the market price of software and development services; (x) the projected hourly cost for the staff in relation to IT services; (xi) the average unit price of electricity and the estimated number of NEVs requiring charging services for each of the three years ending 31

December 2029; (xii) the projected rentals payable and receivable in respect of the property leasing and equipment leasing services, determined by reference to prevailing market rentals for comparable properties and equipment; (xiii) the projected premiums payable in respect of the insurance services; and (xiv) the projected volumes and unit prices of the accessories to be procured by the Group.

The proposed annual caps in aggregate are lower than the aggregate of the announced annual caps under the Existing Operation Services Agreement. This principally reflects the integration of ZEEKR and LYNK & CO into the Group, following which certain operation services transactions with those groups became transactions within the Group and ceased to constitute continuing connected transactions under Chapter 14A of the Listing Rules. In determining the proposed annual caps, the Company has also reviewed the historical transaction volumes and Utilisation Rates under the Existing Operation Services Agreement and has adopted a more conservative approach in assessing the expected demand for operation services by the relevant connected persons during the three years ending 31 December 2029.

Reasons for and benefits of entering into the Operation Services Agreement

To cope with increasing competition in the new energy vehicle industry, the Group has been actively expanding its cooperation with suppliers of power supplies and charging services. The collaboration with the Geely Holding Group in procuring charging services for NEVs is expected to enhance the Group's bargaining power and facilitate cost reductions through economies of scale. The Group also procures certain operation services and products, including advertising and publicity services and accessories, from the Service Providers. The Directors consider that the procurement of such services and products enables the Group to obtain them on terms no less favourable than those available from independent third parties while reducing the need to devote additional internal resources to the provision of such services and products.

The Group has streamlined its production process by utilising advanced software and information systems shared by the Geely Holding Group. The sharing of resources among the Group, the Service Purchasers and the Service Providers is expected to enhance operating efficiency and reduce operating and technological costs.

Additionally, logistics and warehousing services constitute a significant category of the operation services contemplated under the Operation Services Agreement. Through resource integration and cooperation with the relevant connected persons, the Group aims to enhance its logistics capabilities and competitiveness. By leveraging the existing logistics infrastructure, transportation resources and operational expertise of the relevant connected persons, the Group seeks to improve logistics efficiency, achieve synergistic cost savings and support the efficient operation of its vehicle manufacturing and supply chain activities.

(B) Automobile Financing Services Agreement

Reference is made to the Company's announcements dated 15 September 2023 and 15 August 2024 in relation to the Existing Finance Cooperation Agreements, pursuant to which Genius AFC agreed to provide automobile financing services in connection with the sale of vehicles, automobile accessories and services by certain connected persons of the Company, and which will expire on 31 December 2026.

In light of the upcoming expiry of the Existing Finance Cooperation Agreements, and in order to consolidate within a single framework agreement the automobile financing arrangements between Genius AFC and the relevant connected persons of the Company, on 23 September 2026 (after trading hours), Genius AFC entered into the Automobile Financing Services Agreement with Geely Holding, Livan Automotive, Lotus Sales, smart Sales and smart Mobility (collectively, the "**Automobile Manufacturers**").

Overview of Genius AFC

Genius AFC is a limited liability company established in the PRC and jointly controlled by the Company and its remaining shareholders. As at the date of this announcement, Genius AFC is owned as to 75% by the Company, as to 20% by BNPP PF and as to 5% by Cofiplan. Genius AFC holds the requisite administrative licences to carry on automobile finance business in the PRC and is primarily regulated by the NAFR.

Subject matter

Pursuant to the Automobile Financing Services Agreement, Genius AFC has conditionally agreed to provide, within the scope of its business and subject to it holding the requisite administrative licences, the Automobile Financing Services, comprising:

(i) the provision of financing to operators which have lawfully obtained automobile sales qualifications (the "**Cooperation Entities**") and to operators engaged in automobile after-sales maintenance and repair and the sale of automobile parts, components and accessories (the "**After-sales Service Providers**"), including loans for inventory procurement, showroom construction and the purchase of parts, components and maintenance equipment (the "**Wholesale Financing**"); and

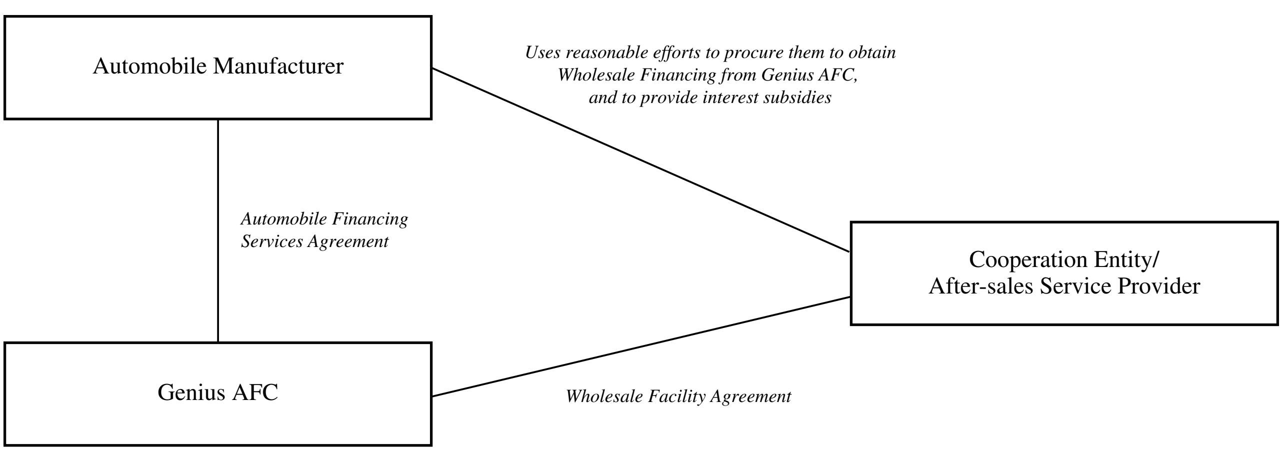
(ii) the provision of retail financing services to end customers, whether individuals or institutions (the "**Retail Customers**"), including loans and finance leases, to facilitate their purchase of vehicles and accessories (the "**Retail Financing**").

During the three years ending 31 December 2029, each Automobile Manufacturer will use its reasonable efforts to procure its Cooperation Entities and After-sales Service Providers to obtain financing from Genius AFC, including retail financing for their end customers, and to procure the Retail Customers of its sales entities to obtain Retail Financing from Genius AFC. Each Automobile Manufacturer will also use its reasonable efforts to provide interest subsidies to those Cooperation Entities and After-sales Service Providers which obtain financing from Genius AFC, and to provide interest subsidies to eligible Cooperation Entities and other sales entities in support of promotional activities relating to the Retail Financing provided by Genius AFC to Retail Customers.

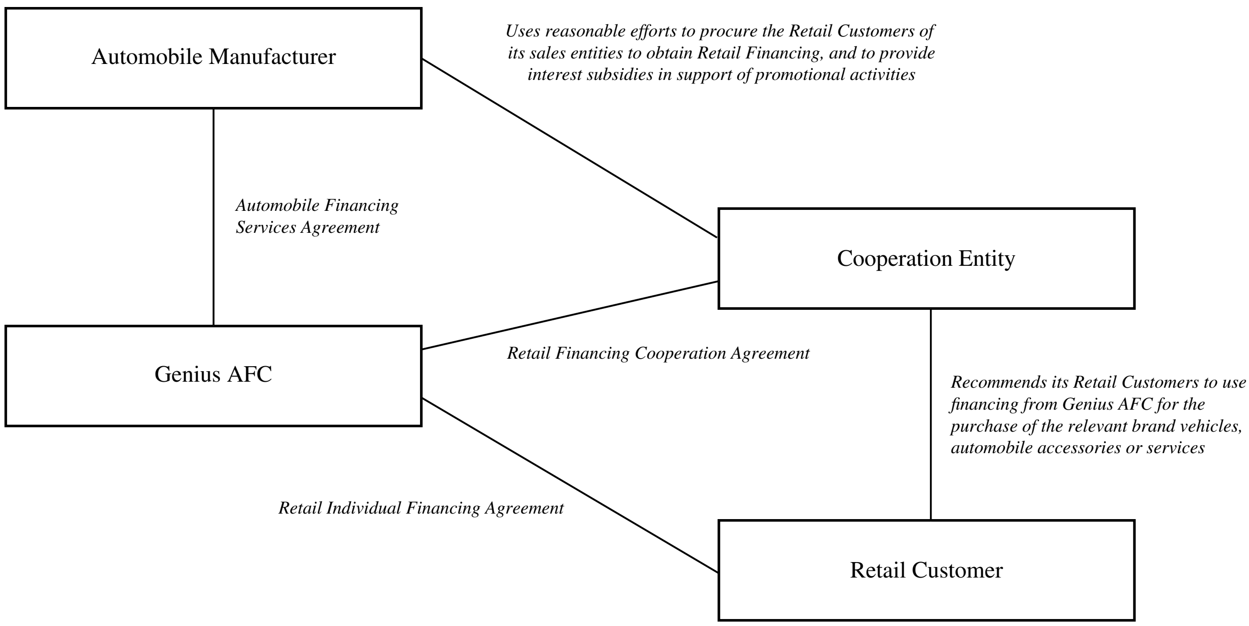
The Cooperation Entities, the After-sales Service Providers, the other sales entities and the Retail Customers retain the final right to select their automobile finance service provider. Genius AFC is not the exclusive partner of the Automobile Manufacturers in respect of automobile financing for their brands, and other cooperating banks may provide corresponding services with the authorisation of the relevant Automobile Manufacturer. Notwithstanding the foregoing, on equal terms Genius AFC shall be the preferred partner of the relevant Automobile Manufacturer.

The following charts illustrate the principal contractual relationships and flows under the Automobile Financing Services Agreement. In each chart, a plain line denotes a contractual relationship between the parties which it connects, and an arrow denotes the flow of subsidies or of referrals.

<u>Wholesale Financing</u>



Retail Financing



Term

From 1 January 2027 to 31 December 2029, subject to the satisfaction of the conditions precedent thereunder.

Conditions precedent to the Automobile Financing Services Agreement

The Automobile Financing Services Agreement and the continuing connected transactions contemplated thereunder are conditional upon the Company having complied with the relevant requirements under the Listing Rules and any other requirements imposed by the Stock Exchange as conditions precedent to the transactions contemplated thereunder.

If the above conditions are not fulfilled on or before 31 December 2026 (or such later date as the parties may agree in writing), the Automobile Financing Services Agreement shall automatically terminate.

Terms of the financing

For the Wholesale Financing, the maximum term of a financing granted is 360 days. Where a payment date falls on a day which is not a Business Day, the payment date will be postponed to the next Business Day. For the Retail Financing, the maximum term of a financing granted is 60 months. The actual implementation shall be in compliance with the latest requirements of the applicable regulatory authorities. The aforesaid terms are subject to amendment as determined by Genius AFC depending on its future business conditions.

Risk management

Genius AFC is responsible for the lending risk assessment and making decisions on providing the Wholesale Financing to the Cooperation Entities and the After-sales Service Providers and the Retail Financing to the Retail Customers. The extension of the term of financing to the Cooperation Entities, the After-sales Service Providers or the Retail Customers is subject to the satisfactory credit risk assessment in accordance with Genius AFC's credit risk management procedures and its internal risk and management policies.

In relation to the credit risk assessment procedures of the Wholesale Financing, the risk control department of Genius AFC will review the credit applications with supporting materials submitted by the Cooperation Entities and the After-sales Service Providers and will prepare proposals of granting credit lines. The risk control committee of Genius AFC will appraise and decide on whether or not to grant such credit lines. When considering an application, factors such as the debt-to-asset ratios, their background information, relevant experience in the automobile industry, the capital structure, and their financial performance will be considered.

In relation to the credit risk assessment procedures of the Retail Financing, Genius AFC has utilised a computerised internal risk assessment expert system, which enables Genius AFC to perform credit risk assessment procedures using big data analysis. The risk control department of Genius AFC will set specifications for the retail products to determine whether to accept the financing applications of the Retail Customers based on their incomes, credit history and repayment capability.

Subsidies

The relevant Automobile Manufacturer may subsidise the automobile financing or stocking costs of the relevant Cooperation Entities and After-sales Service Providers which enter into the relevant underlying financing agreements, and may provide interest subsidies to eligible Cooperation Entities and other sales entities in support of promotional activities relating to the Retail Financing, in each case according to its sales objectives, regional coverage and its assessment of the market situation. The form and duration of the subsidies, including the payment on behalf of those parties of interest accrued under the relevant underlying financing agreement for an agreed period, will be determined by the relevant Automobile Manufacturer according to its quarterly sales incentive policy.

Historical transaction amounts and annual caps

The table below sets out the historical transaction amounts, existing annual caps, proposed annual caps and corresponding Utilisation Rates for the periods indicated.

	Historical transaction amounts			Announced annual cap for the year ended/ending 31 December			Proposed annual cap for the year ending 31 December		
	Year ended 31 December 2024	Year ended 31 December 2025	Six months ended 30 June 2026	2024	2025	2026	2027	2028	2029
	RMB million (Audited)	*RMB million* (Audited)	*RMB million* (Unaudited)	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*	*RMB million*
Wholesale Financing	35.4	38.5	Nil	241.5	411.2	619.5	185.1	185.1	185.1
Utilisation Rate (1)				14.7%	9.4%	Nil			
Retail Financing	917.4	889.0	380.8	3,647.2	5,452.0	7,482.6	1,437.5	1,653.9	1,788.0
Utilisation Rate (1)				25.2%	16.3%	5.1%			
Aggregate	952.8	927.5	380.8	3,888.7	5,863.2	8,102.1	1,622.6	1,839.0	1,973.1
Utilisation Rate (1)				24.5%	15.8%	4.7%			

Note:

(1) The Utilisation Rates for the periods indicated were lower than predicted, principally because the actual sales volumes of the relevant brands were lower than expected, which reduced demand for the Automobile Financing Services.

Basis of determination of the proposed annual caps

The proposed annual caps have been determined with reference to:

a) the projected sales volume of the relevant brand vehicles (smart and Lotus for the Wholesale Financing; smart, Lotus, Geely Holding and Livan for the Retail Financing) to be purchased by the relevant Cooperation Entities or Retail Customers (as applicable) for each of the three years ending 31 December 2029;

b) the estimated average selling price of the relevant brand vehicles to the relevant Cooperation Entities which was determined with reference to the historical selling price and estimated selling price of the relevant brand vehicles for each of the three years ending 31 December 2029;

c) the estimated retail financing penetration rate for each brand, determined with reference to historical penetration rates and the expected increase in promotional activities, incentives and training to be undertaken by Genius AFC and the relevant Automobile Manufacturers to increase penetration rates;

d) the expected loan term mix and resulting portfolio build-up; and

e) a buffer to accommodate potential fluctuations in demand and market conditions.

The proposed annual caps are materially lower than the existing annual caps for the three years ended/ending 31 December 2026, principally because: (i) the utilisation rates under the Existing Finance Cooperation Agreements were significantly below original expectations; (ii) the Group has adopted a more conservative forecast of financing penetration rates based on historical experience; and (iii) transactions relating to ZEEKR and LYNK & CO, which have subsequently become members of the Group, no longer constitute continuing connected transactions under Chapter 14A of the Listing Rules.

Reasons for and benefits of entering into the Automobile Financing Services Agreement

Genius AFC is principally engaged in the provision of automobile financing services in the PRC and primarily supports the key automobile brands of the Group. Through the provision of wholesale and retail financing services, Genius AFC assists customers in financing their purchases of vehicles, automobile accessories and related services, thereby supporting vehicle sales and enhancing customer accessibility to the automobile products of the Group and other automobile brands.

The Automobile Financing Services Agreement will enable Genius AFC to continue providing financing services in connection with various automobile brands and expand its customer base and service coverage within the PRC automobile finance market. With the continued development of its funding sources and financing capabilities, including through asset-backed securities issuances, Genius AFC is well positioned to support the financing requirements of automobile manufacturers, dealers and retail customers.

The Directors believe that the transactions contemplated under the Automobile Financing Services Agreement will contribute to the business development and profitability of Genius AFC and generate additional income for the Group. At the same time, the continued provision of automobile financing services will support the sales of Geely brand vehicles and enhance the overall competitiveness of the Group's automobile business. Through cooperation with other automobile manufacturers, Genius AFC will also be able to further broaden its customer base and service scope, improve the utilisation of its financing platform and operational capabilities, and strengthen its position in the PRC automobile finance market.

The Directors consider that the provision of financing under the Automobile Financing Services Agreement by Genius AFC would not result in a deprivation of funds available for financing applications relating to purchases of vehicles of the Group. To ensure the proper allocation of resources and safeguard the Group's interests, Genius AFC has undertaken to the Company that, in the event of a shortage of funds, priority will be given to financing applications relating to purchases of vehicles of the Group.

PRICING POLICIES

(A) General Pricing Principles

The pricing of the transactions under each of the Framework Agreements will be determined on an arm's length basis and on normal commercial terms. In general, the pricing will be determined with reference to:

a) the prevailing market prices or market rates for the same or similar products or services charged by or to independent third parties; or

b) if there is no market price or market rate available, then on a cost-plus basis, being the relevant costs incurred plus a margin rate determined through arm's length negotiations between the relevant parties and falling within the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies, as stated in a transfer pricing analysis report prepared by an independent certified public accountant or a similarly qualified institution.

In respect of the Automobile Components Sales and Purchase Agreement, the Powertrain Products Purchase Agreement and the Operation Services Agreement, the margin rates will be reviewed and adjusted annually or as needed by the relevant parties, and will be determined with reference to the relevant transfer pricing analysis reports.

(B) Agreement-Specific Pricing Terms

In addition to the general pricing principles set out above, the following agreement-specific pricing terms apply:

Automobile Components Sales and Purchase Agreement

The pricing basis will be determined on an arm's length basis and on normal commercial terms.

For the sale of automobile components by the Group to the Components Purchasers, the selling price of the automobile components will be determined with reference to the prevailing market price of similar products. Where such market price is available, the Group will, on a best efforts basis, obtain pricing information for similar products for comparison purposes in order to determine the selling price of the automobile components.

If such market price is not available, the selling price will be determined on a cost-plus basis according to the actual manufacturing costs of the relevant automobile components (including applicable taxes) plus an agreed margin rate. The margin rate will be determined through arm's length negotiations between the relevant parties with reference to the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies as stated in the Components Transfer Pricing Analysis Report prepared by an independent certified public accountant or a similarly qualified institution. The selling prices shall in any event be no less favourable than those charged by the Group to independent third parties in similar circumstances.

For the purchase of automobile components by the Group from the Components Suppliers, where such automobile components are procured by the relevant Components Supplier from third-party suppliers for onward sale to the Group, the purchase price will be based on the original procurement costs incurred by that Components Supplier together with the actual costs incurred in connection with the procurement and supply of such automobile components, plus an agreed margin rate applied only to such actual costs incurred by the Components Supplier. The Group and the relevant Components Supplier will review the relevant cost components on a regular basis to ensure that the purchase prices properly reflect the actual costs incurred in such transactions.

For automobile components manufactured by the Components Suppliers, the purchase price will be determined with reference to the prevailing market price of similar products. Where such market price is available, the Group will obtain quotations from independent third-party suppliers and/or publicly available market information for comparison purposes in order to ensure that the purchase prices are no less favourable than those available from independent third parties under comparable circumstances.

If such market price is not available, the purchase price will be determined on a cost-plus basis according to the actual manufacturing costs of the relevant automobile components (including applicable taxes) plus an agreed margin rate. Such margin rate will be determined through arm's length negotiations between the relevant parties with reference to the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies as stated in the Components Transfer Pricing Analysis Report prepared by an independent certified public accountant or a similarly qualified institution.

The applicable margin rates under the Automobile Components Sales and Purchase Agreement will be reviewed and adjusted annually, or more frequently if considered necessary, by the relevant parties taking into account, among other matters, the latest transfer pricing analysis results, changes in market conditions and any changes in the margins earned by comparable companies. The Company will review annually whether an updated Components Transfer Pricing Analysis Report should be obtained for purposes of determining the applicable margin rates during the remaining term of the Automobile Components Sales and Purchase Agreement.

Powertrain Products Purchase Agreement

The Group will first determine whether prevailing market prices of comparable Powertrain Products are available by obtaining quotations from independent third-party suppliers and/or reviewing publicly available market information. Where such market prices are unavailable due to the proprietary nature of the relevant Powertrain Products or the absence of comparable products in the market, the purchase price will be determined on a cost-plus basis and calculated as follows:

Price per unit = Cost per unit × (1 + margin rate)

Where:

Cost per unit = cost of direct materials + other variable cost + standard fixed cost, calculated on a per unit basis.

The margin rate will be determined through arm's length negotiations between the Company and the Aurobay Group and fall within the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies as stated in the Powertrain Products Pricing Analysis Report prepared by an independent certified public accountant or a similarly qualified institution. The margin rate will be reviewed annually, or more frequently if considered necessary, to reflect changes in market conditions and the profitability levels of comparable companies, and any revised margin rate will be determined on the same basis.

The cost components are calculated as follows:

a) Cost of direct materials = unit cost of direct materials in the previous year × (1 – material cost reduction rate × material cost reduction sharing ratio). The material cost reduction rate refers to the percentage of price reduction based on the price offered by suppliers and the benchmark price in the previous year. The material cost reduction sharing ratio has been set at 50% following arm's length commercial negotiations between the parties, with the objective of allowing the Group and the Aurobay Group to share equally the benefits arising from procurement cost optimisation.

b) Other variable costs include indirect materials, direct labour cost, production expenses, transportation expenses, stamp duties and surtaxes, which are calculated based on actual costs and actual production volume.

c) Standard fixed cost = total fixed cost ÷ (production capacity × PUR). PUR means plant utilisation ratio, which will be determined with reference to prevailing industry average utilisation levels and will be reviewed annually, or more frequently if considered necessary, to reflect significant changes in industry conditions.

d) Fixed costs include depreciation and amortisation of fixed assets (including capitalised licence fees), selling, general and administrative expenses and R&D expenses. Production capacity refers to maximum output volume.

For the avoidance of doubt, value added tax and corporate income tax are excluded from the above cost components.

In any event, the purchase prices of the Powertrain Products shall be determined on normal commercial terms and on terms no less favourable to the Group than those available from independent third-party suppliers of comparable products, where such comparable products are available.

Operation Services Agreement

The pricing will be determined in accordance with the general pricing principles set out above. Where outsourcing costs are incurred, such costs will be excluded from the cost base to which the margin rate is applied, and will be charged at actual cost.

Automobile Financing Services Agreement

Given that Genius AFC is not the exclusive automobile financing service provider to the Automobile Manufacturers, the Cooperation Entities, the After-sales Service Providers and the Retail Customers, and taking into account the intense competition in the automobile financing industry in the PRC, the sales and marketing department of Genius AFC will communicate with the wholesale customers and/or the Retail Customers, as the case may be, on an ongoing basis to ensure that the terms of the underlying financing agreements remain competitive throughout the term of the Automobile Financing Services Agreement and are at all times in line with market practice in the automobile financing industry in the PRC. All automobile financing and related product pricing proposals of Genius AFC are prepared in accordance with its internal control procedures.

Genius AFC has the sole and absolute discretion in determining the final pricing of the Automobile Financing Services. The final pricing will be determined by Genius AFC after taking into account various factors, including its cost of funds, the lending rates offered by its competitors and the borrowers' risk profiles, which will be assessed by Genius AFC in accordance with its risk management procedures.

PAYMENT TERMS

All payments in respect of the continuing connected transactions contemplated under each of the Automobile Components Sales and Purchase Agreement and the Operation Services Agreement shall generally be settled within 60 days from the date of the relevant invoice, whereas all payments in respect of the continuing connected transactions contemplated under the Powertrain Products Purchase Agreement shall generally be settled within 45 days from the date of the relevant invoice. In each case, settlement shall be made by cash, bank transfer, acceptance bill or such other payment method as may be mutually agreed by the relevant parties, and within such other payment period as may be agreed by the relevant parties thereunder.

INTERNAL CONTROL MEASURES

The Group has adopted the following internal control measures to monitor the implementation of the Non-Exempt Continuing Connected Transactions and the Exempted Continuing Connected Transactions.

(A) General Internal Control Measures

The designated finance managers within the finance department of the Group are responsible for monitoring the implementation of the transactions contemplated under each of the Framework Agreements, so as to ensure that the relevant underlying agreements are entered into and performed in accordance with the applicable principles thereunder, in particular the pricing terms. In particular, the designated finance managers will:

a) closely review the terms and pricing of the separate underlying agreements to be entered into by the relevant parties, and ensure that such underlying agreements are conducted on normal commercial terms, in the ordinary and usual course of business of the Group and are not prejudicial to the interests of the Company and the Shareholders as a whole;

b) where prevailing market prices or market rates are available, perform spot checks by obtaining comparable quotations from independent third parties and/or publicly available sources, taking into account the specifications, quantities and transaction terms concerned, to ensure that (i) in respect of sales by the Group, the selling prices are no less favourable than those charged to independent third parties in comparable circumstances; and (ii) in respect of purchases by the Group, the purchase prices are no less favourable than those offered by independent third parties in comparable circumstances;

c) where transactions are priced on a cost-plus basis, monitor the relevant cost components and review whether the applicable margin rates fall within the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies, as set out in the relevant transfer pricing analysis report prepared by an independent certified public accountant or a similarly qualified institution;

d) review and, where appropriate, adjust the applicable margin rates on an annual basis, or more frequently if considered necessary, and review annually whether updated transfer pricing analysis reports should be obtained;

e) record the transaction amounts under each of the Framework Agreements on a monthly basis and maintain separate monitoring records by transaction category and by connected counterparty. The designated finance managers will prepare monthly reports showing the actual transaction volumes and amounts, the utilisation rates of the relevant annual caps and the utilisation rates attributable to each major connected counterparty. Such reports will be submitted to the management of the Group for review;

f) conduct quarterly reviews of the transaction amounts, pricing terms and annual cap utilisation levels under each of the Framework Agreements and assess whether any unusual transaction trends, concentration risk or cap utilisation risks have arisen;

g) where any proposed transaction exceeds a prescribed internal materiality threshold, obtain prior internal approval from the relevant finance, legal and compliance personnel before the transaction is entered into;

h) where (i) the designated finance managers are notified by the relevant business departments of the Company's subsidiaries that a significant increase in transaction volume is expected in any particular period which may result in the relevant annual cap being exceeded, or (ii) at any time during the year the utilisation rate of any applicable annual cap reaches a substantial proportion of such annual cap, immediately report the matter to management and the Company Secretary and take appropriate measures, including restricting the relevant sale, purchase, provision or procurement volumes, to ensure compliance with the relevant annual caps. Where the Group expects that an annual cap may nonetheless be exceeded, it will promptly commence the necessary procedures to revise the relevant annual cap in accordance with Chapter 14A of the Listing Rules.

(B) Agreement-Specific Internal Control Measures

In addition to the general internal control measures set out above, the following agreement-specific internal control measures apply:

Automobile Components Sales and Purchase Agreement

In respect of sales by the Group, the Group and the Components Purchasers will review the cost components on an annual basis to ensure that the selling prices properly reflect the actual costs incurred and remain consistent with the applicable pricing policies.

In respect of purchases by the Group, where the automobile components are manufactured by the Components Suppliers, the Group will obtain quotations from independent third-party suppliers and/or publicly available market information where available to compare the prices offered by the Components Suppliers. The Group and the Components Suppliers will negotiate the terms of such transactions to ensure that the purchase prices properly reflect prevailing market prices.

Where automobile components are procured by the Components Suppliers from third-party suppliers for onward sale to the Group, the Group and the Components Suppliers will review the relevant cost components on an annual basis to ensure that the purchase prices properly reflect the actual costs incurred by the Components Suppliers.

Powertrain Products Purchase Agreement

The finance department of the Group will monitor the manufacturing cost components, including direct material costs, variable costs, standard fixed costs, material cost reductions and the applicable sharing ratio, production capacity, plant utilisation ratio, and applicable taxes, on a quarterly basis by reviewing the relevant information provided by the Aurobay Group.

The Company and the Aurobay Group will negotiate the terms of such transactions to ensure that the purchase prices are fair and reasonable and properly reflect the level of costs incurred by the parties.

The scope of the Powertrain Products and the applicable margin rate will be reviewed jointly by the Company and the Aurobay Group on an annual basis to determine whether an updated margin rate should be adopted. Any updated margin rate will be determined with reference to an updated Powertrain Products Pricing Analysis Report.

Operation Services Agreement

Where no market rates are available, the designated finance managers will monitor the relevant cost items and other necessary and reasonable expenses on an annual basis, or more frequently if considered necessary, for each category of operation services and ensure that the service fees are properly determined in accordance with the pricing policies under the Operation Services Agreement.

The designated finance managers will negotiate the terms of the relevant transactions with the Service Purchasers and the Service Providers on an annual basis, or more frequently if considered necessary, to ensure that the service fees are fair and reasonable and properly reflect the costs incurred in the provision of the relevant services.

Automobile Financing Services Agreement

All financing and product pricing proposals (including any subsequent modifications) are prepared by the sales and marketing department of Genius AFC based on customers' requirements.

To ensure adherence to the pricing basis, the finance department of Genius AFC will monitor fluctuations in market interest rates, including the PBOC benchmark lending rates, at least monthly, or more frequently if considered necessary.

The sales and marketing department of Genius AFC will communicate on an ongoing basis with the relevant dealers, After-sales Service Providers and other sellers covered by the Automobile Financing Services Agreement to ensure that the terms of the underlying financing agreements remain in line with prevailing automobile finance market practice.

The finance department of Genius AFC will prepare and review market interest rate reports at least monthly. Such reports will be distributed to the sales and marketing department, operation department, risk control department, legal and compliance department and information technology department of Genius AFC for review where appropriate.

All pricing proposals must be validated by the finance department and risk control department and approved by the relevant internal approval authority of Genius AFC before implementation.

The internal audit department of the Group will conduct reviews of, and inspections in respect of compliance with, the internal control requirements applicable to the continuing connected transactions at least annually, or more frequently if considered necessary, in order to assess whether the internal control measures have been properly implemented and complied with and whether such measures remain effective.

The Audit Committee will receive periodic reports regarding the implementation of the continuing connected transactions, annual cap utilisation levels and compliance with the relevant pricing policies.

The independent non-executive Directors will conduct annual reviews of the continuing connected transactions and confirm whether such transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, in accordance with the relevant agreements, and in the interests of the Company and the Shareholders as a whole.

The Company will engage its independent auditor to report on the continuing connected transactions each year in accordance with the Listing Rules. The auditor will provide a letter to the Board confirming whether anything has come to its attention that causes it to believe that the continuing connected transactions: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group where the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing them; or (iv) have exceeded the relevant annual caps.

Having considered the foregoing, the Directors are of the view that the Company has adopted sufficient internal control measures to ensure that the transactions under each of the Framework Agreements are conducted in accordance with the applicable pricing policies, and that the proposed annual caps thereunder will not be exceeded.

INFORMATION OF THE PARTIES

The Company

The Company is incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange (stock codes: 175 (HKD counter) and 80175 (RMB counter)). 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. As at the date of this announcement, the Group's principal automobile brands include Geely, ZEEKR and LYNK & CO.

The other parties

The following table sets out information on the other parties to the Framework Agreements as at the date of this announcement.

Party	Name, shareholding and principal business
"Geely Holding", together with its subsidiaries (excluding the Group and its subsidiaries), "Geely Holding Group"	Zhejiang Geely Holding Group Company Limited* (浙江吉利控股集團有限公司), a limited liability company established in the PRC, which is ultimately beneficially wholly-owned by Mr. Li and his associates. It is principally engaged in the wholesale and retail sales of automobiles and related parts and components, investment holding, and the management of its portfolio of automotive brands. It is a controlling shareholder of the Company holding 4,023,221,000 Shares, representing approximately 37% of the issued Shares (excluding treasury shares) as at the date of this announcement.

"Geely Technology", together with its subsidiaries, "Geely Technology Group"	Geely Technology Group Co., Ltd.* (吉利科技集團有限公司), a limited liability company established in the PRC. It is indirectly owned as to more than 85% by Mr. Li and his associates. Its core businesses include new materials, new energy, and motorcycle travel culture. It also makes strategic investments in low-altitude travel, commercial aerospace, and innovation incubation businesses.
"Aurobay Changxing"	Aurobay (Changxing) Transmission Co., Ltd.* (極光灣(長興)變速器有限公司), formerly known as Geely Changxing Automatic Transmission Co., Ltd.* (吉利長興自動變速器有限公司) and referred to as "Geely Changxing" in the Company's announcement dated 11 July 2023, a limited liability company established in the PRC and a 70% owned subsidiary of Aurobay Holding (SG) Pte. Ltd. It is indirectly owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the research and development, manufacturing, processing, sales, technical services and supply of relevant after-sales parts of engines and transmissions.
"Aurobay Technology", and together with Aurobay Changxing and their respective subsidiaries, the "Aurobay Group"	Aurobay Technology Co., Ltd.* (極光灣科技有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Aurobay Holding (SG) Pte. Ltd. It is indirectly owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the research and development, manufacturing, processing, sales, technical services and supply of relevant after-sale parts of engines and transmissions in the PRC. The Aurobay Group was referred to as the "Aurobay Technology Group" and the "Geely Changxing Group" in the Company's announcement dated 11 July 2023.
"Chunqing Ecological", together with its subsidiaries, "Chunqing Group"	Zhejiang Chunqing Ecological Technology Co., Ltd.* (浙江醇氫生態科技有限公司), formerly known as Tianjin Chunqing Technology Co., Ltd.*, a limited liability company established in the PRC. It is ultimately owned as to more than 60% by Mr. Li and his associates. It is principally engaged in the research and development of commercial vehicles, the trading of complete vehicles and automobile parts, the preparation, trading and refuelling of methanol, vehicle leasing, transportation services, as well as investment and holding business.

"ECARX", together with its subsidiaries, "ECARX Group"	ECARX Holdings Inc., a company incorporated in the Cayman Islands with its shares listed on the Nasdaq Stock Market (stock symbol: ECX). It is indirectly owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the research and development and supply of automotive intelligent cockpit and intelligent driving solutions.
"Farizon Commercial Vehicles", together with its subsidiaries, "Farizon Commercial Vehicles Group"	Zhejiang Farizon New Energy Commercial Vehicles Group Co., Ltd.* (浙江遠程新能源商用車集團有限公司), formerly known as Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd.*, a limited liability company established in the PRC. It is ultimately wholly-owned by Mr. Li and his associates. It is principally engaged in the research and development, manufacturing and trading of commercial vehicles and automobile parts, as well as investment and holding business.
"Farizon Technology", together with its subsidiaries, "Farizon Technology Group"	Farizon Commercial Vehicle Technology Co., Ltd.* (遠程商用車科技有限公司), a limited liability company established in the PRC. As at the date of this announcement, it is ultimately owned as to more than 60% by Mr. Li and his associates. It is principally engaged in research and development, trading of commercial vehicles, production and trading of automotive parts, construction and operation of charging and swapping stations, vehicle leasing, transportation services, as well as investment and holding business.
"Genius AFC"	Genius Auto Finance Co., Ltd.* (吉致汽車金融有限公司), a limited liability company established in the PRC and jointly controlled by the Company and its remaining shareholders. It is owned as to 75% by the Company, as to 20% by BNPP PF and as to 5% by Cofiplan, respectively. It is principally engaged in the provision of vehicle financing services in the PRC and is primarily regulated by the NAFR.
"Hezhong Insurance", together with its subsidiaries, "Hezhong Insurance Group"	Hezhong Property Insurance Co., Ltd.* (合眾財產保險股份有限公司), a joint stock company established in the PRC. It is ultimately owned as to 33.33% by Mr. Li and his associates. It is principally engaged in the property insurance business.
"InfiMotion", together with its subsidiaries, "InfiMotion Group"	Wuxi InfiMotion Technology Co., Ltd.* (無錫星驅科技有限公司), a limited liability company established in the PRC. It is indirectly owned as to more than 30% by Mr. Li and his associates. Its core businesses include research, development, manufacturing, and sales of pure electric vehicle and hybrid vehicle electric drive systems, as well as technology development services.

"Jiyao", together with its subsidiaries, "Jiyao Group"	Zhejiang Jiyao Pass Energy Technology Co., Ltd.* (浙江吉曜通行能源科技有限公司), a limited liability company established in the PRC. It is ultimately wholly-owned by Mr. Li and his associates. It is a cell technology company focusing on electrochemical innovation and is principally engaged in the research and development, manufacture and sale of lithium iron phosphate battery technologies and products.
"LEVC Automobile", together with its subsidiaries, "LEVC Automobile Group"	Zhejiang LEVC Automobile Co., Ltd.* (浙江翼真汽車有限公司), a limited liability company established in the PRC. It is indirectly owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the wholesale and retail business of complete vehicles and their components.
"Livan Automotive", together with its subsidiaries, "Livan Group"	Chongqing Livan Automobile Technology Co., Ltd.* (重慶睿藍汽車科技有限公司), a limited liability company established in the PRC. It is indirectly owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the provision of battery swapping vehicles and related services.
"Lotus Inc", together with its subsidiaries, "Lotus Inc Group"	Lotus Technology Inc., a company incorporated in the Cayman Islands with its shares listed on the Nasdaq Stock Market (stock symbol: LOT). It is indirectly owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the research and development, procurement and sale of Lotus brand sports vehicles and lifestyle vehicles and the provision of related services.
"Lotus Sales"	Wuhan Lotus Automobile Sales Company Limited* (武漢路特斯汽車銷售有限公司), a limited liability company established in the PRC. It is indirectly owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the sale and distribution of Lotus brand vehicles in the PRC.
"Mingtai Times", together with its subsidiaries, "Mingtai Times Group"	Zhejiang Mingtai Times Technology Group Co., Ltd.* (浙江銘泰時代科技集團有限公司), a limited liability company established in the PRC. As at the date of this announcement, it is ultimately owned as to more than 30% by Mr. Li and his associates. It is principally engaged in circuit-based new commerce, event operations and business travel development, and in diversified industrial investment and operations management.

"Qingwei", together with its subsidiaries, "Qingwei Group"	Hangzhou Qingwei Technology Co., Ltd.* (杭州擎威科技有限公司), a limited liability company established in the PRC. It is ultimately owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the production and sale of automobile components.
"Shandong Geely New Energy", together with its subsidiaries, "Shandong Geely New Energy Group"	Shandong Geely New Energy Commercial Vehicle Co., Ltd.* (山東吉利新能源商用車有限公司), a limited liability company established in the PRC. It is indirectly owned as to approximately 90% by Mr. Li and his associates. It is principally engaged in the research and development, manufacture and sale of CKDs, automobile parts and related automobile components.
"smart"	smart Automobile Co., Ltd.* (智馬達汽車有限公司), a limited liability company established in the PRC. It is owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the research and development, sales and export of electric vehicles and parts.
"smart Sales"	smart Automobile Sales (Nanning) Co., Ltd.* (精靈汽車銷售(南寧)有限公司), a limited liability company established in the PRC. It is owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the sale and distribution of smart brand vehicles in the PRC.
"smart Mobility"	smart Mobility (Shandong) Technology Co., Ltd.* (智馬達(山東)出行科技有限公司), a limited liability company established in the PRC. It is owned as to more than 30% by Mr. Li and his associates and is principally engaged in the research and development, sale and export of complete vehicles and spare parts.
"smart Europe", together with smart, smart Mobility and their respective subsidiaries, the "smart Group"	smart Europe GmbH, a company incorporated in Germany. It is owned as to more than 30% by Mr. Li and his associates and is the sales company of the smart Group in Europe.
"Viridi", together with its subsidiaries, "Viridi Group"	Viridi E-Mobility Technology (Ningbo) Co., Ltd.* (威睿電動汽車技術(寧波)有限公司), a limited liability company established in the PRC. It is owned as to approximately 51% by ZEEKR and indirectly owned as to approximately 49% by Geely Holding. It is principally engaged in the research and development, manufacture, sale and provision of after-sales services in respect of new energy vehicle battery power units, electric drive systems, charging systems and energy storage systems.

"Wisdom Puhua", together with its subsidiaries, "Wisdom Puhua Group"	Zhejiang Wisdom Puhua Finance Leasing Co., Ltd.* (浙江智慧普華融資租賃有限公司), a limited liability company established in the PRC. It is ultimately wholly-owned by Mr. Li and his associates. It is principally engaged in the finance leasing business.
"YoeNing Technology", together with its subsidiaries, "YoeNing Technology Group"	Zhejiang YoeNing Technology Group Co., Ltd.* (浙江耀寧科技集團有限公司), a limited liability company established in the PRC. It is owned as to more than 80% by Mr. Li and his associates. It is principally engaged in the automobile and new energy vehicle industries in the PRC, with a business scope covering automobile parts, new energy and phosphate related industries.

IMPLICATIONS UNDER THE LISTING RULES

(A) Connected Relationships

As at the date of this announcement, each of the following persons is a connected person of the Company, or an associate of a connected person of the Company, under the Listing Rules:

- **Substantial shareholder:** Geely Holding holds 4,023,221,000 Shares, representing approximately 37% of the issued Shares (excluding treasury shares), and is accordingly a substantial shareholder and a controlling shareholder of the Company and a connected person of the Company. Mr. Li is interested in approximately 42% of the issued Shares (excluding treasury shares), including through Geely Holding and his other associates, and is accordingly also a controlling shareholder of the Company and a connected person of the Company. Geely Holding is ultimately beneficially wholly-owned by Mr. Li and his associates.

- **Companies in which Mr. Li and his associates are interested in 30% or more:** Each of Aurobay Changxing, Aurobay Technology, Chunqing Ecological, ECARX, Farizon Commercial Vehicles, Farizon Technology, Geely Technology, Hezhong Insurance, InfiMotion, Jiyao, LEVC Automobile, Livan Automotive, Lotus Inc, Lotus Sales, Mingtai Times, Qingwei, Shandong Geely New Energy, smart, smart Sales, smart Europe, smart Mobility, Wisdom Puhua and YoeNing Technology is a company in which Mr. Li and his associates are together interested in 30% or more, in the proportion set out against its name in the table under the section headed "Information of the Parties" above. Each of them is accordingly an associate of Mr. Li under Rule 14A.12(1)(c) and Rule 14A.13 of the Listing Rules and is therefore a connected person of the Company.

As at the date of this announcement, Viridi is owned as to approximately 51% by ZEEKR, an indirect wholly-owned subsidiary of the Company, and as to approximately 49% indirectly by Geely Holding. Viridi is accordingly a connected subsidiary of the Company under the Listing Rules.

(B) Non-Exempt Continuing Connected Transactions

The transactions contemplated under each of the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios of the proposed annual caps under each of the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement, on an annual basis, are 5% or more, the continuing connected transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(C) Exempted Continuing Connected Transactions

The transactions contemplated under each of the Operation Services Agreement and the Automobile Financing Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Automobile Financing Services Agreement, the financing to be provided by Genius AFC to the Cooperation Entities, the After-sales Service Providers, the other sales entities and the Retail Customers to enable them to purchase vehicles, automobile accessories or services from the Automobile Manufacturers, constitutes the provision of financial assistance by the Group under that agreement, to which each of the Automobile Manufacturers, being a connected person of the Company, is a party. Accordingly, such transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios of the proposed annual caps under each of the Operation Services Agreement and the Automobile Financing Services Agreement, on an annual basis, are more than 0.1% but less than 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements, but are exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Mr. An Cong Hui, being the Chairman and an executive Director, Mr. Li Dong Hui, Daniel, being an executive Director, and Mr. Gan Jia Yue, being an executive Director, are each considered to be interested in the Non-Exempt Continuing Connected Transactions and the Exempted Continuing Connected Transactions by virtue of their respective interests in and/or directorships with Geely Holding or its subsidiaries. Accordingly, each of Mr. An Cong Hui, Mr. Li Dong Hui, Daniel and Mr. Gan Jia Yue has abstained from voting on the Board resolutions approving the Non-Exempt Continuing Connected Transactions and the Exempted Continuing Connected Transactions.

The Board (including the independent non-executive Directors in respect of the Exempted Continuing Connected Transactions and excluding the independent non-executive Directors whose views will be contained in the circular in respect of the Non-Exempt Continuing Connected Transactions) considers that the transactions contemplated under the Framework Agreements have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and that the terms of the Framework Agreements and the proposed annual caps thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Independent Board Committee, comprising all of the independent non-executive Directors, none of whom has a material interest in the Non-Exempt Continuing Connected Transactions, has been formed to advise the Independent Shareholders as to whether the terms of the Non-Exempt Continuing Connected Transactions and the proposed annual caps thereunder are fair and reasonable, whether they are on normal commercial terms or better and in the ordinary and usual course of business of the Group, whether they are in the interests of the Company and the Independent Shareholders as a whole, and how the Independent Shareholders should vote. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be convened and held at which ordinary resolutions will be proposed to seek the Independent Shareholders' approval of the transactions contemplated under (i) the Automobile Components Sales and Purchase Agreement; and (ii) the Powertrain Products Purchase Agreement, and the respective proposed annual caps thereunder. Mr. Li, Geely Holding and their respective associates, and any other Shareholders who are interested in or involved in the Non-Exempt Continuing Connected Transactions, will abstain from voting at the EGM on the relevant resolutions. A circular containing, among other things, (i) further information of the Non-Exempt Continuing Connected Transactions; (ii) the recommendation of the Independent Board Committee in respect of the Non-Exempt Continuing Connected Transactions; (iii) the advice of the Independent Financial Adviser on the Non-Exempt Continuing Connected Transactions; and (iv) other information as required under the Listing Rules together with the notice of the EGM, will be despatched to the Shareholders on or before 16 November 2026, which is more than 15 business days after the publication of this announcement, after taking into account the time required for preparing and gathering the relevant information to be contained in the circular.

The Company considers that the transactions contemplated under the respective Framework Agreements relate to distinct categories of products or services, are entered into for different commercial purposes, involve different counterparties, and are subject to separate pricing mechanisms and internal control measures, as described above. Accordingly, the Company considers that the transactions contemplated under the Framework Agreements are not required to be aggregated under Rules 14A.81 and 14A.82 of the Listing Rules.

The Company also considers that the services agreement dated 30 April 2026 entered into between the Company and CaoCao relates to business travel services and event organisation services, which are different in nature from the operation services contemplated under the Operation Services Agreement, are entered into for different commercial purposes and are subject to separate pricing mechanisms and internal control measures and are driven by different operational requirements and cost drivers. Accordingly, the Company considers that the transactions contemplated under the Operation Services Agreement and the services agreement dated 30 April 2026 are not required to be aggregated pursuant to Rules 14A.81 and 14A.82 of the Listing Rules.

WARNING

Shareholders and potential investors of the Company should note that the Non-Exempt Continuing Connected Transactions are subject to the Independent Shareholders' approval at the EGM. There is no assurance that the Independent Shareholders will approve the Non-Exempt Continuing Connected Transactions. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings ascribed to them below. The abbreviations used for the other parties to the Framework Agreements, and for the members of their respective groups, have the meanings given to them in the section headed "Information of the Parties" above.

"After-sales Service Providers"	operators engaged in automobile after-sales maintenance and repair and the sale of automobile parts, components and accessories
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Automobile Components Sales and Purchase Agreement"	the automobile components sales and purchase framework agreement dated 23 September 2026 entered into among the Company, Geely Holding, Viridi, InfiMotion, LEVC Automobile, Geely Technology, YoeNing Technology, Jiyao, ECARX, smart, smart Mobility, smart Europe, Livan Automotive, Chunqing Ecological, Farizon Technology, Farizon Commercial Vehicles, Shandong Geely New Energy and Qingwei in respect of the sale and purchase of automobile components for a term ending on 31 December 2029
"Automobile Financing Services"	the automobile financing services to be provided by Genius AFC under the Automobile Financing Services Agreement, comprising the Wholesale Financing and the Retail Financing

"Automobile Financing Services Agreement"	the automobile financing services cooperation framework agreement dated 23 September 2026 entered into among Genius AFC, Geely Holding, Livan Automotive, Lotus Sales, smart Sales and smart Mobility for a term ending on 31 December 2029
"Automobile Manufacturers"	collectively, Geely Holding, Livan Automotive, Lotus Sales, smart Sales and smart Mobility
"BNPP PF"	BNP Paribas Personal Finance, a company incorporated in France and a 20% shareholder of Genius AFC
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday or public holiday in the PRC) on which commercial banks are generally open for business in the PRC
"CBUs"	completely built-up vehicles, being fully functional vehicles that satisfy the relevant corporate standards, industry requirements and regulatory requirements and are capable of being sold directly to customers
"CKDs"	completely knocked-down kits, being all parts and components in a disassembled state that can be assembled into CBUs
"Cofiplan"	Cofiplan S.A., a company incorporated in France and a 5% shareholder of Genius AFC
"Company"	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock codes: 175 (HKD counter) and 80175 (RMB counter))
"Components Purchasers"	collectively, the Geely Holding Group, the Viridi Group, the YoeNing Technology Group, the Geely Technology Group, the InfiMotion Group, the Jiyao Group, the Shandong Geely New Energy Group, the smart Group, the LEVC Automobile Group, the ECARX Group, the Livan Group, the Farizon Commercial Vehicles Group, the Farizon Technology Group and the Chunqing Group

"Components Suppliers"	collectively, the Geely Holding Group, the Viridi Group, the YoeNing Technology Group, the Geely Technology Group, the InfiMotion Group, the Jiyao Group, the Shandong Geely New Energy Group, the smart Group, the LEVC Automobile Group, the ECARX Group and the Qingwei Group
"Components Transfer Pricing Analysis Report"	a transfer pricing analysis report setting out the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies in relation to the transactions under the Automobile Components Sales and Purchase Agreement, as prepared by an independent certified public accountant or a similarly qualified institution
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Cooperation Entities"	operators which have lawfully obtained automobile sales qualifications and cooperate with the relevant Automobile Manufacturer in connection with the sale of vehicles, automobile accessories and services
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, approve the Non-Exempt Continuing Connected Transactions and the respective proposed annual caps thereunder
"Exempted Continuing Connected Transactions"	the continuing connected transactions contemplated under the Operation Services Agreement and the Automobile Financing Services Agreement
"Existing Automobile Components Sales and Purchase Agreement"	the automobile components sales and purchase framework agreement dated 15 August 2024 entered into among the Company, Geely Holding, LYNK & CO, ZEEKR, LEVC, Geely Technology, YoeNing Technology, InfiMotion and Geely Sunwoda, which will expire on 31 December 2026
"Existing Components Framework Agreement"	the components supply and research and development services framework agreement dated 14 November 2024 entered into among the Company, ECARX and certain other parties, which has an effective term until 31 December 2027 and the automobile components transactions under which are consolidated within the Automobile Components Sales and Purchase Agreement

"Existing Finance Cooperation Agreements"	the finance cooperation agreements entered into by Genius AFC with, among others, Geely Holding, Lotus Sales, Livan Sales and smart, as disclosed in the Company's announcements dated 15 September 2023 and 15 August 2024, which will expire on 31 December 2026
"Existing Operation Services Agreement"	the operation services framework agreement dated 15 August 2024 entered into among the Company, Geely Holding, LYNK & CO, ZEEKR, Geely Technology, Aurobay Technology, Aurobay Changxing, Lotus Technology, JIDU, smart, Chunqing Ecological, Farizon Technology, Farizon Commercial Vehicles, Livan Automotive and YoeNing Technology, which will expire on 31 December 2026
"Existing Powertrain Purchase Agreement"	the powertrain purchase agreement dated 11 July 2023 entered into among the Company, Aurobay Technology and Aurobay Changxing, then known as Geely Changxing, which will expire on 31 December 2026
"Framework Agreements"	the Automobile Components Sales and Purchase Agreement, the Powertrain Products Purchase Agreement, the Operation Services Agreement and the Automobile Financing Services Agreement, and "Framework Agreement" means any one of them
"Geely Sunwoda"	山東吉利欣旺達動力電池有限公司 (Shandong Geely Sunwoda Power Battery Co., Ltd.*), a limited liability company established in the PRC
"Group"	the Company and its subsidiaries
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent board committee of the Company comprising all of the independent non-executive Directors, established to advise the Independent Shareholders in respect of the Non-Exempt Continuing Connected Transactions
"Independent Financial Adviser"	Ballas Capital Limited, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Non-Exempt Continuing Connected Transactions

"Independent Shareholders"	Shareholders other than Mr. Li, Geely Holding and their respective associates, and any other Shareholders who are interested in or involved in the Non-Exempt Continuing Connected Transactions
"independent third party(ies)"	person(s) who is(are) independent of the Company and its connected persons (as defined under the Listing Rules)
"JIDU"	集度汽車公司 (JIDU Auto Inc.*), a company incorporated in the Cayman Islands
"LEVC"	浙江翼真新能源汽車有限公司 (Zhejiang LEVC New Energy Automobile Co., Ltd.*), a limited liability company established in the PRC, which is owned as to 50% by Geely Holding and as to 50% by Geely Group (Ningbo) Co., Ltd., which is in turn wholly-owned by Mr. Li and his associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Livan Sales"	重慶睿藍汽車銷售有限公司 (Chongqing Livan Automotive Sales Co., Ltd.*), a limited liability company established in the PRC and a wholly-owned subsidiary of Livan Automotive
"Lotus Technology"	武漢路特斯科技有限公司 (Wuhan Lotus Technology Company Limited*), a limited liability company established in the PRC. It is indirectly owned as to more than 30% by Mr. Li and his associates. It is principally engaged in the development, manufacturing and distribution of automotive products such as passenger cars, automotive components and repair parts. It is the company referred to as "Lotus Technology" in the Company's announcement dated 15 August 2024 and the Company's circular dated 24 September 2024
"LYNK & CO"	領克汽車科技有限公司 (LYNK & CO Automotive Technology Co., Ltd.*), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
"Mr. Li"	Mr. Li Shu Fu, the Honorary Chairman for Life of the Company and a controlling shareholder holding approximately 42% (including through Geely Holding and his other associates) of the issued Shares (excluding treasury shares) as at the date of this announcement

"NAFR"	the National Financial Regulatory Administration of the PRC
"Non-Exempt Continuing Connected Transactions"	the continuing connected transactions contemplated under the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement
"Operation Services Agreement"	the operation services framework agreement dated 23 September 2026 entered into among the Company, Geely Holding, Viridi, InfiMotion, LEVC Automobile, Geely Technology, YoeNing Technology, Jiyao, ECARX, Aurobay Technology, Aurobay Changxing, smart, smart Mobility, smart Europe, Livan Automotive, Chunqing Ecological, Farizon Technology, Farizon Commercial Vehicles, Shandong Geely New Energy, Lotus Inc, Mingtai Times, Hezhong Insurance and Wisdom Puhua for a term ending on 31 December 2029
"Operation Services Transfer Pricing Analysis Reports"	the transfer pricing analysis reports setting out the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies in relation to the transactions under the Operation Services Agreement, as prepared by an independent certified public accountant or a similarly qualified institution
"PBOC"	the People's Bank of China
"percentage ratio(s)"	has the meaning ascribed thereto under Rule 14.07 of the Listing Rules
"Powertrain Products"	engines, transmissions and related after-sales parts to be supplied by the Aurobay Group under the Powertrain Products Purchase Agreement
"Powertrain Products Purchase Agreement"	the powertrain products purchase agreement dated 23 September 2026 entered into among the Company, Aurobay Technology and Aurobay Changxing for a term ending on 31 December 2029
"Powertrain Products Pricing Analysis Report"	a transfer pricing analysis report setting out the range between the lower quartile and the upper quartile of the three-year weighted average cost-plus margins of comparable companies in relation to the transactions under the Powertrain Products Purchase Agreement, as prepared by an independent certified public accountant or a similarly qualified institution

"PRC"	the People's Republic of China, but for the purposes of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Retail Customers"	end customers, whether individuals or institutions, who obtain Retail Financing from Genius AFC
"Retail Financing"	the retail financing services, including loans and finance leases, to be provided by Genius AFC to the Retail Customers under the Automobile Financing Services Agreement
"RMB"	Renminbi, the lawful currency of the PRC
"Service Providers"	collectively, the Geely Holding Group, the Geely Technology Group, the Aurobay Group, the Viridi Group, the InfiMotion Group, the Jiyao Group, the Mingtai Times Group, the Hezhong Insurance Group, the Shandong Geely New Energy Group, the Farizon Commercial Vehicles Group, the Farizon Technology Group, the Chunqing Group, the Wisdom Puhua Group and the LEVC Automobile Group
"Service Purchasers"	collectively, the Geely Holding Group, the Geely Technology Group, the Aurobay Group, the smart Group, the Farizon Commercial Vehicles Group, the Farizon Technology Group, the Chunqing Group, the Livan Group, the Lotus Inc Group, the YoeNing Technology Group, the LEVC Automobile Group, the Jiyao Group, the InfiMotion Group, the Shandong Geely New Energy Group and the ECARX Group
"Share(s)"	ordinary share(s) of HK$0.02 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Utilisation Rate"	in respect of a category of transactions and a period, means the historical transaction amount for that category during the relevant period, expressed as a percentage of the announced annual cap for that category for the financial year in which the relevant period falls

"Volvo"	Volvo Car Corporation, a limited liability company incorporated under the laws of Sweden, which is an indirect non-wholly-owned subsidiary of Geely Holding as at the date of this announcement
"Wholesale Financing"	the financing to be provided by Genius AFC to the Cooperation Entities and the After-sales Service Providers under the Automobile Financing Services Agreement
"ZEEKR"	ZEEKR Intelligent Technology Holding Limited, a company incorporated in the Cayman Islands and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
"%"	per cent.

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

Hong Kong, 23 September 2026

As at the date of this announcement, the executive directors of the Company are Mr. An Cong Hui (Chairman), Mr. Gui Sheng Yue (Vice Chairman), Mr. Gan Jia Yue (Chief Executive Officer), Mr. Li Dong Hui, Daniel 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 identification purposes only*