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GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

CONNECTED TRANSACTION

COMPLETION OF DISPOSAL OF INTEREST IN THE JV COMPANY AND THE ENTERING INTO THE AMENDED JOINT VENTURE AGREEMENT

References are made to the Announcement and the Circular of Geely Automobile Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). Terms capitalised but not otherwise defined herein shall have the same meanings as defined in the Announcement and the Circular.

COMPLETION OF THE DISPOSAL

The Board is pleased to announce that the Conditions in relation to the Disposal under the Sale and Purchase Agreement have been fulfilled and the Disposal has been completed on 2 December 2024. Following the Completion, the JV Company is owned as to 10% by Aramco Asia Singapore, 29.7% by Aurobay Holding (BVI), an indirectly wholly-owned subsidiary of the Company, 15.3% by GHPT Limited, an indirectly wholly-owned subsidiary of Geely Holding, and 45% by Renault.

Further adjustments may be made by the Parties with reference to the Final Consideration pursuant to the Sale and Purchase Agreement.

THE AMENDED JOINT VENTURE AGREEMENT

Aramco Asia Singapore became a shareholder of the JV Company upon Completion. As a result, Aramco Asia Singapore, Aurobay Holding (BVI), GHPT Limited, Renault, Geely Holding, the Company and the JV Company have entered into the Amended Joint Venture Agreement on 2 December 2024 to further set out their respective rights and obligations as well as the management of the JV Company. The Amended Joint Venture Agreement was determined based on arm’s length negotiations among the Parties. The entering into the Amended Joint Venture Agreement will strengthen the growth of the JV Company by synergising the Parties’ collective expertise in ICE, hybrid, and plug-in hybrid powertrain and fuel technologies. Pursuant to the Amended Joint Venture Agreement, in addition to the terms agreed in the Initial Joint Venture Agreement, the Parties have agreed to incorporate the following terms and amendments to the Amended Joint Venture Agreement.

The key terms that have been incorporated to the Amended Joint Venture Agreement are summarised as follows:

Quorum for the JV Board

The JV Board shall not approve, take any action to implement or proceed with any decisions relating to the reserved matters as set out in the Joint Venture Agreement, unless such matter has been approved by a Special Majority or by unanimity, as the case may be. In respect of matters that require unanimity approval, such matter shall be approved by all the JV Directors present or represented, and to be quorate, such meeting shall require the presence of at least a majority of the JV Directors, including two JV Directors appointed by Renault, one JV Director appointed by Aurobay Holding (BVI), one JV Director appointed by GHPT Limited and one JV Director appointed by Aramco Asia Singapore being present or represented.

Quorum for Shareholders Meetings

In respect of matters that require unanimous approval from the shareholders of the JV Company, the presence of representatives from each Founding Shareholder and Aramco Asia Singapore is required to be present to form a quorum. In respect of matters that require special approval from the shareholders of the JV Company, the presence of representatives from each Founding Shareholder is required to be present to form a quorum.

Exclusive Procurement

The term of the exclusive procurement has been amended from a minimum of 10 years to a minimum of 15 years subject to the applicable laws and the Listing Rules.

Drag-along Right

The threshold for the exercise of the drag-along right has been amended from 50% to 67%.

Right of First Refusal

Apart from the Founding Shareholders who shall only be subject to the right of first refusal in respect of transfers occurring after the Lock-In Period, Aramco Asia Singapore is not subject to the Lock-In Period requirement. Any transfer by Aramco Asia Singapore before or after the Lock-In Period is subject to the right of first refusal in accordance with the terms of the Amended Joint Venture Agreement.

Tag-along Right

If the shareholder(s) of the JV Company does not exercise the right of first refusal offered by the ROFR Transferor, and in the event of (i) the Founding Shareholders collectively transfer the JV Instruments to a third party not being an Aramco Asia Singapore competitor during the Lock-in

Period or the JV Company issues shares to a third party not being an Aramco Asia Singapore competitor during the Lock-in Period, or (ii) some or all of the Founding Shareholders transfer an aggregate of 50% or more of the JV Shares after the Lock-in Period, a shareholder(s) of the JV Company (including Aramco Asia Singapore) (the “**Tag-along Right Holder(s)**”) shall then be entitled to provide a tag notice to the transferring Founding Shareholder(s) and request the transferring Founding Shareholder(s) to cause the transferee to purchase part (on a pro rata basis) or all of the JV Instruments (the “**Tag-along Shareholder Instruments**”) held by the Tag-along Right Holder (the “**Tag-along Right**”). The price for the Tag-along Shareholder Instruments offered by the transferee shall be equal to the price offered to the transferring Founding Shareholder(s) and no less favourable than the price offered to the transferring Founding Shareholder(s) under the right of first refusal. For the avoidance of doubt, the completion of the sale of the JV Instruments under the right of first refusal is conditional upon the completion of the sale for the Tag-along Shareholder Instruments under the Tag-along Right (except where the transfer of the Tag-along Shareholder Instruments is subject to specific conditions).

Put Option

Aramco Asia Singapore may exercise the put option (the “**Put Option**”) if: (a) there is a material breach by a Founding Shareholder; (b) there is a failure to meet the R&D Minimum Spend and no corrective actions have been agreed in accordance with the Amended Joint Venture Agreement or the agreed corrective actions have not been successfully implemented; (c) there is an unresolved deadlock that is reasonably expected to have a material adverse effect on the ability to conduct the business taken as a whole or materially impair the objectives of the JV Company; (d) a Founding Shareholder or its Permitted Transferees becomes insolvent; (e) a Founding Shareholder becomes a sanctioned person, under certain conditions; or (f) the Amended Joint Venture Agreement is terminated in accordance with the termination clause as set out therein.

If the Put Option is exercised in accordance with (a) and (b) above, the Put Option price shall be the then fair market value of the JV Group, plus 10%; or if the Put Option is exercised in accordance with (c) to (f) above, the Put Option price shall be the then fair market value of the JV Group.

Save as disclosed above, there are no material variations to the other terms and conditions of the Initial Joint Venture Agreement. The proposed amendments to the Initial Joint Venture Agreement (the “**Proposed Amendments**”) are mainly made to account for Aramco Asia Singapore’s minority shareholders’ rights and do not affect the ongoing obligations between the Company, Geely Holding and the JV Company, the Company is of the view that the Proposed Amendments will not constitute material variation to the terms of the Initial Joint Venture Agreement under the note of Rule 14A.35 of the Listing Rules.

INFORMATION ON THE PARTIES TO THE AMENDED JOINT VENTURE AGREEMENT

The Group

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

Aurobay Holding (BVI)

Aurobay Holding (BVI) is a limited liability company incorporated in the British Virgin Islands. Aurobay Holding (BVI) is an investment holding company and directly holds 29.7% interest in the JV Company as at the date of this announcement.

Geely Holding

Geely Holding is a limited liability company established in the PRC. Geely Holding is principally engaged in the sales of automobiles and related parts and components wholesale and retail business.

As at the date of this announcement, Geely Holding is a substantial shareholder of the Company holding approximately 39% of the total issued share capital of the Company.

GHPT Limited

GHPT Limited is a limited liability company incorporated in the British Virgin Islands. GHPT Limited is an investment holding company and directly holds 15.3% interest in the JV Company as at the date of this announcement.

Renault

Renault is a simplified limited company (société par actions simplifiée) incorporated under the laws of France, with its registered office located at Boulogne-Billancourt, France. Renault is wholly-owned by Renault S.A. Renault S.A. is a public limited company (société anonyme) incorporated under the laws of France, with its registered office located at Boulogne-Billancourt, France. Renault S.A. is listed on Euronext Paris (stock code RNO.PA).

The corporate purpose of Renault S.A. is principally the design, manufacture, sale, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles) as well as the design and production of parts and equipment used in connection with the manufacturing and operation of vehicles.

As at the date of this announcement, Renault directly holds 45% interest in the JV Company.

Aramco Asia Singapore

Aramco Asia Singapore is directly wholly-owned by the Saudi Arabian Oil Company, a company validly formed and existing under the laws of the Kingdom of Saudi Arabia and listed on the Saudi Exchange. Saudi Arabian Oil Company is a fully-integrated global oil and gas company and one of the world leaders in the exploration, production, refining, distribution, shipping, and marketing of oil and gas.

As at the date of this announcement, Aramco Asia Singapore directly holds 10% interest in the JV Company.

JV Company

The JV Company is a private limited company incorporated under the laws of England and Wales. The JV Company is established to engage in the powertrain business.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for Geely Holding, GHPT Limited and its shareholding interest in the JV Company, and the Group's interest in the JV Company held through Aurobay Holding (BVI), all other Parties and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATION

As at the date of this announcement, (i) the JV Company is regarded as an associate (being a 30%-controlled company as defined under the Listing Rules) of Geely Holding and a connected person of the Company under the Listing Rules; and (ii) GHPT Limited is a company indirectly wholly-owned by Geely Holding and an associate of Geely Holding under the Listing Rules.

In addition, Geely Holding is a substantial shareholder of the Company and is interested in approximately 39% of the total issued share capital of the Company. The Company's financial results are consolidated into Geely Holding's consolidated financial statements. Therefore, Geely Holding will be considered to have control over the JV Shares indirectly held through the Company.

Since Geely Holding, GHPT Limited and the JV Company are connected persons of the Company, the entering into of the Amended Joint Venture Agreement constitutes a connected transaction of the Company.

The grant of the Put Option would be regarded as a transaction and classified with reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules. The Put Option is exercisable at the discretion of Aramco Asia Singapore. Under Rule 14.74(1) of the Listing Rules, on the grant of the Put Option, the transaction will be classified as if the Put Option had been exercised.

As it is uncertain as to whether and when the Put Option may be exercised, the Company was unable to ascertain the actual monetary value of the exercise price of such Put Option or the value of the underlying assets and the profits and revenue attributable to such assets on the grant of the Put Option. Under Rule 14.76(1) of the Listing Rules, if the monetary values of the premium, exercise price, underlying assets, and their attributable profits and revenue are not determined when granting an option, the listed issuer must use the highest possible monetary value for classifying the notifiable transaction. Without such determination, the transaction would be classified as at least a major transaction. The Company has obtained a waiver from the Stock Exchange for strict compliance with Rule 14.76(1) of the Listing Rules. The Stock Exchange has ruled that the grant of the Put Option to Aramco Asia Singapore would not be classified as a major transaction under this rule.

GENERAL

Mr. Li and Mr. Li Dong Hui, Daniel, each an executive Director, are considered to be interested in the Amended Joint Venture Agreement by virtue of their interests and/or directorship in Geely Holding. Mr. Gan Jia Yue, an executive Director, is also considered to be interested in the Amended Joint Venture Agreement by virtue of his directorship in Aurobay Holding (BVI). As a result, each of Mr. Li, Mr. Li Dong Hui, Daniel, and Mr. Gan Jia Yue has abstained from voting on the Board resolutions for approving the Amended Joint Venture Agreement and the transaction contemplated thereunder.

DEFINITIONS

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

“Amended Joint Venture Agreement”	the amended and restated joint venture agreement entered into between the Sellers, the Company, Geely Holding, the JV Company and Aramco Asia Singapore on 2 December 2024 to amend the Initial Joint Venture Agreement
“Announcement”	the announcement of the Company dated 28 June 2024 in relation to the disposal of interests in Horse Powertrain Limited
“Board”	the board of Directors
“Circular”	the circular of the Company dated 6 September 2023 in relation to the formation of the JV Company
“Completion”	completion of the Disposal in accordance with the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company

“Initial Joint Venture Agreement”	the joint venture agreement entered into between the Company, Geely Holding and Renault on 11 July 2023, under which the parties conditionally agreed to establish the JV Company to engage in the powertrain business
“Joint Venture Agreement”	collectively, the Amended Joint Venture Agreement and the Initial Joint Venture Agreement
“Proposed Amendments”	has the meaning set out in the paragraph headed “THE AMENDED JOINT VENTURE AGREEMENT” in this announcement
“Put Option”	has the meaning set out in the paragraph headed “THE AMENDED JOINT VENTURE AGREEMENT – Put Option” in this announcement
“ROFR Transferor”	a shareholder of the JV Company, which intends to transfer its shareholder instruments pursuant to the Joint Venture Agreement
“R&D Minimum Spend”	subject to certain adjustment mechanisms as set out in the Amended Joint Venture Agreement, in respect of any financial year, the higher of (a) 2.5% of the JV Group’s budgeted annual sales for a particular financial year; or (b) EUR400 million
“Sellers”	collectively, Renault, Aurobay Holding (BVI) and GHPT Limited
“Tag-along Right”	has the meaning set out in the paragraph headed “THE AMENDED JOINT VENTURE AGREEMENT – Tag-along Right” in this announcement
“Tag-along Right Holder(s)”	has the meaning set out in the paragraph headed “THE AMENDED JOINT VENTURE AGREEMENT – Tag-along Right” in this announcement
“Tag-along Shareholder Instruments”	has the meaning set out in the paragraph headed “THE AMENDED JOINT VENTURE AGREEMENT – Tag-along Right” in this announcement

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

Hong Kong, 2 December 2024

As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Li Dong Hui, Daniel (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Ms. Wei Mei, Mr. Gan Jia Yue and Mr. Mao Jian Ming, Moosa; and the independent non-executive directors of the Company are Mr. An Qing Heng, Mr. Wang Yang, Ms. Gao Jie, Ms. Yu Li Ping, Jennifer and Mr. Zhu Han Song.