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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 IN RELATION TO THE DISPOSAL OF
INTEREST IN THE JV COMPANY**

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 28 June 2024 (non-trading hours), the Company, Renault, Geely Holding, GHPT Limited, Aurobay Holding (BVI) and Aramco Asia Singapore have entered into the Sale and Purchase Agreement, pursuant to which the Sellers have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares in the JV Company, which in aggregate represent 10% of the total issued share capital of the JV Company as at the date of this announcement. Upon Completion, the JV Company will be 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.

LISTING RULES IMPLICATION

As at the date of this announcement, (i) Geely Holding is a substantial shareholder of the Company and is interested in 4,019,391,000 Shares, representing approximately 39.9% of the total issued share capital of the Company; and (ii) GHPT Limited is a company indirectly wholly-owned by Geely Holding and an associate of the Geely Holding under the Listing Rules.

Since Geely Holding and GHPT Limited are connected persons of the Company, the transaction contemplated under the Sale and Purchase Agreement constitutes a connected transaction of the Company.

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

GENERAL

Mr. Li and Mr. Li Dong Hui, Daniel, each an executive Director, are considered to be interested in the Sale and Purchase 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 Sale and Purchase 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 Sale and Purchase Agreement and the transaction contemplated thereunder.

Shareholders and potential investors of the Company shall note that the transaction contemplated under the Sale and Purchase Agreement is subject to the fulfillment of the Conditions and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

References are made to the announcements of the Company dated 8 November 2022, 2 March 2023, 11 July 2023, 22 September 2023, 31 May 2024, and the circular of the Company dated 6 September 2023 (the “**Circular**”) in relation to, among others, the JV Company. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as those defined in the Circular.

THE SALE AND PURCHASE AGREEMENT

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The principal terms of the Sale and Purchase Agreement are summarized as follows:

Date: 28 June 2024 (non-trading hours)

Parties:

- (i) the Company;
- (ii) Renault;

- (iii) Geely Holding;
- (iv) GHPT Limited;
- (v) Aurobay Holding (BVI); and
- (vi) Aramco Asia Singapore.

Subject Matter:

Pursuant to the Sale and Purchase Agreement, the Sellers have conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the following number of Sale Shares in the JV Company, which together represent 10% of the total issued share capital of the JV Company as at the date of this announcement:

Sellers	Purchaser	Number of Sale Shares	% of the issued share capital of the JV Company
Aurobay Holding (BVI)	Aramco Asia Singapore	198,000,000	3.3%
GHPT Limited	Aramco Asia Singapore	102,000,000	1.7%
Renault	Aramco Asia Singapore	300,000,000	5.0%
	Total	600,000,000	10.0%

Consideration of the Sale Shares:

The Consideration will be paid in two stages.

First Payment

Upon Completion, the Purchaser shall pay (i) the Renault Provisional Consideration to Renault; (ii) the Aurobay Holding (BVI) Provisional Consideration to Aurobay Holding (BVI); and (iii) the GHPT Provisional Consideration to GHPT Limited.

The provisional consideration of the Sale Shares shall be based on the provisional financial information of the JV Group as at the Effective Date calculated in accordance with the following formula:

Provisional Consideration = (a) – (b) + (c) – (d) + (e), where:

(a): Base Consideration

(b): 10% of provisional debt as at the Effective Date

- (c): 10% of provisional cash as at the Effective Date
- (d): 10% of provisional minority interest as at the Effective Date
- (e): 10% of the surplus or deficit in relation to the difference between the provisional working capital as at the Effective Date and the normalised working capital (if any)

Second Payment

After Completion, the Final Consideration shall be calculated based on the audited financial information of the JV Group as at the Effective Date in accordance with the following formula:

Final Consideration = (a) – (b) + (c) – (d) + (e), where:

- (a): Base Consideration
- (b): 10% of debt as at the Effective Date
- (c): 10% of cash as at the Effective Date
- (d): 10% of minority interest as at the Effective Date
- (e): 10% of the surplus or deficit in relation to the difference between the working capital as at the Effective Date and the normalised working capital (if any)

If the Final Consideration is greater than the Provisional Consideration, the Purchaser shall pay the difference between the Final Consideration and the Provisional Consideration to the respective Seller (the “**Additional Payment**”). Conversely, if the Final Consideration is smaller than the Provisional Consideration, the relevant Seller shall refund the difference between the Final Consideration and the Provisional Consideration to the Purchaser (the “**Refund Payment**”). Unless the calculations set out in the completion statement are disputed by the relevant Seller and the Purchaser, the Additional Payment (if any) or Refund Payment (if any) shall be paid within 10 Business Days after the completion statement has been agreed upon by the relevant Seller and the Purchaser.

Basis of the Final Consideration

The Base Consideration represents 10% of the enterprise value of the JV Group as at the Valuation Date, which was determined on arm’s length negotiations between the Parties on normal commercial terms, after taking into account, among other things, the appraised enterprise value of the JV Group determined by the Independent Qualified Valuer using the sum-of-the-parts method. In this approach, the total appraised enterprise value of the JV Group is derived by summing the appraised enterprise values of its three business segments: the Horse Powertrain Solutions Group, the Aurobay Holding Group and the Aurobay SG Group. The market approach is used to determine the appraised enterprise value of each of these segments.

As at the Valuation Date, the appraised enterprise value of the JV Group performed by the Independent Qualified Valuer was EUR7,399 million (equivalent to approximately RMB57.7 billion).

During the course of valuation, a number of general assumptions have been made in arriving at the valuation conclusion, including but not limited to:

- there will be no material changes in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the JV Group;
- there are no material changes in the financial positions of the JV Group and the comparable companies between the respective financial reporting dates and the Valuation Date;
- the JV Group will not be constrained by the availability of financing;
- the JV Group will retain competent management, key personnel and technical staff to support their ongoing operations; and
- there are no hidden or unexpected conditions associated with the JV Group that might adversely affect the reported value.

The Independent Qualified Valuer considered that EV/EBITDA ratio multiple is the most appropriate indicator of the fair value of the JV Group, as this multiple is able to capture the earning abilities of the JV Group and also remove any interest, tax, depreciation and amortization effect on earnings. Enterprise value is generally derived based on the market capitalization of a company, plus net debt (total debts net of cash and cash equivalents), minority interest and the Independent Qualified Valuer has reviewed the calculation of enterprise value of each comparable company.

Selection of comparable companies

The selection of the comparable companies was based on the comparability of the overall industry sector. An exhaustive list of comparable public companies is prepared based on the following selection criteria:

- the industry of the company is classified as automotive parts and equipment and construction machinery and heavy transportation equipment;
- a majority of total revenue is attributable to research, development and manufacturing of powertrain or engine or transmission related business;
- the company is listed on the major stock markets;
- the financial information of the companies is available to the public;

- for comparable companies of Horse Powertrain Solutions Group and Aurobay SG Group, the company is engaged in research, development and manufacturing of powertrain or engine or transmission related business mainly in Europe and/or Americas; and
- for comparable companies of Aurobay Holding Group, the company is engaged in research, development and manufacturing of powertrain or engine or transmission related business mainly in the PRC.

When considering the appraised enterprise value of the JV Group, the Directors took into account the Independent Qualified Valuer's independence, scope of work and the relevant experience and qualifications. The Independent Qualified Valuer is a company registered in Hong Kong with international experience on valuation and advisory services, risk management, environment, social and governance, corporate and property consultancy. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Independent Qualified Valuer is a third party independent from the Company and its connected persons.

The Directors have also attended discussions with the Independent Qualified Valuer and reviewed the valuation methodology of, the bases and assumptions adopted for, and the valuations of the JV Group. Having considered the history of the JV Group, the valuation methodology, the basis and assumptions, that it is not uncommon in practice to assess the enterprise value of the JV Group based on the sum-of-the-parts method in which each business segment is valued by market approach, and the list of comparable public companies identified by the Independent Qualified Valuer, the Company is of the view that the valuation methodologies and assumptions adopted by the Independent Qualified Valuer in the valuation report are fair and reasonable, and that the appraised enterprise value of the JV Group has been made after due and careful enquiry.

Termination

The Sale and Purchase Agreement may be terminated under, among others, the following circumstances: (i) by mutual agreement; (ii) by the Purchaser, if any fact, matter, or circumstance described in the relevant disclosure letter prepared by the relevant Seller would constitute a breach of its fundamental warranties and/or a material breach of certain business warranties and that such breach is unable to be remedied prior to the earlier of the Purchaser delivering a notice of termination to the Sellers or prior to Completion or, as the case may be, such breach/material breach has not been fairly disclosed to the Purchaser; (iii) by any Party if (a) any Party (or member of its group) becomes a sanctioned person; or (b) any places where a Party is located in becomes a sanctioned territory; or (c) its government becomes the subject of sanctions; or (d) any Party's ability to perform the Powertrain Business is materially affected by the imposition of sanctions; or would materially adversely affect the JV Group and/or the Parties and/or the transaction contemplated under the Sale and Purchase Agreement; or (iv) if any of the Parties becomes insolvent.

Condition Precedents

Completion is conditional upon the fulfilment (or, to the extent legally permissible, waived by written agreement of the Sellers and the Purchaser) of the following Conditions on or before the Long Stop Date:

- (a) clearance having been granted by, or confirmation that prior approval is not required from, the governmental entities in the relevant jurisdictions (the “**Merger Control Approvals**”) or, with respect to those governmental entities which have not granted clearance, the expiry of the applicable waiting period under applicable merger control laws, where failure to render a decision within such period is equivalent to the grant of clearance under the relevant applicable merger control laws;
- (b) clearance having been granted by, or confirmation that prior approval is not required from, the governmental entities in the relevant jurisdiction (the “**Other Regulatory Approvals**”) or, with respect to those governmental entities which have not granted clearance, the expiry of the applicable waiting period under applicable foreign direct investment laws, where failure to render a decision within such period is equivalent to the grant of clearance under the relevant applicable foreign direct investment laws;
- (c) the Sellers having provided a written confirmation duly signed by each Seller that there has not been a breach of any of the undertakings as set out in the Sale and Purchase Agreement that has had or would reasonably be expected to have a material adverse effect;
- (d) the Sellers having provided a written confirmation duly signed by each Seller that no material adverse effect has occurred since the date of the Sale and Purchase Agreement and is subsisting immediately before Completion;
- (e) the Sellers having provided a written confirmation duly signed by each Seller that there has been no (i) amendment to the Contribution Agreement that has had or would reasonably be expected to have a material adverse effect on the JV Company; and (ii) waiver of any of the JV Company’s rights under the Contribution Agreement;
- (f) each Seller having provided a written confirmation duly signed by that Seller that all of the warranties given by that Seller as at the date of the Sale and Purchase Agreement as qualified by the relevant signing disclosure letters remain true and accurate as at the Completion Date in all material respects;

- (g) there has been no default under or breach by the JV Company, Renault (or an affiliate of Renault), the Company (or an affiliate of the Company) and/or Geely Holding (or an affiliate of Geely Holding) of any of their respective obligations under the respective product supply agreements dated 28 June 2024 that has not been remedied to Valvoline Global's reasonable satisfaction and there has been no default under or breach by Valvoline Global of any of its obligations under the aforementioned product supply agreements that has not been remedied to the reasonable satisfaction of the JV Company, Renault (or an affiliate of Renault), the Company (or an affiliate of the Company) and/or Geely Holding (or an affiliate of Geely Holding); and
- (h) the Company having obtained all legally required corporate approvals pursuant to the Listing Rules.

In the event that the Conditions have not been satisfied or waived on or before the Long Stop Date (as the case may be), the Sale and Purchase Agreement will be terminated automatically. As at the date of this announcement, none of the Conditions have been fulfilled.

The Purchaser shall be responsible for obtaining all consents, approvals, or actions of any relevant government entity that are required to obtain the Merger Control Approvals and the Other Regulatory Approvals as soon as reasonably possible after the execution of the Sale and Purchase Agreement.

Completion of the Sale and Purchase Agreement

Subject to the satisfaction of all Conditions on the Unconditional Date (other than the Condition(s) being waived by the Sellers and the Purchaser), unless otherwise agreed by the Party, Completion shall take place on the first Business Day of the calendar month immediately following the calendar month in which the Unconditional Date occurs. However, if the Unconditional Date is less than 10 Business Days prior to the first Business Day of the immediately following calendar month, Completion shall take place on the first Business Day of the second calendar month after the month in which the Unconditional Date occurs.

The Parties shall not be obliged to Completion unless the purchase and the sale of all the Sale Shares is completed simultaneously in accordance with the Sale and Purchase Agreement.

Guarantee from the respective parent company of Aurobay Holding (BVI) and GHPT Limited

The Company shall guarantee Aurobay Holding (BVI), and Geely Holding shall guarantee GHPT Limited that, among other things, each of Aurobay Holding (BVI) and GHPT Limited will (i) fulfill its payment obligations when the payment under the Sale and Purchase Agreement becomes due; and (ii) fulfill all of its obligations, commitments, and undertakings pursuant to the Sale and Purchase Agreement.

In the event that (i) Aurobay Holding (BVI) fails to perform its relevant obligations under the Sale and Purchase Agreement, the Company agrees to perform all the obligations on behalf of Aurobay Holding (BVI) and indemnify the Purchaser against all losses resulting from Aurobay Holding (BVI)'s non-performance or default; and/or (ii) GHPT Limited fails to perform its relevant obligations under the Sale and Purchase Agreement, Geely Holding agrees to perform all the obligations on behalf of GHPT Limited and indemnify the Purchaser against all losses resulting from GHPT Limited's non-performance or default.

INFORMATION OF THE JV COMPANY

The JV Company was incorporated on 26 October 2023 and has no business operation since its incorporation other than holding the Aurobay Holding Group, the Aurobay SG Group, and the Horse Powertrain Solutions Group and no consolidated financial information for the past two financial years is available as at the date of this announcement. As at the date of this announcement, the JV Company is (i) 33% owned by Aurobay Holding (BVI); (ii) 17% owned by GHPT Limited; and (iii) 50% owned by Renault.

Set out below is the financial information of each of the Aurobay Holding Group, the Aurobay SG Group, and the Horse Powertrain Solutions Group:

Financial information of the Aurobay Holding Group

The key financial information extract from the audited consolidated financial statements of Aurobay Holding Group prepared in accordance with the PRC GAAP for the two years ended 31 December 2022 and 2023 are as follows:

	For the year ended	
	31 December	
	2022	2023
	<i>RMB million</i>	<i>RMB million</i>
Profit before tax	688	426
Profit after tax	823	569

As at 31 December 2023, the audited consolidated net asset value of the Aurobay Holding Group was RMB8,683 million.

Financial information of the Aurobay SG Group

The key financial information extract from the audited consolidated financial statements of the Aurobay SG Group prepared in accordance with the PRC GAAP for the two years ended 31 December 2022 and 2023 are as follows:

	For the year ended	
	31 December	
	2022	2023
	<i>RMB million</i>	<i>RMB million</i>

Profit before tax	703	901
Profit after tax	579	714

As at 31 December 2023, the audited consolidated net asset value of the Aurobay SG Group was RMB2,699 million.

Financial information of the Horse Powertrain Solutions Group

The key financial information extract from the audited consolidated financial statements of the Horse Powertrain Solutions Group prepared in accordance with International Financial Reporting Standards as adopted by the European Union and other provisions of the financial reporting framework applicable in Spain for the year ended 31 December 2023 are as follows:

For the year ended 31 December 2023 *EUR million*

Profit before tax	79
	<i>(equivalent to approximately RMB616 million)</i>
Profit after tax	75
	<i>(equivalent to approximately RMB585 million)</i>

As at 31 December 2023, the audited consolidated net asset value of the Horse Powertrain Solutions Group was EUR2,167 million (equivalent to approximately RMB16,898 million).

Considering that the substantial part of assets injection and restructuring of the Horse Powertrain Solutions Group was only completed in July 2023, the above-stated financial information for the year ended 31 December 2023 only represented financial performance of the Horse Powertrain Solutions Group from July 2023 onwards.

FINANCIAL IMPACT ON THE GROUP

Upon completion of the contribution to the JV Company on 31 May 2024, an unaudited gain of approximately RMB7.6 billion (before taxation, transaction costs and other customary adjustments) was recorded by the Group in respect of its reduction in interest (the “**Deemed Disposal**”) in Aurobay Holding Group. The unaudited gain represented the difference between the estimated value for the Group’s interest in the JV Company and the unaudited net equity value of the transferred equity of Aurobay Holding Group as at 31 May 2024.

Upon completion of the Disposal, it is estimated that the Group will recognize an unaudited loss of approximately RMB191 million (before taxation, transaction costs and other customary adjustments). The unaudited loss represents the difference between the Aurobay Holding (BVI) Provisional Consideration and the estimated value for those Sale Shares sold by Aurobay Holding (BVI), calculated with reference to the Provisional Contribution Value, which will partially offset the unaudited gain from the Deemed Disposal. The actual gain or loss resulting from the Deemed Disposal and the Disposal will be further adjusted subject to the audits of the Aurobay Holding Group or the JV Company (as the case may be).

The analysis above is for illustrative purposes only and does not purport to represent how the financial performance of the Group would be upon completion of the Deemed Disposal and the Disposal.

AMENDED JOINT VENTURE AGREEMENT

Upon completion of the Disposal, Aramco Asia Singapore will become a shareholder of the JV Company. As a result, upon completion of the Disposal, each of the Parties and the JV Company will enter into the Amended Joint Venture Agreement. The Amended Joint Venture Agreement is based on the Initial Joint Venture Agreement and the principal terms of the Initial Joint Venture Agreement have been set out in the announcement of the Company dated 11 July 2023 and the Circular. The Company will comply with the Listing Rules and make further announcement(s) in connection with the Amended Joint Venture Agreement as and when appropriate or if required under the Listing Rules.

COLLABORATION AGREEMENTS

Upon completion of the Disposal, Aramco Asia Singapore will become a shareholder of the JV Company. Considering that Aramco Asia Singapore is directly wholly-owned by the Saudi Arabian Oil Company, a fully integrated global oil and gas company and a world leader in the exploration, production, refining, distribution, shipping, and marketing of oil and gas. Aramco Asia Singapore brings valuable expertise to the JV Group in the areas of fuel, lubricants and catalyst development.

The relevant Parties to the Sale and Purchase Agreement and the JV Company have also agreed to enter into certain collaboration agreements, including but not limited to the product supply agreements that are entered into on 28 June 2024.

REASONS AND BENEFITS FOR THE DISPOSAL AND USE OF PROCEEDS

Aramco Asia Singapore's investment is expected to contribute to the development and deployment of affordable, efficient, and lower-carbon emission internal combustion engines globally. The JV Group will leverage the Parties' collective expertise to support development in both engine and fuel technologies. With Aramco Asia Singapore's support and expertise in fuel technologies, the JV Group is expected to secure its leadership in pioneering low-carbon fuel technology solutions, such as methanol and hydrogen.

The proceeds from the Disposal also offer additional liquidity and provide the Group with capital for future development.

INFORMATION OF THE PARTIES TO THE SALE AND PURCHASE 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 British Virgin Island. Aurobay Holding (BVI) is an investment holding company, and holds 33% interest in the JV Company.

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 4,019,391,000 Shares, which is approximately 39.9% 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 holds 17% interest in the JV Company.

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. and holds 50% interest in the JV Company. 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.

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 a world leader in the exploration, production, refining, distribution, shipping, and marketing of oil and gas.

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, all other Parties to the Sale and Purchase Agreement 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) Geely Holding is a substantial shareholder of the Company and is interested in 4,019,391,000 Shares, representing approximately 39.9% of the total issued share capital of the Company; and (ii) GHPT Limited is a company indirectly wholly-owned by Geely Holding and an associate of the Geely Holding under the Listing Rules.

Since Geely Holding and GHPT Limited are connected persons of the Company, the transaction contemplated under the Sale and Purchase Agreement constitutes a connected transaction of the Company.

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

GENERAL

Mr. Li and Mr. Li Dong Hui, Daniel, each an executive Director, are considered to be interested in the Sale and Purchase 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 Sale and Purchase 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 Sale and Purchase Agreement and the transaction contemplated thereunder.

Shareholders and potential investors of the Company shall note that the transaction contemplated under the Sale and Purchase Agreement is subject to the fulfillment of the Conditions and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Additional Payment”	has the meaning as set out in the section headed “ <i>THE SALE AND PURCHASE AGREEMENT – Consideration of the Sale Shares – Second Payment</i> ” in this announcement
“Amended Joint Venture Agreement”	the amended and restated joint venture agreement to be entered into between the Parties and the JV Company to amend the Initial Joint Venture Agreement
“Aramco Asia Singapore” or “Purchaser”	Aramco Asia Singapore Pte. Ltd., a private company limited by shares incorporated in the Republic of Singapore, which is a wholly-owned subsidiary of Saudi Arabian Oil Company as at the date of this announcement
“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Aurobay Holding”	Aurobay Holding (SG) Pte. Ltd., a private company limited by shares incorporated in the Republic of Singapore, which is a wholly-owned subsidiary of the JV Company as at the date of this announcement
“Aurobay Holding (BVI)”	Aurobay Holding Limited, a private limited company incorporated under the laws of British Virgin Islands, which is a wholly-owned subsidiary of the Company as at the date of this announcement
“Aurobay Holding (BVI) Provisional Consideration”	the Provisional Consideration multiplied by 33%
“Aurobay Holding Group”	Aurobay Holding and its subsidiaries
“Aurobay SG”	Aurobay International Pte. Ltd., a private company limited by shares incorporated in the Republic of Singapore, which is a wholly-owned subsidiary of the JV Company as at the date of this announcement
“Aurobay SG Group”	Aurobay SG and its subsidiaries
“Base Consideration”	EUR740,000,000 (equivalent to approximately RMB5.77 billion)
“Board”	the board of Directors

“Business Day”	a day (other than a Saturday or Sunday) on which banks are generally open in London, United Kingdom; France; the Kingdom of Saudi Arabia; the British Virgin Islands; the PRC; the Republic of Singapore and Hong Kong for normal business
“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the main board of the Stock Exchange (stock codes: 175 (HKD counter) and 80175 (RMB counter))
“Completion”	completion of the Disposal in accordance with the Sale and Purchase Agreement
“Completion Date”	the date of the Completion
“Condition(s)”	the conditions precedent to the Sale and Purchase Agreement, as set out in the section headed “ <i>THE SALE AND PURCHASE AGREEMENT – Condition Precedents</i> ” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of the Sale Shares
“Contribution Agreement”	means the contribution agreement entered into between the Company, Geely Holding and Renault on 11 July 2023
“Deemed Disposal”	has the meaning set out in the section headed “ <i>FINANCIAL IMPACT ON THE GROUP</i> ” in this announcement
“Director(s)”	directors of the Company, each a “Director”
“Disposal”	the sale of the Sale Shares by the Sellers
“Effective Date”	(a) where the Unconditional Date occurs 10 Business Days or more before the first Business Day of the following calendar month, the final calendar day of the calendar month in which the Unconditional Date occurs; (b) where the Unconditional Date occurs less than 10 Business Days before the first Business Day of the following calendar month, the final calendar day of the calendar month following the calendar month in which the Unconditional Date occurs; or (c) such other date as the Sellers and the Purchaser may agree in writing
“EUR”	Euros, the lawful currency of the European Union Member States

“EV/EBITDA”	the enterprise value-to-earnings before interest, tax, depreciation and amortization
“Final Consideration”	the consideration calculated based on the audited financial information as at the Effective Date in accordance with the formula set out in the section headed “ <i>THE SALE AND PURCHASE AGREEMENT – Consideration of the Sale Shares – Second Payment</i> ” in this announcement
“Geely Holding Group”	Geely Holding and its subsidiaries
“Geely Holding”	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited*), a limited liability company established in the PRC, which is ultimately beneficially wholly-owned by Mr. Li and his associate as at the date of this announcement
“GHPT Limited”	GHPT Limited, a limited liability company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of Geely Holding as at the date of this announcement
“GHPT Provisional Consideration”	the Provisional Consideration multiplied by 17%
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Horse Powertrain Solutions Group”	Horse Powertrain Solutions and its subsidiaries
“Horse Powertrain Solutions”	Horse Powertrain Solutions, S.L.U., formerly known as New H Powertrain Holding, S.L.U., a company organised and existing under the laws of Spain, which is a wholly-owned subsidiary of the JV Company as at the date of this announcement
“Independent Qualified Valuer”	AVISTA Valuation Advisory Limited, an independent valuer

“Independent Shareholders”	the Shareholders other than (a) Mr. Li, Mr. Li Dong Hui, Daniel, Mr. Gan Jia Yue, and their respective associates, and (b) any other Shareholders who are required by the Listing Rules to abstain from voting in respect of the resolution(s) relating to the execution of the Sale and Purchase Agreement and the transaction contemplated thereunder
“Initial Joint Venture Agreement”	the initial joint venture agreement entered into by Renault, the Company and Geely Holding on 11 July 2023
“JV Company”	Horse Powertrain Limited, a private company limited by shares, incorporated in England and Wales on 26 October 2023
“JV Group”	the JV Company and its subsidiaries
“JV Share(s)”	ordinary share(s) of EUR1.00 each in the share capital of the JV Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	being the date falling on the twelve months after the signing of the Sale and Purchase Agreement or such other date as may be agreed by the Sellers and the Purchaser
“Merger Control Approvals”	has the meaning as set out in the section headed “ <i>THE SALE AND PURCHASE AGREEMENT – Condition Precedents</i> ” in this announcement
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial shareholder together with his associates holding approximately 41.19% interests in the total issued share capital of the Company as at date of this announcement
“Other Regulatory Approvals”	has the meaning as set out in the section headed “ <i>THE SALE AND PURCHASE AGREEMENT – Condition Precedents</i> ” in this announcement
“Parties” or “Party”	the Company, Aurobay Holding (BVI), Renault, Geely Holding, GHPT Limited and Aramco Asia Singapore, each a “Party”
“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules

“PRC”	the People’s Republic of China, but for the purposes of this announcement only, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“PRC GAAP”	the China Accounting Standards for Business Enterprises
“Provisional Consideration”	the consideration calculated based on the provisional financial information as at the Effective Date in accordance with the formula set out in the section headed “ <i>THE SALE AND PURCHASE AGREEMENT – Consideration of the Sale Shares – First Payment</i> ” in this announcement
“Provisional Contribution Value”	means the good faith estimate of the value of the JV Shares contributed by the parties to the Contribution Agreement
“Refund Payment”	has the meaning as set out in the section headed “ <i>THE SALE AND PURCHASE AGREEMENT – Consideration of the Sale Shares – Second Payment</i> ” in this announcement
“Renault”	Renault s.a.s. is a simplified limited company (<i>société par actions simplifiée</i>) incorporated under the laws of France, with its registered office located at Boulogne-Billancourt, France. Renault s.a.s is wholly-owned by Renault S.A., a public limited company (<i>société anonyme</i>) incorporated under the laws of France, whose shares are listed on Euronext Paris (stock code RNO.PA). Renault is principally engaged in automotive business
“Renault Provisional Consideration”	the Provisional Consideration multiplied by 50%
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Parties on 28 June 2024, under which the Sellers conditionally agree to sell, and the Purchaser conditionally agrees to purchase the Sale Shares
“Sale Share(s)”	600,000,000 JV Shares to be disposed by the Sellers, representing 10% of the total issued share capital of the JV Company
“Saudi Exchange”	the stock exchange in Saudi Arabia
“Seller(s)”	Renault, Aurobay Holding (BVI) and GHPT Limited

“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
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Unconditional Date”	the first Business Day on which the last Condition has been satisfied, if not waived by the Parties
“Valuation Date”	30 April 2024
“Valvoline Global”	VGP Holdings LLC, a company incorporated under the laws of Delaware, USA, which is an indirectly wholly-owned subsidiary of Saudi Arabian Oil Company as at the date of this announcement
“%”	per cent

For the purpose of this announcement, the exchange rate of EUR1.00 = RMB7.7977 has been used for currency translation, where applicable. Such an exchange rate is for illustrative purposes and does not constitute representations that any amount in EUR or RMB has been, could have been or may be converted at such a rate.

* *for identification purpose only*

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

Hong Kong, 28 June 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), Mr. Ang Siu Lun, Lawrence, Ms. Wei Mei and Mr. Gan Jia Yue, 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.