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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Geely Automobile Holdings Limited**, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

CONTINUING CONNECTED TRANSACTIONS

Financial adviser to Geely Automobile Holdings Limited



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

BALLAS

C A P I T A L

A letter from the Board is set out on pages 10 to 31 of this circular. A letter from the Independent Board Committee is set out on pages 32 to 33 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 34 to 59 of this circular. A notice convening the EGM to be held at Room 2302, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong on Monday, 16 November 2026 at 4:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular. Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete the enclosed form of proxy and return it to the Company's Hong Kong share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

26 October 2026

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DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meanings ascribed to them in this circular:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Aurobay Changxing”	極光灣(長興)變速器有限公司 (Aurobay (Changxing) Transmission Co., Ltd.*), formerly known as 吉利長興自動變速器有限公司 (Geely Changxing Automatic Transmission Co., Ltd.*), a 70% owned subsidiary of Aurobay Holding (SG) Pte. Ltd., which was indirectly owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“Aurobay Group”	Aurobay Changxing, Aurobay Technology and their respective subsidiaries
“Aurobay Technology”	極光灣科技有限公司 (Aurobay Technology Co., Ltd.*), a limited liability company established in the PRC, a wholly-owned subsidiary of Aurobay Holding (SG) Pte. Ltd., which was indirectly owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“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
“Board”	the board of Directors
“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
“Chunqing Ecological”	浙江醇氫生態科技有限公司 (Zhejiang Chunqing Ecological Technology Co., Ltd.*), formerly known as 天津醇氫生態科技有限公司 (Tianjin Chunqing Technology Co., Ltd.*), a limited liability company established in the PRC, which was ultimately owned as to more than 60% by Mr. Li and his associates as at the Latest Practicable Date
“Chunqing Group”	Chunqing Ecological and its subsidiaries

DEFINITIONS

“CKDs”	completely knocked-down kits, being all parts and components in a disassembled state that can be assembled into CBUs
“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))
“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 dated 2 September 2026 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 internationally recognised independent firm of certified public accountants
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions contemplated under the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement
“Director(s)”	the director(s) of the Company
“ECARX”	ECARX Holdings Inc., a company incorporated in the Cayman Islands with its shares listed on the Nasdaq Stock Market (stock symbol: ECX), which was indirectly owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“ECARX Group”	ECARX and its subsidiaries

DEFINITIONS

“ECARX (Hubei)”	億咖通(湖北)科技有限公司 (ECARX (Hubei) Technology Company Limited*), a limited liability company established in the PRC, which was owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, approve the Continuing Connected Transactions and the respective proposed annual caps thereunder
“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 will be consolidated within the Automobile Components Sales and Purchase Agreement
“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
“Farizon Commercial Vehicles”	浙江遠程新能源商用車集團有限公司 (Zhejiang Farizon New Energy Commercial Vehicles Group Co., Ltd.*), formerly known as 浙江吉利遠程新能源商用車集團有限公司 (Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd.*), a limited liability company established in the PRC, which was ultimately wholly-owned by Mr. Li and his associates as at the Latest Practicable Date
“Farizon Commercial Vehicles Group”	Farizon Commercial Vehicles and its subsidiaries
“Farizon Technology”	遠程商用車科技有限公司 (Farizon Commercial Vehicle Technology Co., Ltd.*), a limited liability company established in the PRC, which was ultimately wholly-owned by Mr. Li and his associates as at the Latest Practicable Date
“Farizon Technology Group”	Farizon Technology and its subsidiaries

DEFINITIONS

“Geely Holding”	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Co., Ltd.*), a limited liability company established in the PRC, which was ultimately beneficially wholly-owned by Mr. Li and his associates as at the Latest Practicable Date
“Geely Holding Group”	Geely Holding and its subsidiaries (excluding the Group)
“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 and was indirectly owned as to 70% by Mr. Li and his associates as at the Latest Practicable Date
“Geely Technology”	吉利科技集團有限公司 (Geely Technology Group Co., Ltd.*), a limited liability company established in the PRC. It was indirectly owned as to more than 85% by Mr. Li and his associates as at the Latest Practicable Date
“Geely Technology Group”	Geely Technology and its subsidiaries
“Genius AFC”	吉致汽車金融有限公司 (Genius Auto Finance Co., Ltd.*), a limited liability company established in the PRC and jointly controlled by the Company and its remaining shareholders. It was owned as to 75% by the Company, as to 20% by BNP Paribas Personal Finance and as to 5% by Cofiplan S.A. as at the Latest Practicable Date. It is principally engaged in the provision of vehicle financing services in the PRC and is primarily regulated by the National Financial Regulatory Administration of the PRC
“Group”	the Company and its subsidiaries
“Hangzhou Langge”	杭州朗歌科技有限公司 (Hangzhou Langge Technology Company Limited*), a limited liability company established in the PRC, which was owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“HKD” or “HK\$”	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 Continuing Connected Transactions and the respective proposed annual caps thereunder

DEFINITIONS

“Independent Financial Adviser”	Ballas Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise and make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions and the respective proposed annual caps thereunder
“Independent Shareholders”	the Shareholders other than Mr. Li, Geely Holding and their respective associates, and any other Shareholders who are required under the Listing Rules to abstain from voting on the relevant resolutions to be proposed at the EGM
“independent third party(ies)”	person(s) who is(are) independent of the Company and its connected persons (as defined under the Listing Rules)
“InfiMotion”	無錫星驅科技有限公司 (Wuxi InfiMotion Technology Co., Ltd.*), a limited liability company established in the PRC, which was indirectly owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“InfiMotion Group”	InfiMotion and its subsidiaries
“Jiyao”	浙江吉曜通行能源科技有限公司 (Zhejiang Jiyao Pass Energy Technology Co., Ltd.*), a limited liability company established in the PRC, which was ultimately wholly-owned by Mr. Li and his associates as at the Latest Practicable Date
“Jiyao Group”	Jiyao and its subsidiaries
“Latest Practicable Date”	20 October 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“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 was owned as to 50% by Geely Holding and as to 50% by 吉利集團(寧波)有限公司 (Geely Group (Ningbo) Co., Ltd.*), which was in turn wholly-owned by Mr. Li and his associates as at the Latest Practicable Date
“LEVC Automobile”	浙江翼真汽車有限公司 (Zhejiang LEVC Automobile Co., Ltd.*), a limited liability company established in the PRC, which was indirectly owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date

DEFINITIONS

“LEVC Automobile Group”	LEVC Automobile and its subsidiaries
“LEVC Group”	LEVC and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Livan Automotive”	重慶睿藍汽車科技有限公司 (Chongqing Livan Automobile Technology Co., Ltd.*), a limited liability company established in the PRC, which was owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“Livan Group”	Livan Automotive and its subsidiaries
“Lotus Sales”	武漢路特斯汽車銷售有限公司 (Wuhan Lotus Automobile Sales Co., Ltd.*), a limited liability company established in the PRC, which was indirectly owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“Lotus Technology”	武漢路特斯科技有限公司 (Wuhan Lotus Technology Co., Ltd.*), a limited liability company established in the PRC, which was indirectly owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“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, which was an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“LYNK & CO Group”	LYNK & CO and its subsidiaries
“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 Latest Practicable Date
“Non-exempt Framework Agreements”	the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement, and “Non-exempt Framework Agreement” means any one of them
“percentage ratio(s)”	has the meaning ascribed thereto under Rule 14.07 of the Listing Rules

DEFINITIONS

“Powertrain Products”	engines, transmissions and related after-sales parts to be supplied by the Aurobay Group under the Powertrain Products Purchase Agreement
“Powertrain Products Pricing Analysis Report”	a transfer pricing analysis report dated 2 September 2026 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 internationally recognised independent firm of certified public accountants
“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
“PRC”	the People’s Republic of China, but for the purposes of this circular only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Proper Glory”	Proper Glory Holding Inc., a private company incorporated in the British Virgin Islands and was owned as to 68% by Geely Holding and as to 32% by Geely Group Limited as at the Latest Practicable Date
“Qingwei”	杭州擎威科技有限公司 (Hangzhou Qingwei Technology Co., Ltd.*), a limited liability company established in the PRC, which was ultimately owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“Qingwei Group”	Qingwei and its subsidiaries
“RMB”	Renminbi, the lawful currency of the PRC
“Shandong Geely New Energy”	山東吉利新能源商用車有限公司 (Shandong Geely New Energy Commercial Vehicle Co., Ltd.*), a limited liability company established in the PRC, which was indirectly owned as to approximately 90% by Mr. Li and his associates as at the Latest Practicable Date
“Shandong Geely New Energy Group”	Shandong Geely New Energy and its subsidiaries
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

DEFINITIONS

“smart”	智馬達汽車有限公司 (smart Automobile Co., Ltd.*), a limited liability company established in the PRC, which was owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“smart Europe”	smart Europe GmbH, a company incorporated in Germany, which was owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“smart Group”	smart, smart Mobility, smart Europe and their respective subsidiaries
“smart Mobility”	智馬達(山東)出行科技有限公司 (smart Mobility (Shandong) Technology Co., Ltd.*), a limited liability company established in the PRC, which was owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“smart Sales”	精靈汽車銷售(南寧)有限公司 (smart Automobile Sales (Nanning) Co., Ltd.*), a limited liability company established in the PRC, which was owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“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
“Viridi”	威睿電動汽車技術(寧波)有限公司 (Viridi E-Mobility Technology (Ningbo) Co., Ltd.*), a limited liability company established in the PRC, which was owned as to approximately 51% by ZEEKR and indirectly owned as to approximately 49% by Geely Holding as at the Latest Practicable Date
“Viridi Group”	Viridi and its subsidiaries
“Volvo”	Volvo Car Corporation, a limited liability company incorporated under the laws of Sweden, which was an indirect non-wholly-owned subsidiary of Geely Holding as at the Latest Practicable Date

DEFINITIONS

“Wisdom Puhua”	浙江智慧普華融資租賃有限公司 (Zhejiang Wisdom Puhua Finance Leasing Co., Ltd.*), a limited liability company established in the PRC, which was ultimately wholly-owned by Mr. Li and his associates as at the Latest Practicable Date
“YoeNing Technology”	浙江耀寧科技集團有限公司 (Zhejiang YoeNing Technology Group Co., Ltd.*), a limited liability company established in the PRC, which was indirectly owned as to more than 80% by Mr. Li and his associates as at the Latest Practicable Date
“YoeNing Technology Group”	YoeNing Technology and its subsidiaries
“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 Latest Practicable Date
“ZEEKR Group”	ZEEKR and its subsidiaries
“Zhejiang Geely”	浙江吉利汽車有限公司 (Zhejiang Geely Automobile Company Limited*), a limited liability company established in the PRC, which was wholly-owned by Mr. Li and his associates as at the Latest Practicable Date
“Zhejiang Geely Automobile Industry”	浙江吉利汽車實業有限公司 (Zhejiang Geely Automobile Industry Co., Ltd.*), formerly known as 吉利汽車集團有限公司 (Geely Automobile Group Company Limited*), a limited liability company established in the PRC, which was ultimately beneficially wholly-owned by Mr. Li and his associates as at the Latest Practicable Date
“Zhejiang HUANFU”	浙江寰福科技有限公司 (Zhejiang HUANFU Technology Co., Ltd.*), a limited liability company established in the PRC, which was owned as to more than 30% by Mr. Li and his associates as at the Latest Practicable Date
“%”	per cent.

* For reference purposes only, the English names of the companies, persons, or documents mentioned herein are translations of their respective Chinese names. In the event of any discrepancies between the Chinese names and their English translations, the Chinese version shall prevail.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. An Cong Hui (*Chairman*)
Mr. Gui Sheng Yue (*Vice Chairman*)
Mr. Gan Jia Yue (*Chief Executive Officer*)
Mr. Li Dong Hui, Daniel
Mr. Mao Jian Ming, Moosa

Registered Office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Independent Non-executive Directors:

Ms. Gao Jie
Ms. Yu Li Ping, Jennifer
Mr. Zhu Han Song
Ms. Tseng Chin I

Principal Place of Business in Hong Kong:

Room 2301, 23rd Floor
Great Eagle Centre
23 Harbour Road,
Wan Chai
Hong Kong

26 October 2026

To the Shareholders,

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

Reference is made to the announcement of the Company dated 23 September 2026 in relation to the Continuing Connected Transactions.

The purpose of this circular is to provide you with, among other things, (i) further information on the Continuing Connected Transactions and the respective proposed annual caps thereunder; (ii) the recommendation of the Independent Board Committee in respect of the Continuing Connected Transactions and the respective proposed annual caps thereunder; (iii) the advice and recommendation of the Independent Financial Adviser regarding the Continuing Connected Transactions and the respective proposed annual caps thereunder; and (iv) other information as required under the Listing Rules, together with the notice of the EGM.

LETTER FROM THE BOARD

DETAILS OF THE 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, following which 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

LETTER FROM THE BOARD

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		
	Six months								
	Year ended	Year ended	ended						
	31 December	31 December	30 June	2024	2025	2026	2027	2028	2029
	2024	2025	2026	RMB	RMB	RMB	RMB	RMB	RMB
	RMB million	RMB million	RMB million	million	million	million	million	million	million
	(Audited)	(Audited)	(Unaudited)						
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				Not			Not	Not	Not
Agreement	Not applicable	3,750.2	1,493.9	applicable	5,527.1	5,676.7	applicable	applicable	applicable

LETTER FROM THE BOARD

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	Year ended	Six months ended						
31 December	31 December	30 June						
2024	2025	2026	2024	2025	2026	2027	2028	2029
			RMB	RMB	RMB	RMB	RMB	RMB
RMB million	RMB million	RMB million	million	million	million	million	million	million
(Audited)	(Audited)	(Unaudited)						
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

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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 acquisition and integration of ZEEKR and LYNK & CO into the Group. Following such integration, ZEEKR and LYNK & CO became indirect wholly-owned subsidiaries of the Company and the relevant transactions between the Group and ZEEKR and LYNK & CO became intra-group transactions, which no longer constitute continuing connected transactions under Chapter 14A of the Listing Rules.

As a result, such transaction amounts are no longer required to be included in the proposed annual caps under the Automobile Components Sales and Purchase Agreement.

The proposed annual cap for the purchase of automobile components by the Group for the year ending 31 December 2027 represents an increase of approximately 22% over the announced aggregate annual caps for 2026 under the Existing Automobile Components Sales and Purchase Agreement and the Existing Components Framework Agreement. The increase is mainly attributable to: (i) the expected increase in procurement demand for 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 ("NEV") 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, electrification and vehicle platform development strategies.

The increase in procurement demand for battery products and electric drive systems primarily reflects the projected increase in the production and sales volumes of NEV models of the Group during the relevant period. The Company expects the proportion of NEV models in its 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 command 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.

In assessing the proposed annual caps, the Company has considered, among other things: (i) historical transaction trends and utilisation rates; (ii) approved business plans and production schedules; (iii) the expected launch timetable of new vehicle models; (iv) forecast sales volumes of Geely, ZEEKR and

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LYNK & CO brand vehicles; (v) the expected increase in the penetration of NEV models; and (vi) prevailing market conditions and the Group's business development strategy. The Company considers that the assumptions underlying the proposed annual caps are commercially reasonable, consistent with its current operational plans and strategic objectives, and supported by its approved business plans and sales forecasts.

The Board (including the independent non-executive Directors) is of the view that the proposed annual caps under the Automobile Components Sales and Purchase Agreement for the three years ending 31 December 2029 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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.

The Board (including the independent non-executive Directors) has also taken into account that the Automobile Components Sales and Purchase Agreement does not impose any exclusivity obligation on the Group and that the Group remains free to transact with independent third parties where commercially appropriate. Accordingly, the Board considers that the transactions contemplated thereunder do not adversely affect the Company's ability to make commercial decisions in the ordinary and usual course of business and are in the interests of the Company and the Independent Shareholders as a whole.

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(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.

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	Historical transaction amounts			Announced annual cap for the year ended/ending 31 December			Proposed annual cap for the year ending 31 December		
	Year ended		Six months ended						
	31 December	31 December	30 June						
	2024	2025	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)	million	million	million	million	million	million
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. The proposed annual cap for the year ending 31 December 2027 represents an increase of approximately 52% over the announced annual cap for the year ending 31 December 2026.

Such increase is mainly attributable to the projected increase in procurement volumes of Powertrain Products by the Group, particularly for hybrid and plug-in hybrid vehicle models. 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

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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.

In assessing the proposed annual caps, the Company has considered, among other things: (i) historical transaction trends and utilisation rates under the Existing Powertrain Purchase Agreement; (ii) approved production plans and sales forecasts of Geely, ZEEKR and LYNK & CO brand vehicles; (iii) the expected increase in market demand for hybrid and plug-in hybrid vehicle models; (iv) the anticipated launch timetable of relevant vehicle models; and (v) prevailing market conditions and the Group's business development strategy. The Company considers that the assumptions underlying the proposed annual caps are commercially reasonable, consistent with its current operational plans and strategic objectives, and supported by its approved production plans and sales forecasts.

The Board (including the independent non-executive Directors) is of the view that the proposed annual caps under the Powertrain Products Purchase Agreement for the three years ending 31 December 2029 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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.

The Board (including the independent non-executive Directors) has also taken into account that the Powertrain Products Purchase Agreement does not impose any exclusivity obligation on the Group and that the Group remains free to transact with independent third parties where commercially

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appropriate. Accordingly, the Board considers that the transactions contemplated thereunder do not adversely affect the Company's ability to make commercial decisions in the ordinary and usual course of business and are in the interests of the Company and the Independent Shareholders as a whole.

PRICING POLICIES

(A) General Pricing Principles

The pricing of the transactions under each of the Non-exempt 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 (i) 25 comparable companies, in relation to the Automobile Components Sales and Purchase Agreement, as stated in the Components Transfer Pricing Analysis Report, and (ii) 12 comparable companies, in relation to the Powertrain Products Purchase Agreement, as stated in the Powertrain Products Pricing Analysis Report. The margin rates will be reviewed and adjusted annually or as needed by the relevant parties, and shall remain within such range.

(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

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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 at least on an annual 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 at least two quotations from independent third-party suppliers and may also refer to publicly available market information on comparable products where such information is available, 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.

According to the Components Transfer Pricing Analysis Report, 25 comparable companies principally engaged in the manufacture and sale of automobile parts and components, including companies involved in the manufacture of engines, turbines and other motor vehicle equipment, were selected for benchmarking purposes. Such companies are considered by the independent certified public accountant to be broadly comparable to the businesses relating to the automobile components contemplated under the Automobile Components Sales and Purchase Agreement, including battery products, electric drive systems, intelligent cockpit products and electronic control system products. As advised by the independent certified public accountant which prepared the Components Transfer Pricing Analysis Report, and having reviewed the basis upon which the comparable companies were selected, the Company considers that it is consistent with market practice and transfer pricing principles to determine an arm's length cost-plus margin with reference to the range between the lower quartile and the upper quartile of the weighted average cost-plus margins of comparable companies.

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

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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.

Having considered that (i) the margin rates are determined through arm's length negotiations between the relevant parties; (ii) the Components Transfer Pricing Analysis Report provides an independent benchmark based on comparable companies principally engaged in automotive-related manufacturing and component businesses; and (iii) any applicable margin rate must fall within the range between the lower quartile and the upper quartile of the weighted average cost-plus margins derived from such comparable companies, the Board (including the independent non-executive Directors) considers that the pricing basis, including the use of externally benchmarked margin ranges and arm's length negotiations between the relevant parties, is on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Powertrain Products Purchase Agreement

The Group will first determine whether prevailing market prices of comparable Powertrain Products are available by obtaining at least two quotations from independent third-party suppliers and, where available, 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:

$$\text{Price per unit} = \text{Cost per unit} \times (1 + \text{margin rate})$$

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.

According to the Powertrain Products Pricing Analysis Report, 12 comparable companies principally engaged in the manufacture and sale of automobile parts and components, including companies involved in the manufacture of engines, turbines and other motor vehicle equipment, were selected for benchmarking purposes. Such companies are considered by the independent certified public accountant to be broadly comparable to the businesses relating to the Powertrain Products contemplated under the Powertrain Products Purchase Agreement, including vehicle engines, transmissions and other powertrain-related products. As advised by the independent certified public accountant which prepared the Powertrain Products Pricing Analysis Report, and having reviewed the basis upon which the comparable companies were selected, the Company considers that it is

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consistent with market practice and transfer pricing principles to determine an arm's length cost-plus margin with reference to the range between the lower quartile and the upper quartile of the weighted average cost-plus margins of comparable companies.

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.

Having considered that (i) the margin rate is determined through arm's length negotiations between the Company and the Aurobay Group; (ii) the Powertrain Products Pricing Analysis Report provides an independent benchmark based on comparable companies principally engaged in powertrain and automotive-related manufacturing businesses; and (iii) the applicable margin rate must fall within the range between the lower quartile and the upper quartile of the weighted average cost-plus margins derived from such comparable companies, the Board (including the independent non-executive Directors) considers that the pricing basis, including the use of externally benchmarked margin ranges and arm's length negotiations between the relevant parties, is on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

The cost components are calculated as follows:

- a) Cost of direct materials = unit cost of direct materials in the previous year $\times$ (1 – material cost reduction rate $\times$ 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 $\div$ (production capacity $\times$ 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.

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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.

PAYMENT TERMS

All payments in respect of the continuing connected transactions contemplated under the Automobile Components Sales and Purchase 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.

The Directors also note that payments under the Automobile Components Sales and Purchase Agreement are generally required to be settled within 60 days from the date of the relevant invoice, whilst payments under the Powertrain Products Purchase Agreement are generally required to be settled within 45 days from the date of the relevant invoice. The Directors understand that such credit periods are generally consistent with, and no less favourable to the Group than, the credit periods available to or from independent third parties in respect of comparable transactions. Accordingly, the Directors consider that the payment terms under the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

INTERNAL CONTROL MEASURES

The Group has adopted the following internal control measures to monitor the implementation of the 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 Non-exempt 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 at least two comparable quotations from independent third parties and, where available, reviewing publicly available market information, taking into account the specifications,

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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 Non-exempt 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 Non-exempt 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 an internal monitoring threshold determined by the Group from time to time having regard to annual cap utilisation and projected transaction demand, 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.

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(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, where comparable products are available in the market, obtain at least two quotations from independent third-party suppliers and may also refer to publicly available market information 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 at least 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.

Having considered the foregoing internal control measures, the Board (including the independent non-executive Directors) is satisfied that the Company has established adequate and effective internal control procedures and monitoring mechanisms, to safeguard the interests of the Company and the Independent Shareholders, to ensure compliance with the applicable pricing policies and Listing Rules requirements, and to monitor the utilisation of the relevant annual caps so that appropriate measures may be taken before any proposed annual cap is exceeded.

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INFORMATION OF THE PARTIES

The Company

The Company is principally engaged in investment holding. The Group is principally engaged in the research and development, manufacturing and trading of automobiles, automobile parts and related automobile components, as well as investment holding. As at the Latest Practicable Date, 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 Non-exempt Framework Agreements as at the Latest Practicable Date.

Party	Principal business and shareholding
Geely Holding	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 Latest Practicable Date.
Geely Technology	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. It is indirectly owned as to more than 85% by Mr. Li and his associates.
Aurobay Changxing	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. It is indirectly owned as to more than 30% by Mr. Li and his associates.
Aurobay Technology	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 in the PRC. It is indirectly owned as to more than 30% by Mr. Li and his associates.
Chunqing Ecological	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. It is ultimately owned as to more than 60% by Mr. Li and his associates.

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Party	Principal business and shareholding
ECARX	It is principally engaged in the research and development and supply of automotive intelligent cockpit and intelligent driving solutions. It is indirectly owned as to more than 30% by Mr. Li and his associates.
Farizon Commercial Vehicles	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. It is ultimately wholly-owned by Mr. Li and his associates.
Farizon Technology	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. It is ultimately wholly-owned by Mr. Li and his associates.
Infimotion	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. It is indirectly owned as to more than 30% by Mr. Li and his associates.
Jiyao	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. It is ultimately wholly-owned by Mr. Li and his associates.
LEVC Automobile	It is principally engaged in the wholesale and retail business of complete vehicles and their components. It is indirectly owned as to more than 30% by Mr. Li and his associates.
Livan Automotive	It is principally engaged in the provision of battery swapping vehicles and related services. It is indirectly owned as to more than 30% by Mr. Li and his associates.
Qingwei	It is principally engaged in the production and sale of automobile components. It is ultimately owned as to more than 30% by Mr. Li and his associates.
Shandong Geely New Energy	It is principally engaged in the research and development, manufacture and sale of CKDs, automobile parts and related automobile components. It is indirectly owned as to approximately 90% by Mr. Li and his associates.

LETTER FROM THE BOARD

Party	Principal business and shareholding
smart	It is principally engaged in the research and development, sales and export of electric vehicles and parts. It is owned as to more than 30% by Mr. Li and his associates.
smart Mobility	It is principally engaged in the research and development, sale and export of complete vehicles and spare parts. It is owned as to more than 30% by Mr. Li and his associates.
smart Europe	It is the sales company of the smart Group in Europe. It is owned as to more than 30% by Mr. Li and his associates.
Viridi	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. It is owned as to approximately 51% by ZEEKR and indirectly owned as to approximately 49% by Geely Holding.
YoeNing Technology	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. It is owned as to more than 80% by Mr. Li and his associates.

IMPLICATIONS UNDER THE LISTING RULES

(A) Connected Relationships

As at the Latest Practicable Date, 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. It is therefore 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, InfiMotion, Jiyao, LEVC Automobile, Livan Automotive, Qingwei, Shandong Geely New Energy, smart, smart Europe, smart Mobility and YoeNing Technology is a company in which Mr. Li and his associates are

LETTER FROM THE BOARD

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 Latest Practicable Date, 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) Continuing Connected Transactions

The transactions contemplated under each of the Non-exempt Framework Agreements 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 Non-exempt Framework Agreements, 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.

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 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 Continuing Connected Transactions.

As at the Latest Practicable Date, (i) Mr. Li and his associates, together holding 4,515,918,000 Shares, representing approximately 42% of the issued Shares (excluding treasury shares), and controlling or being entitled to exercise control over the voting rights in respect of such Shares, (ii) Mr. An Cong Hui and his associates, together holding 17,125,000 Shares, representing approximately 0.16% of the issued Shares (excluding treasury shares), and controlling or being entitled to exercise control over the voting rights in respect of such Shares, (iii) Mr. Li Dong Hui, Daniel and his associates, together holding 10,928,000 Shares, representing approximately 0.10% of the issued Shares (excluding treasury shares), and controlling or being entitled to exercise control over the voting rights in respect of such Shares, and (iv) Mr. Gan Jia Yue and his associates, together holding 4,371,800 Shares, representing approximately 0.04% of the issued Shares (excluding treasury shares), and controlling or being entitled to exercise control over the voting rights in respect of such Shares, will abstain from voting on the ordinary resolutions to be proposed at the EGM to approve the Continuing Connected Transactions and the respective proposed annual caps thereunder.

Save as disclosed above, no other Director or Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM to approve the Continuing Connected Transactions and the respective proposed annual caps thereunder.

LETTER FROM THE BOARD

EGM

The EGM will be convened to consider and approve the Continuing Connected Transactions and the respective proposed annual caps thereunder. A notice to convene the EGM is set out on pages EGM-1 to EGM-3 of this circular.

The EGM will be held at Room 2302, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong on Monday, 16 November 2026 at 4:00 p.m. The form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the office of the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time scheduled for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be).

To establish entitlements to attend and vote at the EGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on 10 November 2026 (being the record date of the EGM).

RECOMMENDATION

The Independent Board Committee has been established to advise the Independent Shareholders on whether the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and whether the terms of the Continuing Connected Transactions and the respective proposed annual caps thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise and make recommendations to the Independent Board Committee and the Independent Shareholders in this regard.

The text of the letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 34 to 59 of this circular and the text of the letter from the Independent Board Committee to the Independent Shareholders is set out on pages 32 to 33 of this circular.

The Board (including the independent non-executive Directors) considers that the Continuing Connected Transactions (including the respective annual caps thereunder) are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Independent Shareholders vote in favour of the relevant ordinary resolutions to be proposed at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the letters from the Independent Board Committee and from the Independent Financial Adviser, which are respectively set out on pages 32 to 33 and pages 34 to 59 of this circular. Additional information is also set out in Appendix I to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Continuing Connected Transactions, which has been prepared for inclusion in this circular.



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)

26 October 2026

To the Independent Shareholders,

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 26 October 2026 (the “**Circular**”) issued by the Company, of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We, being the independent non-executive Directors constituting the Independent Board Committee, are writing to advise you, as Independent Shareholders, as to whether the Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and whether the terms of the Continuing Connected Transactions (including the respective proposed annual caps thereunder) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from the Board set out on pages 10 to 31 of the Circular, and the letter from the Independent Financial Adviser set out on pages 34 to 59 of the Circular, which contain, inter alia, the recommendation of the Board and the advice and recommendation of the Independent Financial Adviser in respect of the Continuing Connected Transactions, together with the principal factors and reasons underlying such advice and recommendation.

RECOMMENDATION

Having considered the advice and recommendation of the Independent Financial Adviser, we are of the view that the Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and that the terms of the Continuing Connected Transactions (including the respective proposed annual caps thereunder) are fair and reasonable and in the

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Continuing Connected Transactions and the respective proposed annual caps thereunder.

Yours faithfully,

For and on behalf of the Independent Board Committee of
Geely Automobile Holdings Limited

Ms. Gao Jie

Mr. Zhu Han Song

Ms. Yu Li Ping, Jennifer

Ms. Tseng Chin I

Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER



Room 1005
Jubilee Centre
46 Gloucester Road
Wanchai, Hong Kong

26 October 2026

*To the Independent Board Committee
and the Independent Shareholders of
Geely Automobile Holdings Limited*

Dear Sir or Madam,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of and the proposed annual caps in relation to the transactions contemplated under the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement (the “**Continuing Connected Transactions**”), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company (the “**Circular**”) to the Shareholders dated 26 October 2026, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 23 September 2026. In anticipation of the expiry of the Existing Automobile Components Sales and Purchase Agreement and the Existing Powertrain Purchase Agreement on 31 December 2026, on 23 September 2026, the Company entered into the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement for a term of three years commencing on 1 January 2027, pursuant to which the Continuing Connected Transactions will be carried out.

As set out in the Letter from the Board, as at the Latest Practicable Date, Geely Holding was the substantial shareholder of the Company holding approximately 37% of the issued Shares (excluding treasury shares). As such, Geely Holding is a connected person of the Company under the Listing Rules.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules for the proposed annual caps under the Continuing Connected Transactions (the “**Annual Caps**”) are more than 5%, the Continuing Connected Transactions (including the Annual Caps) are subject to the reporting, announcement, annual review and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Continuing Connected Transactions (including the Annual Caps).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

INDEPENDENCE DECLARATION

We are not associated or connected with the Company, the counterparties of the Continuing Connected Transactions or their respective core connected persons or associates. In the two years immediately preceding the Latest Practicable Date, we were appointed as the independent financial adviser of the Company in relation to (i) certain disclosable and connected transactions regarding the privatisation of ZEEKR by the Group as disclosed in the circular of the Company dated 15 August 2025; (ii) certain continuing connected transactions as disclosed in the circular of the Company dated 28 November 2025; and (iii) this appointment in relation to the Continuing Connected Transactions (collectively, the “**IFA Engagements**”). We were also appointed as the independent financial adviser of Honbridge Holdings Limited (“**Honbridge**”), which is ultimately controlled by Mr. Li and his associates and listed on GEM of the Stock Exchange (stock code: 8137), in relation to (i) a continuing connected transaction as disclosed in the circular of Honbridge dated 28 February 2025; and (ii) certain continuing connected transactions as disclosed in the announcement of Honbridge dated 31 August 2026 (collectively, the “**Other IFA Engagements**”). Save for the IFA Engagements and the Other IFA Engagements, we did not have any other relationship with or interests in the Company, the counterparties of the Continuing Connected Transactions or their respective core connected persons or associates nor had we acted as an independent financial adviser to other transactions of the Company that could reasonably be regarded as hindrance to our independence as defined under the Listing Rules. Furthermore, our remuneration for each of the IFA Engagements and the Other IFA Engagements represented normal professional fees and did not affect our independence. Accordingly, we are independent from the Company pursuant to Rule 13.84 of the Listing Rules and consider that we are eligible to give independent advice on the Continuing Connected Transactions.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

The Directors have declared in a responsibility statement set out in the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular and that there are no other matters the omission of which would make any statement in the Circular misleading. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the EGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, the counterparties of the Continuing Connected Transactions or any of their respective subsidiaries or associates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. Automobile Components Sales and Purchase Agreement

1.1. Principal terms of the Automobile Components Sales and Purchase Agreement

Major terms of the Automobile Components Sales and Purchase Agreement are summarised below:

Subject matter

Pursuant to the Automobile Components Sales and Purchase Agreement, the Group has conditionally agreed to (i) sell automobile components (the “**Sales Products**”) 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**”) for use mainly in Volvo brand vehicles, smart brand vehicles, Farizon brand vehicles and Livan brand vehicles; and (ii) purchase automobile components (the “**Procurement Products**”) 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**”) for use mainly in Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles.

The automobile components to be sold by the Group are distinct from the automobile components to be purchased by the Group under the Automobile Components Sales and Purchase Agreement. The automobile components to be sold by the Group mainly comprise automobile spare parts, battery products, electric drive units and chargers. The automobile components to be purchased by the Group mainly comprise electronic control system products, display screens, seats and battery products.

Term

The Automobile Components Sales and Purchase Agreement has a term starting from 1 January 2027 to 31 December 2029, subject to the satisfaction of the conditions precedent thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Payment terms

All payments in respect of automobile components provided under the Automobile Components Sales and Purchase Agreement shall generally be settled within 60 days from the date of the relevant invoice 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.

We note that payments under the Automobile Components Sales and Purchase Agreement are generally required to be settled within 60 days from the date of the relevant invoice. We have obtained six sample transactions between the Group and independent third parties conducted under the Automobile Components Sales and Purchase Agreement. Based on our discussions with management of the Company and our review of sample transactions, we understand that such credit period is generally consistent with, and no less favourable to the Group than, the credit periods available to or from independent third parties in respect of comparable transactions. Accordingly, we consider the payment terms under the Automobile Components Sales and Purchase Agreement to be on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Condition precedent

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 (if applicable); 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 have not been 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.

Pricing basis

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

Sale of automobile components by the Group

For the sale of the Sales Products by the Group, the selling price of the automobile components will be determined with reference to the prevailing market prices 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

Purchase of automobile components by the Group

For the purchase of the Procurement Products 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. According to the management of the Company, there is no automobile components procured by the relevant Components Supplier from third-party suppliers for onward sale to the Group estimated in the Procurement Cap (as defined below) for FY2027, FY2028 and FY2029. In the event that such circumstances arise, 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 a procurement transfer pricing analysis report prepared by an independent certified public accountant or a similarly qualified institution. The Group and the relevant Components Supplier will review the relevant cost components at least on an annual 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 at least two quotations from independent third-party suppliers and may also refer to publicly available market information on comparable products where such information is available, 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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.

Our view on pricing basis

In assessing the fairness and reasonableness of the pricing basis, we have considered the following factors and performed the relevant work as below:

Sales Products

- the unit selling prices of the Sales Products were primarily determined with reference to either the prevailing market prices of similar products. In order to be satisfied that there is market price reference for the estimated unit selling price of the Sales Products, we have randomly selected two out of approximately eight types of the Sales Products under the Automobile Components Sales and Purchase Agreement. The purpose of our review is not to provide a substantive coverage but to be satisfied that there is market reference available to determine the prices of the Sales Products, and hence the internal control procedure of the Group can be implemented. As the selected samples related to automobile components of similar specifications as the Sales Products and were samples selected in the year of 2026, we consider that the coverage of our selected samples is sufficient, fair and representative for our due diligence purpose. From our review, we note that the unit selling prices of the selected samples are either higher than or nearly the same as the prevailing market prices of similar automobile components available from independent customers of the Group or publicly available sources. Hence, we are of the view that the sales of the Sales Products are conducted on pricing term no less favourable to the Group than those charged to independent third parties;
- where prevailing market price of a Sales Product is not available, we note that the selling price of such Sales Product will be determined based on the actual manufacturing cost plus an agreed margin rate. We note that a margin rate is adopted by the Group (the “**Components Margin Rate**”) in calculating the unit selling prices of the relevant Sales Products for the years ending 31 December 2026 (“**FY2026**”), 2027 (“**FY2027**”), 2028 (“**FY2028**”) and 2029 (“**FY2029**”) and such margin rate is determined with reference to the margin rates set out in the Components Transfer Pricing Analysis Report prepared by an independent certified public accountant (the “**Independent CPA**”) for the purpose of calculating the amount of annual caps. The Components Margin Rate is determined with reference to the range between the lower and upper quartiles of the three-year weighted average cost-plus margin of 25 comparable companies (the “**Components Related Companies**”) as set out in the Components Transfer Pricing Analysis Report. The Independent CPA advised that it accords with industry norm to determine the Components Margin Rate with reference to the range between the lower and upper quartiles of the weighted average cost-plus margin of the comparable companies;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Procurement Products

- the unit purchase prices of the Procurement Products manufactured by the Components Suppliers were mainly based on the prevailing market prices of similar products if market price is available. In order to be satisfied that there is market price reference for the estimated unit purchase prices of the Procurement Products, we have randomly selected five out of approximately 106 types of automobile components under the Automobile Components Sales and Purchase Agreement. The purpose of our review is not to provide a substantive coverage but to be satisfied that there is market reference available to determine the prices of the Procurement Products, and hence the internal control procedure of the Group can be implemented. As the selected samples related to automobile components of similar specifications as the Procurement Products and were samples selected in the year of 2026, we consider that the coverage of our selected samples is sufficient, fair and representative for our due diligence purpose. From our review, we note that the unit purchase prices of the selected samples are either lower than or nearly the same as the prevailing market prices of similar automobile components available from independent suppliers to the Group or publicly available sources. Hence, we are of the view that the purchase of the Procurement Products is conducted on pricing terms no less favourable to the Group than those offered to the Group by other independent third parties; and
- where prevailing market price of a Procurement Product is not available, we note that the purchase price of such Procurement Product will be determined based on the actual cost plus an estimated cost-plus margin. We note that the Components Margin Rate is adopted by the Group in calculating the unit purchase prices of the relevant Procurement Products for FY2026, FY2027, FY2028 and FY2029 and such margin rate is determined with reference to the margin rates set out in the Components Transfer Pricing Analysis Report;

Components Transfer Pricing Analysis Report – Components Margin Rate

- based on our review of the Components Transfer Pricing Analysis Report which provides an independent benchmark for determining arm's length margin levels, we note that the Independent CPA had identified the Components Related Companies that provide similar automobile products and evaluated their cost-plus margins and are based on the following selection criteria: (a) the companies are in the automobile parts and components manufacturing industry, which are principally engaged in the manufacturing of engines, turbines, and other related motor vehicle equipment; (b) the companies have their registered business addresses in the PRC; (c) the companies have no recorded single shareholder with an ownership interest of more than 50%; (d) the companies have sufficient financial data available for at least two of the three financial years from 2023 to 2025; and (e) the companies recorded average operating profits for the three financial years from 2023 to 2025. Given that the Components Related Companies were selected having regard to factors including business activities, geographical location, ownership

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

structure, profitability and availability of financial information, we consider the selection of the Components Related Companies to be fair and representative for the purpose of the pricing analysis.

We note that the Components Margin Rate falls within the range and is broadly in line with the median of the cost-plus margin of the Components Related Companies as set out in the Components Transfer Pricing Analysis Report. As such, we consider that the Components Margin Rate to be fair and reasonable; and

- in conducting our review of the Components Transfer Pricing Analysis Report, we have interviewed the relevant team members of the Independent CPA with respect to (i) the terms of engagement of the Independent CPA; (ii) the qualifications and experience of the Independent CPA; and (iii) the procedures and measures undertaken by the Independent CPA in preparing the Components Transfer Pricing Analysis Report. Based on our review of the engagement letter of the Independent CPA, we are satisfied that the scope of work of the Independent CPA is appropriate to perform pricing analysis for automobile components related products (which we note that the scope of services of the Independent CPA includes conducting pricing assessment for connected transactions). We note that the Independent CPA has more than 30 years of experience in performing transfer pricing assessments and that the relevant team members of the Independent CPA are qualified personnel. In light of the above, we (i) are not aware of any matters that would cause us to question the competence, independence or suitability of the Independent CPA and consider that the Independent CPA has sufficient knowledge and expertise to perform pricing analysis and prepare the Components Transfer Pricing Analysis Report; and (ii) consider that the Components Transfer Pricing Analysis Report is an appropriate reference for determining the Components Margin Rate.

Given the above, we are satisfied that the sale and purchase of automobile components are conducted on pricing term no less favourable to the Group than those charged by/offered to the Group to/by other independent third parties.

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

As stated in the Letter from the Board, by entering into the Automobile Components Sales and Purchase Agreement, the Company is able 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, including those previously governed by the Existing Components Framework Agreement, thereby reducing the number of framework agreements required to be maintained and enhancing the efficiency and consistency of the Group's compliance monitoring.

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 and reliable supply of key automobile components, including electronic control system products, display screens, seats and battery products, for the manufacture of Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles, by leveraging the long-standing business relationships between the Group and the Components Suppliers and the technological capabilities of the Components Suppliers.

We also note that the Automobile Components Sales and Purchase Agreement does not impose any exclusivity obligation on the Group and that the Group remains free to transact with independent third parties where commercially appropriate. In our view, such arrangement preserves the Group's commercial flexibility and mitigates dependency risk.

Taking into account the fact that (i) the Automobile Components Sales and Purchase Agreement enables the Group to secure a stable source of Procurement Products from the Components Suppliers and maintain long-term commercial relationships with the Components Purchasers; (ii) given the right terms and pricing, the Automobile Components Sales and Purchase Agreement enables the Group to achieve better economies of scale in its component manufacturing operations; (iii) the Group has implemented internal control measures to ensure that the transactions are conducted on a fair and arm's length basis and on normal commercial terms; (iv) the Automobile Components Sales and Purchase Agreement does not impose any exclusivity obligation on the Group and the Group remains free to transact with independent third parties where commercially appropriate; and (v) our analysis and view on the major terms of the Automobile Components Sales and Purchase Agreement (as explained below), we are of the view that the terms under the Automobile Components Sales and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

For our analysis on the fairness and reasonableness of the annual caps under the Automobile Components Sales and Purchase Agreement, please refer to the section below.

1.3. Fairness and reasonableness of the proposed annual caps

Historical transaction amounts

The table below sets out (i) the historical transaction amounts for FY2024 and FY2025 and the six months ended 30 June 2026; (ii) the announced annual caps under the Existing Automobile Components Sales and Purchase Agreement for the years ended 31 December 2024 ("FY2024"), 2025 ("FY2025") and FY2026; and (iii) their respective utilisation rates.

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	Historical transaction amount ⁽¹⁾ for		Historical transaction amount for the six months ended	Announced annual caps for		
	FY2024	FY2025	30 June 2026	FY2024	FY2025	FY2026
	RMB million	RMB million	RMB million	RMB million	RMB million	RMB million
	(Audited)	(Audited)	(Unaudited)			
Sales of automobile components by the Group	15,354.1	17,557.0	3,921.0	26,956.0	22,895.3	18,588.1
Utilisation Rate				57.0%	76.7%	21.1% ⁽²⁾
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
Utilisation Rate				61.1%	51.1%	27.6% ⁽²⁾
Transactions under the Existing Components Framework Agreement	N/A	3,750.2	1,493.9	N/A	5,527.1	5,676.7
Utilisation rate				N/A	67.9%	26.3% ⁽²⁾

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 Rate of the annual cap for FY2026 was calculated by dividing the historical transaction amount for the six months ended 30 June 2026 by the announced annual cap for the full financial year ending 31 December 2026.

Proposed annual caps – Sales Products

The table below sets out the proposed annual caps for the sale of automobile components by the Group under the Automobile Components Sales and Purchase Agreement for FY2027, FY2028 and FY2029 (the “**Sales Caps**”).

	Sales Caps for		
	FY2027	FY2028	FY2029
	RMB million	RMB million	RMB million
Sale of automobile components by the Group	9,905.0	10,190.0	10,537.0

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As set out in the Letter from the Board, the Sales Caps (which represent the proposed annual caps for the sale of automobile components by the Group to the Components Purchasers) are determined with reference to (i) the projected number of units of each type of the Sales Products for use mainly in the Volvo brand vehicles, smart brand vehicles, Farizon brand vehicles and Livan brand vehicles (collectively, the “**Sales Products Brands Vehicles**”) for each of FY2027, FY2028 and FY2029; (ii) the projected unit sales of the vehicles that are manufactured using such automobile components for each of FY2027, FY2028 and FY2029; (iii) the estimated unit selling price for each type of the Sales Products that are determined with reference to historical selling price and/or the prevailing market price of similar products; and (iv) the Components Margin Rate. 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.

Our work done

In our assessment of the fairness and reasonableness of the Sales Caps, we have reviewed and discussed with the Company with regards to the underlying calculations. From our review and discussion, we understand that the Company has (i) projected sales of the Sales Products for use in the Sales Products Brands Vehicles for FY2027, FY2028 and FY2029 with reference to the sales plan of the Sales Products Brands Vehicles which are manufactured with the Sales Products for FY2027, FY2028 and FY2029; (ii) where market price is available, estimated the unit selling price for each type of the Sales Products primarily based on the historical selling price and/or the prevailing market price for FY2027 and to remain stable for FY2028 and FY2029; and (iii) where market price is unavailable, estimated the unit selling price for each type of the Sales Products on cost-plus margin basis with reference to the Components Transfer Pricing Analysis Report.

Assessment of the reasonableness of the Sales Caps

From our review of the aforesaid documents and discussion with management of the Company, we have taken into consideration the following in assessing the fairness and reasonableness of the Sales Caps:

- where market price is available, estimated unit selling price for each type of the Sales Products are primarily based on the historical selling price and/or the prevailing market price of similar products for FY2027 and to remain stable for FY2028 and FY2029.
- where prevailing market price of a Sales Product is not available, the proposed annual cap for such Sales Product will be determined with reference to the Components Margin Rate. Details of our assessment of the Components Margin Rate are set out in the above paragraph headed “*Components Transfer Pricing Analysis Report – Components Margin Rate*” under “*1.1. Principal terms of the Automobile Components Sales and Purchase Agreement*”.

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- we have obtained and reviewed the sales plans of the Sales Products Brands Vehicles for FY2027, FY2028 and FY2029 and discussed with the management of the Company the basis upon which the projected sales volume of the Sales Products was determined and its relationship with the projected sales volume of the Sales Products Brands Vehicles. Based on our discussions with the management of the Company, we understand that the projected sales volume of the Sales Products (for use in the manufacturing of the Sales Products Brands Vehicles) for each of FY2027, FY2028 and FY2029 is mainly determined with reference to the projected sales volume of the Sales Products Brands Vehicles expected to be equipped with the relevant Sales Products during the corresponding period. The sales plan of the Sales Products Brands Vehicles for FY2027, FY2028 and FY2029 were prepared by the Group after taking into account factors including expected customer demand, sales volume targets, product life cycle, development strategy, historical operating performance and possible market fluctuations. We have reviewed the projected sales volumes adopted by the Group in determining the Sales Caps and compared them against the relevant sales plans of the Sales Products Brands Vehicles. We note that the projected sales volumes adopted in determining the Sales Caps are consistent with, and generally reflect, the underlying sales plans of the Sales Products Brands Vehicles. We also note that the projected increase in sales volumes of the Sales Products is broadly in line with the expected growth in sales of the relevant vehicle models during the relevant period.

FY2025 vs FY2026 vs FY2027: The Sales Cap for FY2027 decreased by approximately 44% and 47% as compared to the historical transaction amount for FY2025 and the announced annual cap for FY2026, respectively, mainly attributable to the fact that following the acquisition and integration of ZEEKR and LYNK & CO in 2025 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 connected transactions under the Listing Rules. Nevertheless, we note that the Sales Cap for FY2027 represents an increase of approximately 26% as compared to the annualised sales amount for the six months ended 30 June 2026. The increase was primarily driven by the increase in projected sales volume of the Sales Products Brands Vehicles from FY2026 to FY2027.

FY2027 vs FY2028 vs FY2029: The Sales Cap remains relatively stable for FY2028 and FY2029 as compared to FY2027.

Proposed annual caps – Procurement Products

The table below sets out the proposed annual caps for the purchase of automobile components by the Group from the Components Suppliers under the Automobile Components Sales and Purchase Agreement for FY2027, FY2028 and FY2029 (the “**Procurement Caps**”).

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	Procurement Caps for		
	FY2027	FY2028	FY2029
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Purchase of automobile components by the Group	55,913.0	63,990.0	73,138.0

As set out in the Letter from the Board, the Procurement Caps are determined with reference to (i) the projected number of units of each type of the Procurement Products for use mainly in the Geely brand vehicles, the ZEEKR brand vehicles and LYNK & CO brand vehicles (collectively, the “**Procurement Products Brands Vehicles**”) for each of FY2027, FY2028 and FY2029; (ii) the projected unit sales of the vehicles manufactured using such automobile components for each of FY2027, FY2028 and FY2029; (iii) the projected purchase price for each type of the Procurement Products determined with reference to the prevailing market price or, where no market price is available, estimated cost; and (iv) the Components Margin Rate.

Our work done

In our assessment of the fairness and reasonableness of the Procurement Caps, we have reviewed and discussed with the Company with regards to the underlying calculations. From our review and discussion, we note that the Company has (i) projected purchase volume of the Procurement Products for use in the Procurement Products Brands Vehicles for FY2027, FY2028 and FY2029 based on the sales plan of the Procurement Products Brands Vehicles which are manufactured with the Procurement Products for FY2027, FY2028 and FY2029; (ii) where market price is available, estimated the unit purchase price for each type of the Procurement Products primarily based on the prevailing market price for FY2027 and to remain stable for FY2028 and FY2029; and (iii) where market price is unavailable, estimated the unit purchase price for each type of the Procurement Products based on cost-plus margin with reference to the Components Transfer Pricing Analysis Report.

Assessment of the reasonableness of the Procurement Caps

From our review of the aforesaid documents and discussion with management of the Company, we have taken into consideration the following in assessing the fairness and reasonableness of the Procurement Caps:

- where market price is available, estimated unit purchase price for each type of the Procurement Products are primarily based on the prevailing market price of similar products for FY2027 and to remain stable for FY2028 and FY2029.
- where prevailing market price of a Procurement Product is not available, the proposed annual cap for such Procurement Product will be determined with reference to the Components Margin Rate. Details of our assessment of the Components Margin Rate

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are set out in the above paragraph headed “*Components Transfer Pricing Analysis Report – Components Margin Rate*” under “*1.1. Principal terms of the Automobile Components Sales and Purchase Agreement*”.

- we have obtained and reviewed the sales plans of the Procurement Products Brands Vehicles for FY2027, FY2028 and FY2029 and discussed with the management of the Company the basis upon which the projected procurement volume of the Procurement Products was determined and its relationship with the projected sales volume of the Procurement Products Brands Vehicles. Based on our discussions with the management of the Company, we understand that the projected procurement volume of the Procurement Products (for use in the manufacturing of the Procurement Products Brands Vehicles) for each of FY2027, FY2028 and FY2029 is mainly determined with reference to the projected sales volume of the Procurement Products Brands Vehicles expected to be equipped with the relevant Procurement Products during the corresponding period. The sales plan of the Procurement Products Brands Vehicles for FY2027, FY2028 and FY2029 were prepared by the Group after taking into account factors including expected customer demand, sales volume targets, product life cycle, development strategy, historical operating performance and possible market fluctuations. We have reviewed the projected procurement volumes adopted by the Group in determining the Procurement Caps and compared them against the relevant sales plans of the Procurement Products Brands Vehicles. We note that the projected procurement volumes adopted in determining the Procurement Caps are consistent with, and generally reflect, the underlying sales plans of the Procurement Products Brands Vehicles. We also note that the projected increase in procurement volumes of the Procurement Products is broadly in line with the expected growth in sales volumes for the relevant vehicle models during the relevant period.

FY2025 vs FY2026 vs FY2027: The Procurement Cap for FY2027 represents an increase of approximately 150% and 122% as compared to historical purchase amount for FY2025 and the annualised purchase amount for the six months ended 30 June 2026, respectively. Such increase is attributable to the projected increase in procurement demand for battery systems, intelligent driving hardware, electric drive systems and intelligent cockpit components and other components for use in Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles, primarily as a result of (i) the projected increase in the Group’s vehicle production volumes, particularly in respect of new energy vehicle models, which contributes approximately 40% to the increase of the Procurement Cap for FY2027 when compared to the annualised purchase amount for the six months ended 30 June 2026; (ii) the inclusion of automobile components transactions previously governed by the Existing Components Framework Agreement, which contributes approximately 14% to the increase of the Procurement Cap for FY2027; and (iii) the expansion of procurement arrangements with the Components Suppliers in support of the Group’s intelligentisation, electrification and vehicle platform development strategies, contributing approximately 21% to the increase of the Procurement Cap for FY2027. The annual cap arising from the above three factors accounts for approximately 69% of the Procurement Cap for FY2027.

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FY2027 vs FY2028 vs FY2029: The Procurement Cap for FY2028 is expected to increase by approximately 14% and further increase by approximately 14% in FY2029 on a year on year basis, primarily due to the expected increase in demand for the Procurement Products, particularly components related to new energy vehicles, driven by the projected increase in sales volume of the Group's new energy vehicle under the Procurement Products Brands Vehicles.

Our view

Taking into consideration that (i) the Sales Caps and the Procurement Caps are determined with reference to the sales plan of respective relevant brand vehicles at prices comparable to prevailing market rates or prices based on actual cost plus a margin with reference to the Components Transfer Pricing Analysis Report; (ii) the estimation of the Sales Caps and the Procurement Caps are mainly driven by the estimated demand of the relevant brand vehicles; (iii) the decrease in Sales Cap for FY2027 as compared with the Sales Cap in 2026 is primarily due to the exclusion of sales transactions with ZEEKR and LYNK & CO after they became wholly-owned subsidiaries of the Company in 2025; and (iv) the increase in Procurement Cap for FY2027 is mainly driven by the estimated increase in demand for the Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles; expansion of procurement arrangements with the Components Suppliers and the inclusion of automobile components transactions previously governed by the Existing Components Framework Agreement, we consider that the Sales Caps and the Procurement Caps are fair and reasonable and we concur with the Directors' view that it is fair and reasonable and in the interests of both the Company and the Shareholders as a whole to set the Sales Caps and the Procurement Caps at the proposed levels. However, as the Sales Caps and the Procurement Caps relate to future events and are based on assumptions that may or may not remain valid for the whole period up to 31 December 2029, we express no opinion as to how closely the transactions contemplated under the Automobile Components Sales and Purchase Agreement shall correspond to the Sales Caps and the Procurement Caps respectively.

2. The Powertrain Products Purchase Agreement

2.1. Principal terms of the Powertrain Products Purchase Agreement

Major terms of the Powertrain Products Purchase Agreement are summarised below:

Subject matter

Pursuant to the Powertrain Products Purchase Agreement, the Group conditionally agreed to purchase, and each of Aurobay Technology and Aurobay Changxing 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.

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Term

The Powertrain Products Purchase Agreement has a term starting from 1 January 2027 to 31 December 2029, subject to the satisfaction of the condition precedent thereunder.

Payment terms

All payments in respect of the Powertrain Products provided under the Powertrain Products Purchase Agreement shall generally be settled within 45 days from the date of relevant invoice by cash, bank transfer, acceptance bill or such other payment method as may be mutually agreed by such parties, and within such other payment period as may be agreed by the relevant parties thereunder.

We note that payments under the Powertrain Products Purchase Agreement are generally required to be settled within 45 days from the date of the relevant invoice. We have reviewed two transactions between the Group and independent third-party suppliers under the Powertrain Products Purchase Agreement, representing all comparable transactions with independent third-party suppliers made available to us by the Company during FY2024, FY2025 and the six months ended 30 June 2026. Based on our discussions with management of the Company and our review of such transactions, we understand that the relevant credit periods fall within the range of credit periods available to the Group from independent third-party suppliers in respect of comparable transactions. Accordingly, we consider the payment terms under the Powertrain Products Purchase Agreement to be on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Condition precedent

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 has not been 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.

Pricing basis

The Group will first determine whether prevailing market prices of comparable Powertrain Products are available by obtaining at least two quotations from independent third-party suppliers and, where available, 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 $\times$ (1 + margin rate)

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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 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 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 previous year $\times$ (1 – material cost reduction rate $\times$ 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, calculated based on actual cost and production volume.
- c) Standard fixed cost = total fixed cost $\div$ (production capacity $\times$ PUR).
- d) Fixed costs include depreciation and amortisation of fixed assets (including capitalised licence fee), selling, general and administrative expenses and R&D expenses. Production capacity refers to maximum output volume. 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.

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.

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Our view on pricing basis

In assessing the fairness and reasonableness of the pricing basis, we have considered the following factors and performed the relevant work as below:

- we have discussed with the management of the Company the pricing mechanism under the Powertrain Products Purchase Agreement. We understand that market prices of the relevant Powertrain Products were unavailable during FY2024, FY2025 and the six months ended 30 June 2026 as such Powertrain Products were proprietary in nature and no directly comparable market quotations were available. We note that the purchase prices of the Powertrain Products were determined based on the cost-plus methodology, whereby the purchase price comprised the cost of direct materials, other variable costs and standard fixed costs, plus an agreed margin.
- the material cost reduction rate adopted in calculating the cost of direct materials 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 is determined at 50% following arm's length commercial negotiations between the parties. Given that the material cost reduction rate and the material cost reduction sharing ratio allows the Group to enjoy a lower purchase price, we concur with the view of the Company that the material cost reduction rate and the material cost reduction sharing ratio are fair and reasonable.
- a margin rate adopted in calculating the purchase price of the Powertrain Products (the **"Powertrain Margin Rate"**) is determined with reference to the margin rates set out in the Powertrain Products Pricing Analysis Report prepared by the Independent CPA. Based on our review of the Powertrain Products Pricing Analysis Report, which provides an independent benchmark for determining arm's length margin levels, we note that the Independent CPA had identified 12 companies (the **"Powertrain Related Companies"**) that provide similar powertrain products and evaluated their cost-plus margins based on the following selection criteria: (a) the companies are in the automobile parts and components manufacturing industry, which are principally engaged in the manufacturing of engines, turbines, and other related motor vehicle equipment; (b) the companies have their registered business addresses in the PRC; (c) the companies have no recorded single shareholder with an ownership interest of more than 50%; (d) the companies have sufficient financial data available for at least two of the three financial years from 2023 to 2025; and (e) the companies recorded average operating profits for the three financial years from 2023 to 2025. Given that the Powertrain Related Companies were selected based on business activities comparable to those of the relevant transactions, as well as the Group's geographical location, ownership structure and available financial information, we consider the selection of the Powertrain Related Companies to be fair and representative for the purpose of the pricing analysis.

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We note that the Powertrain Margin Rate falls within the range and is broadly in line with the median of the cost-plus margin of the Powertrain Related Companies as set out in the Powertrain Products Pricing Analysis Report. As such, we consider that the Powertrain Margin Rate for calculating the purchase price of the Powertrain Products to be fair and reasonable.

- In respect of our due diligence on the qualification and experience of the Independent CPA, please refer to the paragraph headed “*Components Transfer Pricing Analysis Report - Components Margin Rate*” under “*1.1. Principal terms of the Automobile Components Sales and Purchase Agreement*” above in this letter. In light of the above due diligence performed, we (i) are not aware of any matters that would cause us to question the competence of the Independent CPA and consider that the Independent CPA has sufficient knowledge and expertise to perform pricing analysis and prepare the Powertrain Products Pricing Analysis Report; and (ii) consider that the Powertrain Products Pricing Analysis Report is an appropriate reference for determining the margin rate used in calculating the purchase price of the Powertrain Products based on cost-plus-margin approach.

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

As set out in the Letter from the Board, 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 Aurobay Group will produce Powertrain Products for different brands of vehicles manufactured by the Group in accordance with its business plan, which will enable the Group to secure a stable source of Powertrain Products leveraging on the business relationships established between the Group and the Aurobay Group.

Our view

We also note that the Powertrain Products Purchase Agreement does not impose any exclusivity obligation on the Group and that the Group remains free to procure comparable products from independent third parties where commercially appropriate. In our view, such arrangement preserves the Group’s procurement flexibility and mitigates supplier concentration risk.

Taking into account the above, in particular that (i) the Powertrain Products Purchase Agreement enables the Group to secure a stable source of Powertrain Products; (ii) the Group has implemented internal control measures to monitor the purchase price of Powertrain Products to ensure that the purchase transactions are conducted on a fair and arm’s length basis and on normal commercial terms; and (iii) our analysis and view on the major terms of the Powertrain Products Purchase Agreement (as explained below), we are of the view that the terms under the Powertrain Products Purchase Agreement and the transactions contemplated

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thereunder are fair and reasonable, on normal commercial terms, within the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

For our analysis on the fairness and reasonableness of the Powertrain Caps, please refer to the section below.

2.3. *Fairness and reasonableness of the proposed annual caps*

Historical transaction amounts

The table below sets out the historical transaction amounts for FY2024, FY2025 and the six months ended 30 June 2026; and their respective utilisation rates.

	Historical transaction amount for the		Historical transaction amount for the six months ended	Announced annual caps for		
	FY2024	FY2025	30 June 2026	FY2024	FY2025	FY2026
	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
Utilisation Rate				49.2% ⁽¹⁾	96.7%	41.9% ⁽²⁾

Notes:

- (1) The Utilisation Rate for FY2024 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 FY2024 includes only transactions conducted from 1 June 2024 onwards, following completion of the formation of that joint venture company on 31 May 2024.
- (2) The Utilisation Rate of the annual cap for FY2026 was calculated by dividing the historical transaction amount for the six months ended 30 June 2026 by the announced annual cap for the full financial year ending 31 December 2026.

Proposed annual caps – Powertrain Products

The table below sets out the proposed annual caps of Powertrain Products (the “**Powertrain Caps**”) for each of FY2027, FY2028 and FY2029.

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	Powertrain Caps for		
	FY2027	FY2028	FY2029
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Purchase of Powertrain Products by the Group	37,068.0	37,686.0	39,067.0

As stated in the Letter from the Board, the Powertrain Caps are determined 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 FY2027, FY2028 and FY2029, which is determined with reference to the projected sales volume and production plans for internal combustion engine (“ICE”) and hybrid vehicles under those vehicle brands for the same period; (ii) the estimated manufacturing costs of the Powertrain Products for each of FY2027, FY2028 and FY2029; and (iii) the Powertrain Margin Rate.

Our work done

In assessing the fairness and reasonableness of the Powertrain Caps, we have reviewed and discussed with the Company with regards to the underlying calculations. We have obtained and reviewed (i) the estimated manufacturing costs (which include the cost of direct materials, other variable cost and fixed cost) of the Powertrain Products on a sample basis; (ii) the estimated number of Powertrain Products to be purchased by the Group from the Aurobay Group for the FY2027, FY2028 and FY2029; and (iii) the Powertrain Products Pricing Analysis Report prepared by the Independent CPA.

Assessment of the reasonableness of the Powertrain Caps

From our review of the aforesaid documents and discussion with management of the Company, we have taken into consideration the following in assessing the fairness and reasonableness of the Powertrain Caps:

- we note that the purchase costs of the Powertrain Products comprise cost of direct materials, variable cost and fixed cost in determining the unit prices of the relevant Powertrain Products, the unit prices of which vary according to the type of engine and transmission. We note the unit prices of the Powertrain Products used in hybrid vehicles are generally higher than those used in ICE vehicles (which we note from the underlying calculations that the estimated average unit price of the Powertrain Products used in the hybrid vehicles for FY2027, FY2028 and FY2029 is approximately 25% to 33% higher than those for ICE vehicles for the same period), contributed by higher costs for the Powertrain Products used in hybrid vehicles;
- we have obtained and reviewed the Group's sales plans and production plans for FY2027, FY2028 and FY2029 and discussed with the management of the Company the basis upon which the projected purchase volume of the Powertrain Products was

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determined and its relationship with the projected sales volume of hybrid vehicles and ICE vehicles to be manufactured by the Group. Based on our discussions with the management of the Company, we understand that the projected purchase volume of the Powertrain Products for each of FY2027, FY2028 and FY2029 is mainly determined with reference to the projected sales volumes of the relevant hybrid vehicles and ICE vehicles expected to be equipped with the Powertrain Products during the corresponding period. The Group's sales plans and production plans for FY2027, FY2028 and FY2029 were prepared after taking into account factors including expected customer demand (having regard to the sales prospect of hybrid vehicles and ICE vehicles), sales volume targets, product life cycle, historical operational performance, the Group's business strategy and anticipated market developments. We have reviewed the projected purchase volume of the Powertrain Products adopted by the Group in determining the Powertrain Caps and compared them against the underlying sales plans of the relevant vehicle models. We note that the projected purchase volumes adopted in determining the Powertrain Caps are consistent with, and generally reflect, the Group's underlying sales plans for the relevant hybrid vehicles and ICE vehicles during the relevant period.

FY2025 vs FY2026 vs FY2027: We note that the increase of the Powertrain Caps of approximately 48% and 81% for FY2027 as compared with the historical transaction amounts for FY2025 and the annualised purchase amount for the six months ended 30 June 2026, respectively, reflects the increase in the procurement volume of the Powertrain Products for hybrid and ICE vehicles manufactured by the Group, contributing approximately 88% to the increase of the Powertrain Cap for FY2027.

FY2027 vs FY2028 vs FY2029: The Powertrain Cap remains relatively stable for FY2028 and FY2029 as compared to FY2027.

Our view

Based on the above (which included our review and assessment of (i) the estimated manufacturing costs of the Powertrain Products; (ii) the estimated number of Powertrain Products to be purchased by the Group; and (iii) the margin rate adopted in the calculation of the unit prices of the Powertrain Products), we consider that the Powertrain Caps are fair and reasonable and we concur with the Directors' view that it is fair and reasonable and in the interests of both the Company and the Shareholders to set the Powertrain Caps at the proposed levels. However, as the Powertrain Caps relate to future events and are based on assumptions that may or may not remain valid for the whole period up to 31 December 2029, we express no opinion as to how closely the Continuing Connected Transactions shall correspond to the Powertrain Caps.

3. Internal control measures

For details of internal control measures, please refer to the paragraph headed "*Internal Control Measures*" in the Letter from the Board.

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Our view on the internal control measures

Based on our discussion with the management of the Company on the internal control measures that govern the transactions contemplated under the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement and our review of the internal control procedures that include:

- (i) where prevailing market prices or market rates are available, the Group will obtain at least two comparable quotations from independent third parties and, where available, reviewing publicly available market information, 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 similar 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;
- (ii) where transactions are priced on a cost-plus basis, the Group will 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. The Group will review and, where appropriate, adjust the applicable margin rates on an annual basis, or more frequently if considered necessary, and review on an annual basis whether updated transfer pricing analysis reports should be obtained;
- (iii) in respect of sales by the Group, the Group and the Components Purchasers will review the cost components at least on an annual basis to ensure that the selling prices properly reflect the level of actual costs incurred and remain consistent with the applicable pricing policies;
- (iv) in respect of purchases by the Group, where the automobile components are manufactured by the Components Suppliers, the Group will, where comparable products are available in the market, obtain at least two quotations from independent third-party suppliers and may also refer to publicly available market information 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 prices properly reflect prevailing market prices. Where the automobile components are procured by the Components Suppliers from other 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;
- (v) the Group has measures in place to ensure that the annual transaction amounts under the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement will not exceed the proposed annual caps of respective years, for instance, (a) the designated finance manager of the finance department of the Group will monitor the transaction amounts on an ongoing basis by preparing monthly reports showing the actual transaction volumes and amounts (which includes the calculation of the Utilisation Rate of the relevant annual cap), which are submitted to the management of the Group for review. If the

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designated finance manager is informed by the relevant business departments of the Company's subsidiaries that there will be significant increase in the transaction volume of continuing connected transactions which may exceed the relevant annual cap, or the Utilisation Rate of the applicable annual cap reaches an internal monitoring threshold determined by the Group from time to time having regard to annual cap utilisation and projected transaction demand at any time during the year, the Group will either restrict the relevant sale, purchase, provision or procurement volumes, to ensure compliance with the relevant annual caps, or initiate the requisite procedures to revise the annual caps in accordance with the requirements under Chapter 14A of the Listing Rules; and (b) the internal audit department of the Group will conduct inspection in respect of the Group's compliance with the internal control procedures on an annual basis (or more frequently if considered necessary). We understand from the management of the Company that if they expect that the transaction amounts will reach or exceed the annual cap, the Company will consider measures to be taken in a timely manner (which include restricting the purchase volume/sales volume of the automobile components or re-complying with disclosure and independent shareholders' approval requirements under the Listing Rules); and

- (vi) the independent non-executive Directors will conduct review on the transactions contemplated under the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement annually to confirm whether these transactions have been entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) in accordance with the relevant agreements, and in the interests of the Company and the Shareholders as a whole;

we consider that the Company has adequate and effective internal control procedures and monitoring mechanisms in place to ensure that (i) the proposed annual caps of the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement will not be exceeded (or if it is expected to be exceeded, the Company will consider measures to be taken in a timely manner, which include restricting the relevant purchase volume/sales volume or re-complying with disclosure and independent shareholders' approval requirements under the Listing Rules); (ii) the price of the Continuing Connected Transactions will be determined on normal commercial terms and no less favourable to the Group than terms offered by/to independent third parties (through (a) obtaining at least two quotations from other independent third party suppliers and, where available, referring to publicly available information on the prevailing market prices of comparable products, or (b) if quotations or prevailing market prices of comparable products are not available, the Group will purchase or sell based on a cost-plus margin approach, where the margin rate (subject to annual review) is determined with reference to the Components Transfer Pricing Analysis Report and the Powertrain Products Pricing Analysis Report).

4. Requirements by the Listing Rules regarding the Continuing Connected Transactions

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Continuing Connected Transactions are subject to the following annual review requirements:

- (a) Each year the independent non-executive Directors must review the Continuing Connected Transactions and confirm in the annual report and accounts that they have been entered into:

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- in the ordinary and usual course of business of the Group;
 - on normal commercial terms or better; and
 - according to the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Group and the Shareholders as a whole.
- (b) Each year the auditors of the Company must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the Continuing Connected Transactions:
- has not been approved by the Board;
 - were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
 - were not entered into, in all material respects, in accordance with the terms of the respective agreements of each of the Continuing Connected Transactions; and
 - have exceeded the respective annual caps.
- (c) The Company must allow, and ensure that the relevant counter parties to the Continuing Connected Transactions allow, the Company's auditors sufficient access to their records for the purpose of reporting on the Continuing Connected Transactions.
- (d) The Company must promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if the independent non-executive Directors and/or the auditors of the Company cannot confirm the matters set out in paragraphs (a) and/or (b) above, respectively.

In light of the reporting requirements attached to the Continuing Connected Transactions, in particular, (i) the restriction of transaction value by way of the annual caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company on the terms of the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement and the annual caps under each of the above respective agreements not being exceeded, we are of the view that appropriate measures have been in place to govern the conduct of the Continuing Connected Transactions and safeguard the interests of the Company and the Shareholders as a whole.

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CONCLUSION AND RECOMMENDATION

Based on our analysis and work done set out above, we consider that:

- (a) the entering into of the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement and the Continuing Connected Transactions contemplated thereunder are in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole, and the terms thereof are on normal commercial terms or better and are fair and reasonable; and
- (b) the Annual Caps under each of the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement (which include the Sales Caps, the Procurement Caps and the Powertrain Caps) in respect of the Continuing Connected Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM in relation to the Automobile Components Sales and Purchase Agreement and the Powertrain Products Purchase Agreement and the transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,
For and on behalf of
Ballas Capital Limited
Alex Lau **Michelle Tse**
Managing Director *Director*

Note: Mr. Alex Lau has been a responsible officer of Type 6 (advising on corporate finance) regulated activity since 2003 and Miss Michelle Tse has been a licensed representative of Type 6 (advising on corporate finance) regulated activity from 2010 to 2015 and since 2019.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

a) Directors' and chief executives' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules were as follows:

(i) Directors' and chief executives' interests and short positions in the shares of the Company

Number or attributable number of Shares				Approximate percentage or attributable percentage of shareholding (%)
Name of Director	Nature of interests	Long position	Short position	
Shares				
Mr. Li Dong Hui, Daniel	Personal	10,928,000	–	0.10
Mr. Gui Sheng Yue (Note 1)	Interest in controlled corporation	11,070,000	–	0.10
Mr. Gui Sheng Yue	Personal	18,707,000	–	0.17
Mr. An Cong Hui	Personal	17,125,000	–	0.16
Mr. Gan Jia Yue	Personal	4,371,800	–	0.04
Mr. Mao Jian Ming, Moosa	Personal	200,000	–	0.002

Note:

1. As at the Latest Practicable Date, GSY Technology Holding Limited (“**GSY Technology**”) is interested in 11,070,000 Shares, representing approximately 0.10% of the issued share capital of the Company. As at the Latest Practicable Date, GSY Technology is a private company incorporated in the British Virgin Islands and is wholly-owned by Mr. Gui Sheng Yue.

(ii) Directors’ and chief executives’ interests and short positions in the derivatives of the Company

Number or attributable number of Shares				Approximate percentage or attributable percentage of shareholding
Name of Director	Nature of interests	Long position	Short position	(%)
Share Options and Share Awards				
Mr. Li Dong Hui, Daniel	Personal	14,000,000 (Note 1)	–	0.13
Mr. Li Dong Hui, Daniel	Personal	9,000,000 (Note 2)	–	0.08
Mr. Gui Sheng Yue	Personal	13,500,000 (Note 1)	–	0.12
Mr. Gui Sheng Yue	Personal	15,000,000 (Note 2)	–	0.14
Mr. An Cong Hui	Personal	22,000,000 (Note 1)	–	0.20
Mr. An Cong Hui	Personal	9,000,000 (Note 2)	–	0.08
Mr. Gan Jia Yue	Personal	8,000,000 (Note 1)	–	0.07
Mr. Gan Jia Yue	Personal	15,000,000 (Note 2)	–	0.14
Mr. Gan Jia Yue	Personal	4,500,000 (Note 3)	–	0.04
Mr. Mao Jian Ming, Moosa	Personal	350,000 (Note 3)	–	0.003
Mr. Mao Jian Ming, Moosa	Personal	2,800,000 (Note 4)	–	0.03

Notes:

1. The interest relates to share options granted by the Company to the Directors on 15 January 2021. The share options are exercisable at a subscription price of HK\$32.70 per Share during the period from 15 January 2023 to 14 January 2028. The percentage of shareholding is calculated assuming that: (i) all such share options are fully exercised; and (ii) the issued share capital of the Company immediately prior to such exercise remains unchanged from that as at the Latest Practicable Date.
2. The interest relates to share options granted by the Company to the Directors on 22 November 2023. The share options are exercisable at a subscription price of HK\$9.56 per Share during the period from 22 November 2024 to 21 November 2031. The percentage of shareholding is calculated assuming that: (i) all such share options are fully exercised; and (ii) the issued share capital of the Company immediately prior to such exercise remains unchanged from that as at the Latest Practicable Date.
3. The interest relates to share awards granted under the Share Award Scheme on 20 August 2026, which are subject to vesting over the following three years and are expected to be satisfied by the transfer of treasury shares held by the Company. The percentage of shareholding is calculated based on the number of Shares represented by such share awards as a percentage of the issued share capital of the Company as at the Latest Practicable Date.
4. The interest relates to share options granted by the Company to the Director on 17 July 2024. The share options are exercisable at a subscription price of HK\$9.56 per Share during the period from 17 July 2025 to 16 July 2032. The percentage of shareholding is calculated assuming that: (i) all such share options are fully exercised; and (ii) the issued share capital of the Company immediately prior to such exercise remains unchanged from that as at the Latest Practicable Date.

b) Interests and short positions in Shares and underlying Shares of other persons

As at the Latest Practicable Date, according to the register of interests maintained by the Company pursuant to section 336 of the SFO and so far as is known to the Directors or the chief executives of the Company, the persons, other than the Directors or the chief executives of the Company, who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and any other members of the Group, and the amount of each of such persons' interests in such securities, together with any options in respect of such capital, were as follows:

(i) *Substantial Shareholders (as defined in the SFO)*

Name	Nature of interests	Number of Shares held	Approximate percentage or attributable percentage of shareholding (%)
Mr. Li	Interest in controlled corporation	4,492,778,000	41.41
	Beneficial owner	23,140,000	0.21
Proper Glory (Note 1)	Beneficial owner	2,542,535,000	23.44
Geely Holding (Note 1)	Interest in controlled corporation	3,761,903,000	34.67
	Beneficial owner	261,318,000	2.41
Geely Group Limited (Note 1)	Beneficial owner	196,497,000	1.81
Zhejiang Geely Automobile Industry (Note 2)	Interest in controlled corporation	20,154,000	0.19
	Beneficial owner	776,408,000	7.16
Zhejiang Geely (Note 3)	Beneficial owner	20,154,000	0.19

Notes:

1. Proper Glory is a limited liability company incorporated in the British Virgin Islands and is owned as to 68% by Geely Holding and as to 32% by Geely Group Limited. Geely Group Limited is a limited liability company incorporated in the British Virgin Islands and is beneficially wholly-owned by Mr. Li. Geely Holding is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li and his associates.
2. Zhejiang Geely Automobile Industry Company Limited, formerly known as Geely Automobile Group Company Limited, is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li and his associates.
3. Zhejiang Geely is a limited liability company established in the PRC and is beneficially wholly-owned by Mr. Li and his associates.

Mr. An Cong Hui is a director of each of Geely Holding, Zhejiang Geely and Zhejiang Geely Automobile Industry. Mr. Li Dong Hui, Daniel is a director of each of Geely Holding, Zhejiang Geely and Zhejiang Geely Automobile Industry. Mr. Gan Jia Yue is a director of each of Zhejiang Geely and Zhejiang Geely Automobile Industry.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executives of the Company are not aware of any other person (other than the Directors and the chief executives of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of divisions

2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and of any other member of the Group.

3. FURTHER INFORMATION CONCERNING DIRECTORS

a) Directors' service agreements

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

b) Competing Interests

The Group is principally engaged in the research, development, production, marketing and sale of passenger vehicles and related automobile components in the PRC.

Mr. Li and his associates control Geely Holding, which has established production facilities and distribution networks in the PRC and overseas for various automobile brands. Such activities may constitute competing businesses (the “**Competing Businesses**”) with those of the Group. Mr. Li undertook to the Company on 20 November 2008 that, upon being notified of any decision by the Company pursuant to a resolution approved by a majority of the independent non-executive Directors, he will, and will procure his associates (other than the Group) to, sell to the Group all of the Competing Businesses and related assets, subject to compliance with the applicable requirements of the Listing Rules and other applicable laws and regulations and on terms to be mutually agreed as fair and reasonable. In addition, Mr. Li undertook to inform the Group of any potential Competing Businesses carried on by him or his associates.

In August 2010, Geely Holding completed the acquisition of Volvo Car Corporation (“**Volvo**”). Geely Holding provided an irrevocable undertaking to the Company on 27 March 2010 that, upon being notified of any decision by the Company pursuant to a resolution approved by a majority of the independent non-executive Directors, it will, and will procure its associates (other than the Group) to, sell to the Group all or any part of the businesses and related assets of Volvo, subject to compliance with applicable laws and regulations and on terms to be mutually agreed as fair and reasonable. The Company announced on 24 February 2021 a series of collaborations with Volvo Car AB (publ) in powertrain, electrification, autonomous driving and operational areas while maintaining independent corporate structures. The Board considers that such collaborations have mitigated the major potential competition between the parties and have substantially fulfilled the relevant undertakings previously given by Geely Holding.

Horizontal Competition Between the Group and Geely Holding

Although the Group and the Geely Holding group are engaged in similar business activities, their respective product offerings differ substantially in terms of market positioning and target customer bases. The Group's principal passenger vehicle brands comprise Geely, ZEEKR and LYNK & CO, while the principal passenger vehicle brands controlled by or associated with Geely Holding include Volvo, Lotus, Polestar, LEVC, Livan, smart and Zhidou.

The Group's brands are principally positioned in the mass-market, premium electric vehicle and high-end new energy vehicle segments, whereas the other vehicle brands associated with Geely Holding are generally focused on distinct market segments, including luxury vehicles, high-performance sports vehicles, premium electric vehicles, electrified commercial vehicles, battery-swapping vehicles, compact urban electric vehicles and micro-mobility vehicles. Accordingly, the Board considers that such brands are differentiated from the Group's brands in terms of product positioning, pricing, target customer groups and business models and therefore do not give rise to material horizontal competition with the Group.

In particular:

- Volvo is positioned as a premium global automotive brand targeting high-income consumers and differs materially from the Group's principal product offerings.
- Lotus is principally engaged in the manufacture of high-performance sports cars and serves a niche customer segment distinct from that of the Group.
- Polestar is positioned as a high-performance premium electric vehicle brand with a focus on sustainability and advanced technology.
- LEVC, Livan, smart and Zhidou are focused on market segments such as electrified vans and MPVs, battery-swapping vehicles, compact urban electric vehicles and micro-mobility vehicles, which differ from the Group's principal passenger vehicle offerings.

Having considered the differences in product positioning, pricing, target customer groups and business models, the Board is of the view that no material horizontal competition exists between the Group and the foregoing businesses controlled by or associated with Geely Holding.

Other Competing Interests

Save as disclosed above, as at the Latest Practicable Date, neither Mr. Li nor his associates was engaged in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group. Further, save as disclosed above, none of the Directors or their respective close associates had any interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

c) Directors' interests in assets, contracts or arrangements*Assets*

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any asset which had been, since 31 December 2025, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by, or leased to, any member of the Group, or was proposed to be acquired or disposed of by, or leased to, any member of the Group.

Contracts or arrangements

1. *Services agreement between the Company and Geely Holding, dated 15 August 2024 (effective term until 31 December 2027)*

The Group agreed (i) to supply CKDs to the Geely Holding Group in accordance with the product specifications set out in the agreement, with the largest annual cap being RMB219,964.5 million for the three years ending 31 December 2027; and (ii) to purchase CBUs from the Geely Holding Group, with the largest annual cap being RMB227,138.5 million for the three years ending 31 December 2027. The Geely Holding Group agreed to carry out the final assembly of the CKDs purchased from the Group, facilitate payment of the PRC consumption tax, and sell the CBUs assembled from those CKDs back to the Group for distribution to end customers.

2. *Volvo finance cooperation agreements among Genius AFC, Volvo Car Distribution (Shanghai) Co., Ltd. and Volvo Car (APAC) Investment Holding Co., Ltd., dated 15 August 2024 (effective term until 31 December 2027)*

Genius AFC agreed to enter into (i) wholesale facility agreements with the wholesale dealers of Volvo brand vehicles, under which Genius AFC will provide vehicle loans and other financing to those dealers to facilitate their purchase of Volvo brand vehicles, with the largest annual cap being RMB2,128.8 million for the three years ending 31 December 2027; and (ii) retail loan cooperation agreements, under which those dealers will recommend retail customers to obtain vehicle loans from Genius AFC to assist them in purchasing Volvo brand vehicles, automobile accessories and services, with the largest annual cap being RMB803.0 million for the three years ending 31 December 2027. Each of those agreements has an effective term until 31 December 2027.

3. *Components procurement and R&D services agreement among the Company, ECARX (Hubei), Zhejiang HUANFU and Hangzhou Langge, dated 14 November 2024 (effective term until 31 December 2027)*

The Group agreed (i) to purchase automobile components; and (ii) to purchase R&D services, in each case from ECARX (Hubei) and its subsidiaries, Zhejiang HUANFU and its subsidiaries and Hangzhou Langge and its subsidiaries, with the largest annual cap being RMB6,490.0 million for the three years ending 31 December 2027.

4. *Powertrain purchase agreement among the Company, Aurobay Technology and Aurobay Changxing (then known as Geely Changxing), dated 11 July 2023 (effective term until 31 December 2026)*

The Group agreed to purchase powertrain products, being engines, transmissions and relevant after-sales parts and other products, from the Aurobay Group, with the largest annual cap being RMB25,846.6 million for the three years ending 31 December 2026.

5. *Finance cooperation agreements between Genius AFC and each of LYNK & CO Automotive Sales Company Limited, ZEEKR, Geely Holding, smart Sales and Lotus Sales, each dated 15 September 2023 (effective term until 31 December 2026)*

Under each of these agreements Genius AFC agreed to provide vehicle financing services in connection with the sale of the relevant brand vehicles, automobile accessories and services, comprising (i) wholesale facility agreements with the relevant dealers, to facilitate their purchase of those vehicles, accessories and services; and (ii) retail loan cooperation agreements, under which those dealers recommend retail customers to obtain vehicle loans from Genius AFC to finance their purchase of those vehicles, accessories and services. The largest annual caps for the three years ending 31 December 2026 are as follows:

- Geely Holding: wholesale financing RMB142.5 million; retail financing RMB1,307.1 million. The wholesale financing is provided to dealers of Geely Holding-owned brand vehicles and to connected dealers of Geely brand vehicles; the retail financing assists retail customers in purchasing (i) Geely Holding-owned brand vehicles, automobile accessories or services from those dealers or other sellers; or (ii) Geely brand vehicles, automobile accessories or services from those connected dealers.
- smart: wholesale financing RMB455.0 million; retail financing RMB4,141.2 million.
- Lotus: wholesale financing RMB22.0 million; retail financing RMB1,814.3 million.

The agreements relating to ZEEKR and LYNK & CO have been terminated and the transactions thereunder have ceased to constitute continuing connected transactions following the integration of ZEEKR and LYNK & CO into the Group.

6. *Livan finance cooperation agreement between Genius AFC and Chongqing Livan Automotive Sales Co., Ltd., dated 15 August 2024 (effective term until 31 December 2026)*

Genius AFC agreed to provide vehicle financing services to retail customers of Livan brand vehicles to assist them in purchasing Livan brand vehicles, automobile accessories and services, with the largest annual cap being RMB220.0 million for the three years ending 31 December 2026.

7. *Automobile components sales and purchase agreement among the Company, Geely Holding, LYNK & CO, ZEEKR, LEVC, Geely Technology, YoeNing Technology, InfiMotion and Geely Sunwoda, dated 15 August 2024 (effective term until 31 December 2026)*

The Group agreed (i) to sell automobile components to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the LEVC Group, with the largest annual cap being RMB26,956.0 million for the three years ending 31 December 2026; and (ii) to purchase automobile components from the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the YoeNing Technology Group, the Geely Technology Group, the InfiMotion Group and Geely Sunwoda and its subsidiaries, with the largest annual cap being RMB40,245.7 million for the three years ending 31 December 2026.

8. *R&D services and technology licensing agreement among the Company, Geely Holding, ZEEKR, Viridi, Lotus Technology, Polestar Performance AB, Polestar Automotive China Distribution Co., Ltd., LEVC, smart, ECARX, Aurobay Holding (SG) Pte. Ltd., Livan Automotive, YoeNing Technology, InfiMotion, Jiyao, Chunqing Ecological, Farizon Technology, Farizon Commercial Vehicles, Shandong Geely New Energy and CaoCao Inc., dated 15 September 2023 (effective term until 31 December 2027)*

The Group agreed (i) to provide R&D and related technological support services to the Geely Holding Group, the ZEEKR Group, the Viridi Group, Lotus Technology and its subsidiaries, Polestar Performance AB, Polestar Automotive China Distribution Co., Ltd. and their respective subsidiaries, the LEVC Group, the smart Group, the Aurobay Group, the Livan Group, the YoeNing Technology Group, the InfiMotion Group, the Jiyao Group, the Chunqing Group, the Farizon Technology Group, the Farizon Commercial Vehicles Group, the Shandong Geely New Energy Group and CaoCao Inc. and its subsidiaries, including R&D for automobiles and key auto parts, technical verification and testing, technical consultancy, technical support services and technology licensing, with the largest annual cap being RMB13,543.7 million for the three years ending 31 December 2027; and (ii) to procure from the Geely Holding Group, the ZEEKR Group, the Viridi Group, the LEVC Group, the ECARX Group, the Aurobay Group, the Livan Group, the YoeNing Technology Group, the InfiMotion Group, the Jiyao Group and CaoCao Inc. and its subsidiaries R&D and related technological support services, including R&D of new energy vehicle technologies and intelligent driver assistance technologies, technical verification and testing, technical consultancy

services, technical support services and technology licensing, with the largest annual cap being RMB6,012.2 million for the three years ending 31 December 2027, in each case as revised by the announcement of the Company dated 24 September 2025.

9. *Operation services agreement among the Company, Geely Holding, LYNK & CO, ZEEKR, Geely Technology, Aurobay Technology, Aurobay Changxing, Lotus Technology, JIDU Auto Inc., smart, Chunqing Ecological, Farizon Technology, Farizon Commercial Vehicles, Livan Automotive and YoeNing Technology, dated 15 August 2024 (effective term until 31 December 2026)*

The Group agreed (i) to provide to the Geely Holding Group, the ZEEKR Group, the LYNK & CO Group, the Geely Technology Group, the smart Group, the Farizon Technology Group, the Farizon Commercial Vehicles Group, the Chunqing Group, the Livan Group, Lotus Technology and its subsidiaries, the YoeNing Technology Group, JIDU Auto Inc. and its subsidiaries and the Aurobay Group operation services that mainly include, but are not limited to, IT services, logistics and warehousing services, supplier quality engineering services, procurement services, back-office support services (including accounting services and human resources services), testing and trial production services and other services, with the largest annual cap being RMB10,083.2 million for the three years ending 31 December 2026; and (ii) to procure from the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group, the Geely Technology Group and the Aurobay Group operation services that mainly include, but are not limited to, business travel services, IT services, back-office support services (including marketing and publicity services and legal services), charging rights services, testing and trial production services and other services, with the largest annual cap being RMB3,503.0 million for the three years ending 31 December 2026.

10. *CBUs sales agreement dated 15 August 2024 and supplemental CBUs sales agreement dated 31 March 2025, both between the Company and Geely Holding (both agreements have an effective term until 31 December 2027) (the “Original CBU Sales Agreement”)*

The Group agreed to sell to the Geely Holding Group CBUs and related after-sales parts, components and accessories manufactured by the Group, with the largest annual cap being RMB1,528.9 million for the three years ending 31 December 2027 under the Original CBU Sales Agreement. As disclosed in the announcement of the Company dated 30 April 2026, the Original CBU Sales Agreement was superseded when the automobile products sales agreement described in item 17 below became effective, and no further transactions would be carried out under it thereafter.

11. *CBUs and CKDs procurement cooperation agreement among the Company, Geely Holding, Farizon Commercial Vehicles and Shandong Geely New Energy, dated 15 September 2023 (effective term until 31 December 2027)*

The Group agreed to purchase CBUs and CKDs primarily for use in Geely brand vehicles, ZEEKR brand vehicles and LYNK & CO brand vehicles from the Farizon Commercial Vehicles Group, the Shandong Geely New Energy Group and the Geely Holding Group, with the largest annual cap being RMB167,120.3 million for the three years ending 31 December 2027, as revised by the announcement of the Company dated 24 September 2025.

12. *Integrated services framework agreement among the Company, Volvo Car (China) Investment Co., Ltd., Livan Automotive and Farizon Technology, dated 21 October 2024 (effective term until 31 December 2026)*

The Group agreed to provide processing, value-added, testing, assembly, installation, maintenance, modification and upgrade services and other services related to the conversion of CKDs into CBUs to Volvo Car (China) Investment Co., Ltd. and its subsidiaries, the Livan Group and the Farizon Technology Group, with the largest annual cap being RMB127.4 million for the three years ending 31 December 2026.

13. *CBUs and CKDs manufacturing services agreement among the Company, Geely Holding and smart, dated 31 March 2025 (effective term until 31 December 2027)*

The Group agreed to provide CBUs and CKDs manufacturing services to the Geely Holding Group and the smart Group, with the largest annual cap being RMB2,807.6 million for the three years ending 31 December 2027.

14. *Zhidou finance cooperation agreement between Genius AFC and Lanzhou Zhidou Automobile Sales Company Limited, dated 15 August 2024 (effective term until 31 December 2027)*

Genius AFC agreed to provide vehicle financing services to retail customers of Zhidou brand vehicles to assist them in purchasing Zhidou brand vehicles, automobile accessories and services, with the largest annual cap being RMB316.1 million for the three years ending 31 December 2027.

15. *Framework services agreement between the Company and CaoCao Inc., dated 30 April 2026 (effective term from the satisfaction of the conditions precedent thereunder to 31 December 2028)*

The Group agreed to procure travel and event services from CaoCao Inc. and its subsidiaries, with the largest annual cap being RMB1,058.3 million for the three years ending 31 December 2028.

16. *CKDs and automobile components purchase agreement between the Company and LEVC Automobile, dated 30 April 2026 (effective term from the satisfaction of the condition precedent thereunder to 31 December 2028)*

The Group agreed to purchase CKDs and automobile components from the LEVC Automobile Group, with the largest annual cap being RMB9,588.9 million for the three years ending 31 December 2028.

17. *Automobile products sales agreement among the Company, Geely Holding, CaoCao Inc., Volvo and Wisdom Puhua, dated 30 April 2026 (effective term from the satisfaction of the conditions precedent thereunder to 31 December 2027)*

The Group agreed to sell automobile products, being CBUs and related products including related after-sales parts, to the Geely Holding Group, CaoCao Inc. and its subsidiaries, Volvo and its subsidiaries and Wisdom Puhua and its subsidiaries, with the largest annual cap being RMB9,079.1 million for the two years ending 31 December 2027. This agreement supersedes the Original CBUs Sales Agreement described in item 10.

18. *Operation services agreement 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 Technology Inc., Zhejiang Mingtai Times Technology Group Co., Ltd., Hezhong Property Insurance Co., Ltd. and Wisdom Puhua, dated 23 September 2026 (effective term from the satisfaction of the conditions precedent thereunder to 31 December 2029)*

The Group agreed (i) to provide 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, Lotus Technology Inc. and its subsidiaries, the YoeNing Technology Group, the LEVC Automobile Group, the Jiyao Group, the InfiMotion Group, the Shandong Geely New Energy Group and the ECARX Group operation services that mainly include, but are not limited to, IT services, logistics and warehousing services, supplier quality engineering services, procurement services, back-office support services (including accounting services and human resources services), testing and trial production services and other services, with the largest annual cap being RMB4,281.0 million for the three years ending 31 December 2029; and (ii) to procure from the Geely Holding Group, the Geely Technology Group, the Aurobay Group, the Viridi Group, the InfiMotion Group, the Jiyao Group, Zhejiang Mingtai Times Technology Group Co., Ltd. and its subsidiaries, Hezhong Property Insurance Co., Ltd. and its subsidiaries, the Shandong Geely New Energy Group, the Farizon Commercial Vehicles Group, the Farizon Technology Group, the Chunqing Group, Wisdom Puhua and its subsidiaries and the LEVC Automobile Group operation services that mainly include, but are not limited to, business travel services, IT services, back-office support services (including marketing

and publicity services and legal services), charging rights services, testing and trial production services and other services, with the largest annual cap being RMB3,062.0 million for the three years ending 31 December 2029.

19. *Automobile financing services agreement among Genius AFC, Geely Holding, Livan Automotive, Lotus Sales, smart Sales and smart Mobility, dated 23 September 2026 (effective term from the satisfaction of the condition precedent thereunder to 31 December 2029)*

Genius AFC agreed to provide vehicle financing services in connection with the sale of vehicles, automobile accessories and services by Geely Holding, Livan Automotive, Lotus Sales, smart Sales and smart Mobility, comprising (i) wholesale financing to operators which have lawfully obtained automobile sales qualifications and cooperate with the relevant vehicle manufacturer and to operators engaged in automobile after-sales maintenance and repair and the sale of automobile parts, components and accessories, including loans for inventory procurement, showroom construction and the purchase of parts, components and maintenance equipment; and (ii) retail financing to end customers, whether individuals or institutions, including loans and finance leases, to facilitate their purchase of vehicles and accessories. The largest annual cap is RMB1,973.1 million for the three years ending 31 December 2029.

In respect of the agreements numbered 1, 4, 5, 7, 8, 9 and 11 above, one or more of the applicable percentage ratios of the annual caps exceed 5% on an annual basis (and, in the case of the agreement numbered 5, on an aggregated annual basis). The transactions contemplated thereunder are accordingly subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Each of those agreements was duly approved by the independent Shareholders at the relevant general meeting, being 22 September 2023 for the agreement numbered 4, 27 November 2023 for the agreement numbered 5, 10 October 2024 for the agreements numbered 1, 7 and 9, and 18 December 2025 for the agreements numbered 8 and 11.

In respect of the agreements numbered 2, 3, 6, 10 and 12 to 19 above, one or more of the applicable percentage ratios of the annual caps exceed 0.1% but are less than 5% on an annual basis. The transactions contemplated thereunder are accordingly 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. In the case of the agreement numbered 3, this applies to the aggregated annual caps; and in the case of the agreement numbered 10, this applies to the annual caps under the supplemental CBUs sales agreement only.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors had any material interest in any contract or arrangement that was subsisting as at the date of this circular and was significant in relation to the business of the Group.

4. LITIGATION

As at the Latest Practicable Date, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against the Company.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, the date to which the latest published audited accounts of the Company have been made up.

6. QUALIFICATION OF EXPERT

The following is the qualification of the expert or professional adviser who has given opinion or advice contained in this circular:

Name	Qualification
Ballas Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Ballas Capital Limited:

- a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- b) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2025, the date to which the latest audited financial statements of the Group were made up; and
- c) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

7. GENERAL

- a) The registered office of the Company is situated at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The head office and principal place of business of the Company in Hong Kong is situated at Room 2301, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong.
- b) The company secretary of the Company is Mr. Cheung Chung Yan, David, a fellow member of the Association of Chartered Certified Accountants.

- c) The share registrar and transfer office of the Company in Hong Kong is Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong.
- d) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.geelyauto.com.hk>) from the date of this circular up to and including the date of the EGM on 16 November 2026:

- a) the Automobile Components Sales and Purchase Agreement; and
- b) the Powertrain Products Purchase Agreement.

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Geely Automobile Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) will be held at Room 2302, 23rd Floor, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong on Monday, 16 November 2026 at 4:00 p.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

1. “THAT:

- a. the conditional agreement dated 23 September 2026 (the “**Automobile Components Sales and Purchase Agreement**”) entered into between the Company, 浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited*) (together with its subsidiaries, the “**Geely Holding Group**”), 威睿電動汽車技術(寧波)有限公司 (Viridi E-Mobility Technology (Ningbo) Co., Ltd.*) (together with its subsidiaries, “**Viridi Group**”), 無錫星驅科技有限公司 (Wuxi InfiMotion Technology Co., Ltd.*) (together with its subsidiaries, “**InfiMotion Group**”), 浙江翼真汽車有限公司 (Zhejiang LEVC Automobile Co., Ltd.*) (together with its subsidiaries, “**LEVC Automobile Group**”), 吉利科技集團有限公司 (Geely Technology Group Co., Ltd.*) (together with its subsidiaries, “**Geely Technology Group**”), 浙江耀寧科技集團有限公司 (Zhejiang YoeNing Technology Group Co., Ltd.*) (together with its subsidiaries, “**YoeNing Technology Group**”), 浙江吉曜通行能源科技有限公司 (Zhejiang Jiyao Pass Energy Technology Co., Ltd.*) (together with its subsidiaries, “**Jiyao Group**”), ECARX Holdings Inc. (together with its subsidiaries, “**ECARX Group**”), 智馬達汽車有限公司 (smart Automobile Co., Ltd.*) (“**smart**”), 智馬達(山東)出行科技有限公司 (smart Mobility (Shandong) Technology Co., Ltd.*) (“**smart Mobility**”), smart Europe GmbH (together with smart, smart Mobility and their respective subsidiaries, “**smart Group**”), 重慶睿藍汽車科技有限公司 (Chongqing Livan Automobile Technology Co., Ltd.*) (together with its subsidiaries, “**Livan Group**”), 浙江醇氫生態科技有限公司 (Zhejiang Chunqing Ecological Technology Co., Ltd.*) (together with its subsidiaries, “**Chunqing Group**”), 遠程商用車科技有限公司 (Farizon Commercial Vehicle Technology Co., Ltd.*) (together with its subsidiaries, “**Farizon Technology Group**”), 浙江遠程新能源商用車集團有限公司 (Zhejiang Farizon New Energy Commercial Vehicles Group Co., Ltd.*) (together with its subsidiaries, the “**Farizon Commercial Vehicles Group**”), 山東吉利新能源商用車有限公司 (Shandong Geely New Energy Commercial Vehicle Co., Ltd.*) (together with its subsidiaries, the “**Shandong Geely New Energy Group**”) and 杭州擎威科技有限公司 (Hangzhou Qingwei Technology

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Co., Ltd.*) (together with its subsidiaries, “**Qingwei Group**”), a copy of which is tabled at the meeting and marked “**A**” and initialed by the chairman of the meeting for identification purposes, pursuant to which, the Group agreed to (i) 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; and (ii) 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, be and is hereby approved, ratified and confirmed;

- b. the annual caps in respect of the sale and purchase of automobile components by the Group under the Automobile Components Sales and Purchase Agreement for each of the three financial years ending 31 December 2029 be and are hereby approved; and
- c. any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorized for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters and transactions contemplated under the Automobile Components Sales and Purchase Agreement.”

2. “**THAT:**

- a. the conditional agreement dated 23 September 2026 (the “**Powertrain Products Purchase Agreement**”) entered into between the Company, 極光灣科技有限公司 (Aurobay Technology Co., Ltd.*) (“**Aurobay Technology**”) and 極光灣(長興)變速器有限公司 (Aurobay (Changxing) Transmission Co., Ltd.*) (together with Aurobay Technology and their respective subsidiaries, the “**Aurobay Group**”), a copy of which is tabled at the meeting and marked “**B**” and initialed by the chairman of the meeting for identification purposes, pursuant to which the Group agreed to purchase engines, transmissions and related after-sales parts (the “**Powertrain Products**”) from the Aurobay Group be and is hereby approved, ratified and confirmed;
- b. the annual caps in respect of the purchase of the Powertrain Products by the Group under the Powertrain Products Purchase Agreement for each of the three financial years ending 31 December 2029 be and are hereby approved; and

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- c. any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorized for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters and transactions contemplated under the Powertrain Products Purchase Agreement.”

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

Hong Kong, 26 October 2026

Notes:

- (1) In order to establish entitlements to attend and vote at the EGM, all transfers of shares of the Company, accompanied by the relevant share certificates must be lodged for registration with the Company’s Hong Kong share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, no later than 4:00 p.m. on 10 November 2026 (being the record date of the EGM).
- (2) Any shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder.
- (3) In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power of authority, must be deposited at the Company’s Hong Kong share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof.
- (4) In case of joint shareholdings, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s) and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
- (5) If there is Typhoon Signal No. 8 or above, a “black” rainstorm warning and/or extreme conditions caused by a super typhoon in force in Hong Kong at any time after 1:00 p.m. on the date of the forthcoming extraordinary general meeting, the meeting will be postponed. The Company will publish an announcement on the websites of the Company (<http://www.geelyauto.com.hk>) and the Stock Exchange (<http://www.hkexnews.hk>) to notify Shareholders of the date, time and venue of the rescheduled meeting.

As at the date of this notice, 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.