THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 175)

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF 49.9% OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF PROTON AND DHG

Financial adviser to Geely Automobile Holdings Limited

浦銀國際
SPDB INTERNATIONAL

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

BALLAS
CAPITAL
A subsidiary of Crosby

A letter from the Board is set out on pages 11 to 29 of this circular. A letter from the Independent Board Committee is set out on pages 30 to 31 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 32 to 58 of this circular. A notice convening the EGM to be held at 3/F., Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong on Friday, 28 April 2023 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 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.

6 April 2023

CONTENTS

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

"Aggregate Consideration"	has the meaning ascribed to it under the section headed "Proton Agreement – Subject matter" in the letter from the Board in this circular
"ASEAN"	the Association of Southeast Asian Nations
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"BNPP PF"	BNP Paribas Personal Finance, a subsidiary of the BNP Paribas Group, which engages in consumer credit and mortgage lending activities
"Board"	the board of Directors
"Bursa Securities"	Bursa Malaysia Securities Berhad
"Business Day"	a day other than a public holiday, Saturday, Sunday which licensed banks generally open in the PRC, Hong Kong and the Malaysia for the transaction of general banking business
"CBU(s)"	complete buildup unit(s) (整車), a complete vehicle after the final assembly
"CKD(s)"	complete knock down kit(s) (整車成套件), a complete kit needed to assemble a vehicle
"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 code: 175)
"connected person"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"continuing connected transactions"	has the meaning ascribed to it under the Listing Rules
"Debt"	has the meaning ascribed to it under the section headed "Information of the Target Companies – Principal businesses of Proton and DHG – DHG" in the letter from the Board in this circular

"Deed of Adherence"	has the meaning ascribed to it under the section headed "Proton Agreement – Proton Shareholders Agreement" in the letter from the Board in this circular
"Deed of Assignment"	the deed of assignment to be executed by GIHK in favour of Linkstate on the Proton Closing Date for assigning the Sale Loan to Linkstate
"DHG"	DRB-HICOM Geely Sdn. Bhd., an investment holding company incorporated in Malaysia
"DHG Acquisition"	the acquisition of the DHG Sale Shares by Linkstate from GIHK pursuant to the DHG Agreement
"DHG Agreement"	the sale and purchase agreement entered into between Linkstate and GIHK on 20 January 2023, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the DHG Sale Shares
"DHG Closing Date"	the completion date of the DHG Acquisition
"DHG Sale Shares"	499 ordinary shares of DHG, representing 49.9% of the issued and paid-up ordinary share capital of DHG, which were owned by GIHK as at the Latest Practicable Date
"Director(s)"	the director(s) of the Company
"DRBH"	DRB-HICOM Berhad, a public company incorporated in Malaysia and the shares of which are listed on the Bursa Securities (stock name: DRBHCOM)
"EBIT"	earnings before interests and taxes
"EBITDA"	earnings before interests, taxes, depreciation and amortization
"ECARX"	ECARX Holdings Inc., a public company incorporated in the Cayman Islands and the shares of which are listed on NASDAQ (stock symbol: ECX). It was ultimately and beneficially owned as to 42.55%, 0.66% and 0.96% of the total outstanding shares of ECARX on an as-converted basis by Mr. Li, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui, respectively, as at the Latest Practicable Date
"EGM"	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Transactions

"Equity Consideration"	has the meaning ascribed to it under the section headed "Proton Agreement – Aggregate Consideration" in the letter from the Board in this circular
"Existing Shareholders Agreement"	has the meaning ascribed to it under the section headed "Proton Agreement – Proton Shareholders Agreement" in the letter from the Board in this circular
"Farizon"	a commercial vehicle brand owned by the Geely Holding Group
"Fengsheng"	楓盛汽車科技集團有限公司 (Fengsheng Automobile Technology Group Co., Ltd.*), a limited liability company incorporated in the PRC, which was wholly-owned by Geely Holding Automobile as at the Latest Practicable Date
"Geely-branded" or "Geely Brand"	automobile brands of the Group
"Geely Group Limited"	Geely Group Limited, a limited liability company incorporated in the British Virgin Islands, which was beneficially wholly-owned by Mr. Li as at the Latest Practicable Date
"Geely Holding"	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited*), a limited liability company incorporated in the PRC, which was ultimately beneficially wholly-owned by Mr. Li and his associate as at the Latest Practicable Date
"Geely Holding Automobile"	吉利汽車集團有限公司 (Geely Automobile Group Company Limited*), a limited liability company incorporated in the PRC, which was wholly-owned by Geely Holding as at the Latest Practicable Date
"Geely Holding-branded"	automobile brands of Geely Holding Group
"Geely Holding Group"	Geely Holding and its subsidiaries
"Geely Manufacturing"	浙江吉利汽車製造有限公司 (Zhejiang Geely Automobile Manufacturing Company Limited*), a limited liability company incorporated in the PRC, which was indirectly owned as to 72.40% by Geely Holding as at the Latest Practicable Date

"Genius AFC"	吉致汽車金融有限公司 (Genius Auto Finance Co., Ltd.*), a limited liability company incorporated in the PRC which was owned as to 80% by the Company and as to 20% by BNPP PF as at the Latest Practicable Date. As certain key corporate matters of Genius AFC require a positive vote from BNPP PF or unanimous resolution of all directors (present in person or represented by proxy for the board meeting) of Genius AFC, Genius AFC is treated as a jointly controlled entity of the Company
"GIHK"	Geely International (Hong Kong) Limited, a limited liability company incorporated in Hong Kong with Geely Holding being its sole shareholder as at the Latest Practicable Date
"Govco Holdings"	Govco Holdings Berhad, a 99.99% owned special purpose vehicle by the Ministry of Finance of Malaysia as at the Latest Practicable Date
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"IFRS"	International Financial Reporting Standards
"Independent Board Committee"	the independent committee of the Board, which comprises all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders on the Transactions
"Independent Financial Adviser"	Ballas Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Transactions
"Independent Shareholders"	Shareholder(s) other than Mr. Li, Mr. Li Dong Hui, Daniel, Mr. An Cong Hui, Mr. Gan Jia Yue and their respective associates
"independent third party(ies)"	individual(s) or company(ies) who or which is (or are) not a connected person of the Company, any of its subsidiaries or any of their respective associates
"Latest Practicable Date"	30 March 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

"Lifan Technology"	Lifan Technology (Group) Co., Ltd. (力帆科技(集團)股份有限公司), a company limited by shares incorporated under the laws of the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 601777)
"Linkstate"	Linkstate Overseas Limited, a limited liability company incorporated in the British Virgin Islands, which was a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	30 April 2023, or such other date as may be agreed by Linkstate and GIHK
"LYNK & CO"	領克投資有限公司 (LYNK & CO Investment Co., Ltd.*), a Chinese-foreign equity joint venture of the Company incorporated in the PRC, which was owned as to 50%, 20% and 30% by Ningbo Geely, Geely Holding and VCI, respectively, as at the Latest Practicable Date
"LYNK & CO-branded" or "LYNK & CO Brand"	an automobile brand of the LYNK & CO Group
"LYNK & CO Group"	LYNK & CO and its subsidiaries
"MAA"	Malaysian Automotive Association, a professional organization in Malaysian automotive industry and was established in 1960
"MFRS"	Malaysian Financial Reporting Standards
"Mr. Li"	Mr. Li Shu Fu, an executive Director and a substantial shareholder together with his associates holding approximately 42.15% interests in the total issued share capital of the Company as at the Latest Practicable Date
"NASDAQ"	National Association of Securities Dealers Automated Quotations
"New Shareholder"	has the meaning ascribed to it under the section headed "Proton Agreement – Undertaking" in the letter from the Board in this circular

"Ningbo Geely"	寧波吉利汽車實業有限公司 (Ningbo Geely Auto Industry Company Limited*), a limited liability company incorporated in the PRC, which was an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
"Ningbo 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 incorporated in the PRC, which was an indirect non wholly-owned subsidiary of ZEEKR as at the Latest Practicable Date
"ODI"	has the meaning ascribed to it under the sections headed "Proton Agreement – Conditions Precedent" in the letter from the Board in this circular
"percentage ratio(s)"	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
"PONSB"	Perusahaan Otomobil Nasional Sdn. Bdn., a company incorporated in Malaysia, which was wholly-owned by Proton as at the Latest Practicable Date
"PRC"	the People's Republic of China, and for the purposes of this circular excluding Hong Kong, the Macau Special Administrative Region, and Taiwan
"Preference Shares"	has the meaning ascribed to it under the section headed "Information of the Target Companies – Financial effect of the Transactions" in the letter from the Board in this circular
"Proper Glory"	Proper Glory Holding Inc., a limited liability company incorporated in the British Virgin Islands, which was owned as to 68% by Geely Holding and as to 21.29% by Geely Group Limited as at the Latest Practicable Date
"Proton"	Proton Holdings Berhad, a limited liability company incorporated in Malaysia
"Proton Acquisition"	the acquisition of the Proton Sale Shares and the Sale Loan by Linkstate from GIHK pursuant to the Proton Agreement
"Proton Agreement"	the sale and purchase agreement entered into between Linkstate and GIHK on 20 January 2023, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the Proton Sale Shares and the Sale Loan

"Proton-branded Vehicles"	has the meaning ascribed to it under the section headed "Reasons for and benefits of the Transactions" in the letter from the Board in this circular
"Proton Closing Date"	the completion date of the Proton Acquisition
"Proton Group" or "Proton Group Companies"	collectively, Proton and its subsidiaries from time to time, and the "Proton Group Company" means any of them
"Proton Investment"	has the meaning ascribed to it under the section headed "Information of the Target Companies – Principal businesses of Proton and DHG – DHG" in the letter from the Board in this circular
"Proton Marketing"	Proton Marketing Sdn. Bhd. or Proton Edar Sdn. Bhd. (as the case may be), each of which is a company incorporated in Malaysia and a wholly-owned subsidiary of Proton
"Proton Sale Shares"	547,020,534 ordinary shares, representing 49.9% of the issued and paid-up ordinary share capital of Proton, which were owned by GIHK as at the Latest Practicable Date
"Proton Shareholders Agreement"	has the meaning ascribed to it under the section headed "Proton Agreement – Proton Shareholders Agreement" in the letter from the Board in this circular
"R&D"	research and development
"RICS"	has the meaning ascribed to it under the section headed "Information of the Valuation Reports" in the letter from the Board in this circular
"RM"	Malaysian ringgit, the lawful currency of Malaysia
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Loan"	the loan principal amount of US$56,390,000 due and payable by PONSB to GIHK
"Segment Y"	Segment Y Automotive Intelligence, a market research company which focuses on automotive markets in Asia and has 35 years of experience in automotive industry
"SEK"	Swedish Krona, the lawful currency of Sweden

"SFO"	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
"Shanghai Maple"	上海華普汽車有限公司 (Shanghai Maple Automobile Company Limited*), a limited liability company incorporated in the PRC, which was wholly-owned by Geely Holding as at the Latest Practicable Date
"Share(s)"	ordinary share(s) of HK$0.02 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"smart"	智馬達汽車有限公司, a limited liability company incorporated in the PRC, which was owned as to 50% each by Geely Holding Automobile and a third party, respectively as at the Latest Practicable Date
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Sukuk Wakalah Programme"	the Islamic medium-term notes programme of up to RM4 billion and the Islamic commercial paper programme of up to RM1 billion issued by PONSB Capital Berhad, a wholly-owned subsidiary of Proton
"Transactions"	the transactions contemplated under the Transaction Documents
"Transaction Document(s)"	the Proton Agreement, the DHG Agreement, the Deed of Assignment and the other agreements or documents executed and/or delivered by Linkstate or GIHK in connection with the consummation of the transactions contemplated thereunder
"Unsubscribed Portion"	has the meaning ascribed to it under the section headed "Proton Agreement – Proton Shareholders Agreement" in the letter from the Board in this circular
"US$"	United States dollars, the lawful currency of the United States of America

"Value Century"	Value Century Group Limited, a limited liability company incorporated in the British Virgin Islands, which was wholly-owned by the Company as an investment holding company as at the Latest Practicable Date
"Valuer"	Asia-Pacific Consulting and Appraisal Limited, an independent valuer
"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
"VCDC"	沃爾沃汽車銷售(上海)有限公司 (Volvo Car Distribution (Shanghai) Co., Ltd.*), a limited liability company incorporated in the PRC, which was a wholly-owned subsidiary of Volvo as at the Latest Practicable Date
"VCI"	沃爾沃汽車(中國)投資有限公司 (Volvo Car (China) Investment Co., Ltd.*), a limited liability company incorporated in the PRC, which was a wholly-owned subsidiary of Volvo as at the Latest Practicable Date
"VCIC"	沃爾沃汽車(亞太)投資控股有限公司 (Volvo Car (APAC) Investment Holding Co., Ltd.*), previously known as 中嘉汽車製造(上海)有限公司 (Zhongjia Automobile Manufacturing (Shanghai) Company Limited*), a limited liability company incorporated in the PRC, which was owned as to 50% by Volvo and as to 50% by Geely Holding as at the Latest Practicable Date
"Xi'an Geely"	西安吉利汽車有限公司 (Xi'an Geely Automobile Company Limited*), a limited liability company incorporated in the PRC, which was wholly-owned by Geely Manufacturing as at the Latest Practicable Date
"ZEEKR"	ZEEKR Intelligent Technology Holding Limited, a limited liability company incorporated in the Cayman Islands, which was an indirect subsidiary of the Company as at the Latest Practicable Date
"ZEEKR Automobile"	極氪汽車(寧波杭州灣新區)有限公司 (ZEEKR Automobile (Ningbo Hangzhou Bay New Zone) Co., Ltd.*), previously known as 寧波極氪智能科技有限公司 (Ningbo ZEEKR Intelligent Technology Company Limited*), a limited liability company incorporated in the PRC, which was an indirect wholly-owned subsidiary of ZEEKR as at the Latest Practicable Date
"ZEEKR-branded"	an automobile brand of the ZEEKR Group

"ZEEKR Group"	ZEEKR together with its subsidiaries
"ZEEKR Shanghai"	極氪汽車(上海)有限公司 (ZEEKR Automobile (Shanghai) Company Limited*), previously known as 上海華普國潤汽車有限公司 (Shanghai Maple Guorun Automobile Company Limited*) a limited liability company incorporated in the PRC, which was a wholly-owned subsidiary of ZEEKR as at the Latest Practicable Date
"Zhejiang Fulin"	浙江福林國潤汽車零部件有限公司 (Zhejiang Fulin Guorun Automobile Parts Company Limited*), a limited liability company incorporated in the PRC, which was indirectly wholly-owned by the Company as at the Latest Practicable Date
"Zhejiang Geely"	浙江吉利汽車有限公司 (Zhejiang Geely Automobile Company Limited*), a limited liability company incorporated in the PRC, which was 72.40% owned by Geely Holding as at the Latest Practicable Date
"Zhejiang Haoqing"	浙江豪情汽車製造有限公司 (Zhejiang Haoqing Automobile Manufacturing Company Limited*), a limited liability company incorporated in the PRC, which was beneficially wholly-owned by Mr. Li and his associate as at the Latest Practicable Date
"Zhejiang Jichuang"	浙江吉創產業發展有限公司 (Zhejiang Jichuang Industrial Development Co., Limited*), a limited liability company incorporated in the PRC, which was wholly-owned by Geely Holding as at the Latest Practicable Date
"Zhejiang Jirun"	浙江吉潤汽車有限公司 (Zhejiang Jirun Automobile Company Limited*), a limited liability company established in the PRC, which was an indirect 99% owned subsidiary of the Company as at the Latest Practicable Date
"%"	per cent

In this circular, for illustration purpose, translation of RM into RMB and translation of US$ into RMB are based on the exchange rates of RM1.00: RMB1.578357561 and US$1.00: RMB6.9825. No representation is made that any amounts in RM, US$ and RMB can be or could have been converted at the above exchange rate or any other rates.

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

吉利汽車控股有限公司
GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 175)

Executive Directors:
Mr. Li Shu Fu *(Chairman)*
Mr. Li Dong Hui, Daniel *(Vice Chairman)*
Mr. Gui Sheng Yue *(Chief Executive Officer)*
Mr. An Cong Hui
Mr. Ang Siu Lun, Lawrence
Ms. Wei Mei
Mr. Gan Jia Yue

Independent Non-executive Directors:
Mr. An Qing Heng
Mr. Wang Yang
Ms. Lam Yin Shan, Jocelyn
Ms. Gao Jie

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

Principal Place of Business in Hong Kong:
Room 2301, 23rd Floor
Great Eagle Centre
23 Harbour Road Wanchai
Hong Kong

6 April 2023

To the Shareholders,

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF 49.9% OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF PROTON AND DHG

INTRODUCTION

Reference is made to the announcement of the Company dated 20 January 2023 in relation to the Proton Acquisition and the DHG Acquisition.

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

THE PROTON ACQUISITION AND THE DHG ACQUISITION

On 20 January 2023 (after trading hours), Linkstate (as purchaser), a direct wholly-owned subsidiary of the Company, and GIHK (as seller) entered into the Proton Agreement, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the Proton Sale Shares at a consideration of RMB1,063 million and the Sale Loan at a consideration of US$56,390,000 (equivalent to approximately RMB393.7 million).

On the same day, Linkstate and GIHK also entered into the DHG Agreement, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the DHG Sale Shares at a nominal consideration of US$1.00.

PROTON AGREEMENT

Date

20 January 2023 (after trading hours)

Parties

Vendor: GIHK

Purchaser: Linkstate

Subject matter

Pursuant to the Proton Agreement, Linkstate conditionally agreed to acquire, and GIHK conditionally agreed to sell the Proton Sale Shares and the Sale Loan, for an aggregate cash consideration of approximately RMB1,456.7 million (the "**Aggregate Consideration**"). The annual interest rate of the Sale Loan is 6%. Details of Proton are set out in the paragraph headed "Information of the Target Companies – Principal businesses of Proton and DHG – Proton" below.

Immediately after completion of the Proton Acquisition, the Group will hold 49.9% of the issued and paid-up ordinary share capital of Proton and will account for Proton's financial results by way of equity method.

Aggregate Consideration

The Aggregate Consideration comprises: (i) RMB1,063 million for the Proton Sale Shares (the "**Equity Consideration**"); and (ii) US$56,390,000 (equivalent to approximately RMB393.7 million) for the Sale Loan. The Aggregate Consideration shall be paid to GIHK by electronic transfer of immediately available funds on the Proton Closing Date.

The Equity Consideration was determined after arm's length negotiations between Linkstate and GIHK with reference to the appraised value of RMB1,063 million for 49.9% of the equity interest in Proton as at 30 November 2022 as determined by the Valuer using the market approach. The consideration of the Sale Loan was determined after arm's length negotiations between Linkstate and GIHK with reference to the loan principal amount of US$56,390,000 (equivalent to approximately RMB393.7 million).

It is expected that the Aggregate Consideration will be funded by internal cash reserve of the Group.

Conditions precedent

Completion of the Proton Acquisition will be subject to and conditional upon the fulfillment or waiver (as the case may be) of the following conditions on or before the Long Stop Date:

(a) the representations and warranties made by GIHK remaining true, accurate and complete and not misleading at the date of the Proton Agreement and the Proton Closing Date;

(b) Linkstate being satisfied, in its absolute opinion, with the results of such enquiries, investigations and due diligence reviews of the legal, business affairs, operations and financial position of the Proton Group by Linkstate or any of its officers, employees, agents, professional advisers or other agents as Linkstate in its discretion deems necessary, desirable or appropriate to undertake;

(c) GIHK, Linkstate and each member of the Proton Group having obtained all required approvals, consents, waivers, permissions, or exemptions from the government authorities, banks, other financial institutions and/or third parties in connection with the execution and performance of the Transaction Documents and the transactions contemplated thereby (including but not limited to those related to the transfer of the Proton Sale Shares and the Sale Loan, and any waivers of notice requirements under constitutional documents), and such approvals, consents, waiver, permission or exemption remaining in full force and effect as of the completion of the Proton Acquisition;

(d) no change, event or circumstances having occurred since the date of the Proton Agreement and all times up to the Proton Closing Date which has or may have a material adverse effect;

(e) the Independent Shareholders having passed the ordinary resolution(s) to approve the Transaction Documents and the transactions contemplated thereunder at the EGM to be convened and held in accordance with the requirements of the Listing Rules;

(f) no notice, order, judgement, action or proceeding of any court, arbitrator, government authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated under the Transaction Documents or which is reasonably likely to materially and adversely affect the right of Linkstate to own the legal and beneficial title to the Proton Sale Shares and the Sale Loan, free from liens, following the Proton Closing Date;

(g) the obtaining of the confirmation from the relevant rating agency that the transactions contemplated under the Proton Agreement shall not have any impact on the ratings of the Sukuk Wakalah Programme; and

(h) the obtaining of a certified true copy of the resolutions of the board of directors of Proton, *inter alia:* (1) approving the registration of the transfer of the Proton Sale Shares; (2) if applicable, accepting the resignation of the directors of Proton nominated by GIHK; and (3) appointing such persons as Linkstate may nominate as the replacement directors of Proton to take effect on the Proton Closing Date.

Linkstate may in its absolute discretion waive any or all of the conditions precedent (other than item (e) above) at any time before the Long Stop Date by notice in writing to GIHK. In respect of condition (c) above, to the best knowledge of the Directors, no material approvals, consents, waivers, permissions or exemptions are required for the Proton Acquisition. As at the Latest Practicable Date, condition (b) above was fulfilled.

Upon completion of the Proton Acquisition, the overseas direct investment ("**ODI**") registration in connection with the Proton Acquisition will be carried out in due course.

Completion of the Proton Acquisition

Completion of the Proton Acquisition will take place within ten (10) Business Days after all the conditions precedent to the Proton Agreement have been fulfilled or waived (as the case may be) or such other date as the parties may agree in writing.

Subject to fulfillment or waiver (as the case may be) of the conditions precedent to the Proton Agreement, it is expected that the completion of the Proton Acquisition will take place on or before 30 April 2023.

Proton Shareholders Agreement

Upon completion of the Proton Acquisition, Linkstate will execute a deed of adherence (the "**Deed of Adherence**") the form of which is set out in the existing shareholders agreement dated 29 September 2017 originally entered into by and among Proton, GIHK and DRBH (the "**Existing Shareholders Agreement**") and also Linkstate, Proton and DRBH will enter into a supplemental shareholders agreement, pursuant to which Linkstate will accede as a party to and agree to be bound by the Existing Shareholders Agreement and its amendments (together with the Existing Shareholders Agreement, the "**Proton Shareholders Agreement**").

The Proton Shareholders Agreement regulates matters relating to the operation of the Proton Group including but not limited to transfer of shares in Proton, pre-emptive rights of shareholders, dividend policy, board governance and other management related matters.

Business Plan

The objective of the Proton Group is to carry on and maintain the automotive business and all ancillary activities relating to the automotive business. Linkstate, Proton and DRBH shall implement the business plan approved by the board of directors of PONSB (the key operating subsidiary of Proton with the manufacturing and product development functions), which may be amended from time to time taking into account market conditions. Each subsidiary of Proton shall be entitled to develop its own business plan, which shall be approved by its respective boards of directors.

Board of directors and management

The board of directors of each Proton Group Company (save for PONSB) shall consist of a maximum of five (5) directors of which DRBH shall be entitled to nominate up to three (3) directors while Linkstate shall be entitled to nominate up to two (2) directors. The board of directors of PONSB shall consist of a maximum of seven (7) directors of which DRBH shall be entitled to nominate up to four (4) directors while Linkstate shall be entitled to nominate up to three (3) directors.

DRBH shall appoint as one of the directors of PONSB a person who has relevant international experience in the automotive industry or corporate workouts, restructuring, turnarounds or management with a view to assisting the Proton Group to achieve the agreed business objectives.

The chairman of the board of directors of each Proton Group Company will not have a casting vote in the event of equality of votes.

The chief executive officer and chief financial officer of PONSB shall be identified by Linkstate, and nominated and appointed by the board of directors of PONSB. The chief executive officer and chief financial officer of Proton Marketing shall be identified by DRBH, and nominated and appointed by the board of directors of Proton Marketing.

Reserved matters

Certain reserved matters can only be carried out by the board of directors and management of the relevant Proton Group Companies with the prior written approval of DRBH and Linkstate, such as change in the nature or scope of the business of any Proton Group Company and any alteration of the share capital of any Proton Group Company.

Anti-dilution and restriction on transfer of equity interest

If Proton intends to issue any new shares, each of Linkstate and DRBH shall have the right to subscribe for such shares in proportion to its shareholding in Proton. If Linkstate or DRBH fails to subscribe for its portion within a specified period (the "**Unsubscribed Portion**"), then the other shareholder (who shall have subscribed for its portion) shall have the right to subscribe for such Unsubscribed Portion. Proton shall not offer the Unsubscribed Portion to any person other than Linkstate and DRBH without their consent.

Neither Linkstate nor DRBH shall have the right to assign, charge, pledge, mortgage or encumber any share of Proton, without the consent of the other. Any proposed transfer of equity interests in Proton shall be subject to the customary transfer restrictions (including the right of first refusal), unless Linkstate and/or DRBH transfers such shares of Proton to their respective affiliates.

Termination

The Proton Shareholders Agreement shall terminate when (a) either Linkstate, DRBH and/or its respective affiliate ceases to hold any shares in Proton or (b) when a resolution is passed by Linkstate and DRBH or creditors, or an order made by a court that shall lead to Proton being wound up and its assets being distributed among its creditors, shareholders or other contributors.

Undertaking

On 30 January 2023, Geely Holding entered into a letter of undertaking in favour of DRBH pursuant to which it shall upon signing of the Deed of Adherence: (i) procure that Linkstate or any new shareholder nominated by Linkstate (the "**New Shareholder**") shall perform the obligations and liabilities under the Proton Shareholders Agreement; (ii) guarantee the performance of such obligations and liabilities of Linkstate or any New Shareholder under the Proton Shareholders Agreement should Linkstate or any New Shareholder fail to perform such relevant obligations and liabilities under the Proton Shareholders Agreement; and (iii) indemnify DRBH for any loss, liability, costs or expenses suffered by DRBH arising from such non-performance by Linkstate or New Shareholder as stipulated in the Proton Shareholders Agreement.

DHG AGREEMENT

Date

20 January 2023 (after trading hours)

Parties

Vendor: GIHK

Purchaser: Linkstate

Subject matter

Pursuant to the DHG Agreement, GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the DHG Sale Shares at a nominal consideration of US$1.00. Details of DHG and its background information are set out in the paragraph headed "Information of the Target Companies – Principal businesses of Proton and DHG – DHG" below.

Immediately after completion of the DHG Acquisition, the Group will hold 49.9% of the issued and paid-up ordinary share capital of DHG and will account for DHG's financial results by way of equity method.

The consideration for the DHG Acquisition is US$1.00. This consideration shall be paid to GIHK by electronic transfer of immediately available funds on the DHG Closing Date.

Such nominal consideration was determined after arm's length negotiations between Linkstate and GIHK taking into account the nil appraised value of 49.9% equity interest in DHG as at 30 November 2022 as determined by the Valuer using the asset-based approach and the relevant applicable legal requirements.

It is expected that the consideration for the DHG Acquisition will be funded by internal cash reserve of the Group.

Conditions precedent

Completion of the DHG Acquisition will be subject to and conditional upon the fulfillment or waiver (as the case may be) of the following conditions on or before the Long Stop Date:

(a) the representations and warranties made by GIHK remaining true, accurate and complete and not misleading at the date of the DHG Agreement and the DHG Closing Date;

(b) Linkstate being satisfied, in its absolute opinion, with the results of such enquiries, investigations and due diligence reviews of the legal, business affairs, operations and financial position of DHG by Linkstate or any of its officers, employees, agents, professional advisers or other agents as Linkstate in its discretion deems necessary, desirable or appropriate to undertake;

(c) GIHK, Linkstate and DHG having obtained all required approvals, consents, waivers, permissions, or exemptions from the government authorities, banks, other financial institutions and/or third parties in connection with the execution and performance of the Transaction Documents and the transactions contemplated thereunder, and such approvals, consents, waiver, permission or exemption remaining in full force and effect as of the completion of DHG Acquisition;

(d) no change, event or circumstances having occurred since the date of the DHG Agreement and all times up to the DHG Closing Date which has or may have a material adverse effect on DHG and GIHK;

(e) the Independent Shareholders having passed the ordinary resolution(s) to approve the Transaction Documents and the transactions contemplated thereunder at the EGM to be convened and held in accordance with the requirements of the Listing Rules;

(f) the obtaining of a certified true copy of the resolutions of the board of directors of DHG, evidencing the approval by DHG of (1) the registration of the transfer of the DHG Sale Shares; (2) if applicable, accepting the resignation of the directors of DHG nominated by GIHK; and (3) appointing such persons as Linkstate may nominate as the replacement directors of DHG to take effect on the DHG Closing Date; and

(g) the completion of the Proton Acquisition.

Linkstate may in its absolute discretion waive any or all of the conditions precedent (other than items (e) and (g) above) at any time before the Long Stop Date by notice in writing to GIHK. In respect of condition (c) above, to the best knowledge of the Directors, no material approvals, consents, waivers, permissions or exemptions are required for the DHG Acquisition. As at the Latest Practicable Date, condition (b) above was fulfilled.

Upon completion of the DHG Acquisition, the ODI registration in connection with the DHG Acquisition will be carried out in due course.

Completion of the DHG Acquisition

Completion of the DHG Acquisition will take place within ten (10) Business Days after all the conditions precedent to the DHG Agreement have been fulfilled or waived (as the case may be) or such other date as the parties may agree in writing.

Subject to fulfillment or waiver (as the case may be) of the conditions precedent to the DHG Agreement, it is expected that completion of the DHG Acquisition will take place on or before 30 April 2023.

INFORMATION OF THE PARTIES TO THE TRANSACTIONS

GIHK is a limited liability company incorporated in Hong Kong, which is an investment holding company. As at the Latest Practicable Date, Geely Holding was the sole shareholder of GIHK. Geely Holding is principally engaged in the sales of automobiles and related parts and components wholesale and retail business and was ultimately beneficially wholly-owned by Mr. Li and his associate as at the Latest Practicable Date.

Linkstate is a limited liability company incorporated in the British Virgin Islands, which was an investment holding company and a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date.

INFORMATION OF THE TARGET COMPANIES

Principal businesses of Proton and DHG

Proton

Proton is a limited liability company incorporated in Malaysia in 1983. The principal activities of Proton include the manufacture and sale of motor vehicles of its own brand in Southeast Asia. As at the Latest Practicable Date, Proton was owned as to 50.1% by DRBH and 49.9% by GIHK. DRBH is a public company incorporated in Malaysia, the shares of which have been listed on the Bursa Securities since 4 September 1992 (stock name: DRBHCOM). It is a large and diversified conglomerate in Malaysia with key businesses in six core sectors: automotive, aerospace and defence, postal, banking, services and properties. DRBH is involved in the entire automotive value chain, including designing, assembling, distributing, component manufacturing, repairing and retailing.

DHG

DHG is an investment holding company and was owned as to 50.1% by DRBH and as to 49.9% by GIHK as at the Latest Practicable Date.

According to the announcement issued by DRBH dated 15 January 2018, as a post-completion obligation relating to the share subscription agreement between DRBH and GIHK in 2017 with respect to the investment in Proton (the "**Proton Investment**"), DHG was incorporated to facilitate a restructuring of the intercompany debt in the amount of approximately RM1,616.4 million (equivalent to approximately RMB2,551.3 million) (the "**Debt**") between Proton (as borrower) and PONSB (a wholly-owned subsidiary of Proton, as lender). Based on communications with the parties involved in the Proton Investment, in order to capitalise the Debt, Proton issued non-convertible redeemable preference shares to DHG at an issue price equal to the Debt. In return, DHG issued the same number of non-convertible redeemable preference shares to PONSB at the same issue price, which was then offset against the Debt. No cash consideration was received by each of Proton and DHG for its issue of non-convertible redeemable preference shares to DHG and PONSB, respectively. The non-convertible redeemable preference shares issued by each of Proton and DHG had no voting rights and could only be redeemed at the discretion of the issuer when it has sufficient funds.

In addition, under the Malaysian laws, a subsidiary incorporated in Malaysia is not allowed to hold any shares of its parent company. Therefore, Proton could not capitalise the Debt by issuing non-convertible redeemable preference shares to PONSB, which was a subsidiary of Proton. Given the above legal requirement and after taking into account the then business development plan and financial status of the Proton Group, DHG was incorporated to undertake the above debt restructuring.

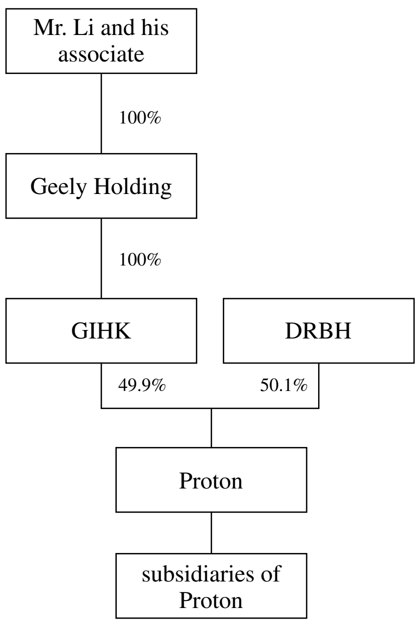
As confirmed by the Company's Malaysian legal adviser, there is no violation of the Malaysian law with capitalisation of an outstanding loan by way of issuing shares in the borrower to the lender, as it is subject to the commercial intention of the parties to the loan.

Shareholding structures of Proton Group and DHG

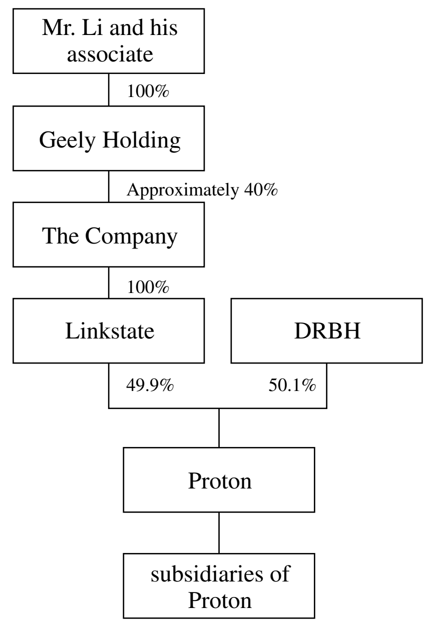
The following charts set out the shareholding structures of the Proton Group and DHG as at the Latest Practicable Date and immediately after completion of the Transactions:

Proton Group

As at the Latest Practicable Date

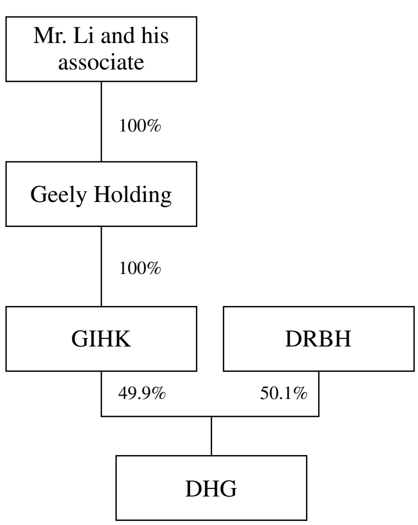


Immediately after completion of the Proton Acquisition

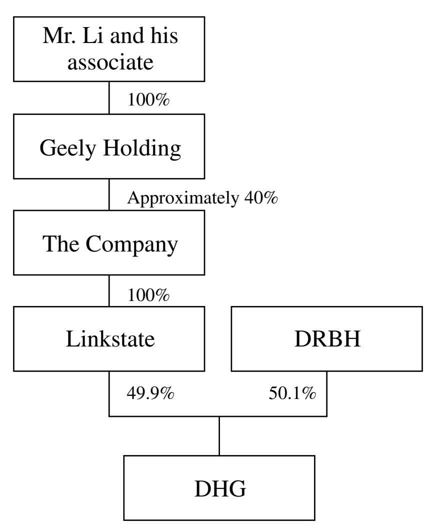


DHG

As at the Latest Practicable Date



Immediately after completion of the DHG Acquisition



Financial information of Proton and DHG

Proton

Set out below is the consolidated financial information of Proton for the years/period as indicated below prepared under the MFRS:

	For the year ended 31 December				**For the nine months ended 30 September**	
	2020		**2021**		**2022**	
	(Audited)		(Audited)		(Unaudited)	
	RM in million	*RMB in million*	*RM in million*	*RMB in million*	*RM in million*	*RMB in million*
(Loss)/Profit before taxation	(15.0)	(23.6)	11.0	17.3	93.1	146.9
(Loss)/Profit after taxation	(15.3)	(24.2)	74.1	117.0	87.5	138.1

	As at 30 September 2022	
	(Unaudited)	
	RM in million	*RMB in million*
Net asset value	3,076.7	4,856.1

As at 30 September 2022, the total assets of Proton Group mainly comprised property, plant and equipment for manufacturing purposes, inventories, other investment as well as deposits, bank and cash balances. The total liabilities of Proton Group mainly comprised trade and other payables as well as borrowings.

As at 30 September 2022, there were shareholder's loans including principals and interests incurred, which were recorded in trade and other payables of the Proton Group, at amount of approximately RM476.2 million (equivalent to approximately RMB751.6 million) and US$70.8 million (equivalent to approximately RMB494.4 million) due to DRBH and GIHK, respectively.

There are no reported material differences in the profit/(loss) before tax, profit/(loss) after tax, and net asset value of Proton under MFRS and IFRS based on confirmation from the auditor of Proton.

DHG

Set out below is the financial information of DHG for the years/period as indicated below prepared under the MFRS:

	For the year ended 31 December				For the nine months ended 30 September	
	2020		2021		2022	
	(Audited)		(Audited)		(Unaudited)	
	RM in thousand	*RMB in thousand*	*RM in thousand*	*RMB in thousand*	*RM in thousand*	*RMB in thousand*
(Loss)/Profit before taxation	(6.0)	(9.5)	(8.0)	(12.6)	(5.0)	(7.9)
(Loss)/Profit after taxation	(6.0)	(9.5)	(8.0)	(12.6)	(5.0)	(7.9)

	As at 30 September 2022	
	(Unaudited)	
	RM in million	*RMB in million*
Net asset value	1,616.4	2,551.3

DHG is an investment holding company. Under the MFRS, DHG recorded audited losses of approximately RM6,000 (equivalent to approximately RMB9,470.1) and RM8,000 (equivalent to approximately RMB12,626.9) before and after taxation for the year ended 31 December 2020 and 2021, respectively. For the nine months ended 30 September 2022, DHG recorded unaudited losses of approximately RM5,000 (equivalent to approximately RMB7,891.8) before and after taxation. As at 30 September 2022, the unaudited total assets of DHG mainly represented investment in non-convertible redeemable preference shares issued by Proton of approximately RM1,616.4 million (equivalent to approximately RMB2,551.3 million). There was no amount due from or due to shareholders of DHG as at 30 September 2022. For more information of DHG, please refer to "Information of the Target Companies – Principal businesses of Proton and DHG – DHG" above.

There are no reported material differences in the profit/(loss) before tax, profit/(loss) after tax, and total assets of DHG under MFRS and IFRS based on confirmation from the auditor of DHG.

Financial effect of the Transactions

Immediately after completion of the acquisition of the Proton Sale Shares and the DHG Sale Shares, the Group will hold 49.9% of the issued and paid-up ordinary share capital of each of Proton and DHG, and will account for their financial results by way of equity method.

As at the Latest Practicable Date, Proton issued redeemable convertible preference shares of 1,200,000,000 and 300,000,000 (the "**Preference Shares**") at an aggregate consideration of RM1,500.0 million (equivalent to approximately RMB2,367.5 million) to Govco Holdings and DRBH, respectively, for its financing purpose. Assuming the Preference Shares are fully converted into ordinary shares of Proton, the interest in Proton held by the Group after completion of the Transactions will be diluted to 19.4%. Neither Govco Holdings nor DRBH is entitled to call for the conversion of the Preference Shares, and only Proton has the option to convert the Preference Shares wholly or partially into its ordinary shares subject to unanimous consent of all of its shareholders. The Company has confirmed that it will not agree, and will procure that Linkstate will not agree, to any conversion of the Preference Shares if its interest (through Linkstate) in Proton will be unfairly diluted or such conversion will not be in the interests of the Company and the Shareholders as a whole. As at the Latest Practicable Date, it was confirmed by Proton that it had no intention for such conversion.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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

As disclosed in the section headed "Information of the Target Companies", Proton is principally engaged in the manufacture and sale of motor vehicles of its own brand (the "**Proton-branded Vehicles**") in Southeast Asia.

The Proton-Geely strategic partnership has begun in 2017 since GIHK acquired 547,020,534 ordinary shares, representing 49.9% of the issued and paid-up ordinary share capital of Proton (namely, the Proton Sale Shares) at approximately US$108 million (equivalent to approximately RMB754.1 million). It provided an opportunity for Proton to have access to the platforms and technologies of Geely Holding, which laid a solid foundation for the subsequent success of Proton. Besides, the unique background of DRBH, which set footprints in the entire automotive value chain in Malaysia and owned 50.1% of the issued and paid-up ordinary share capital of Proton as at the Latest Practicable Date, also provides important support for Proton's business development.

By leveraging the strong support from the shareholders, Proton brand maintains high reputation and popularity in Southeast Asia. The market share of Proton brand in terms of sales volume reached 20.1% and 4.8% in Malaysia market and ASEAN market for the nine months ended 30 September 2022, respectively, which are calculated on the basis of data sourced from MAA and Segment Y.

The Proton Acquisition provides a valuable opportunity for the Group to enter the passenger vehicle market of right-hand drive models in Southeast Asia. By leveraging the resources and experiences of Proton, the Group will be able to further strengthen its business development in Southeast Asia after completion of the Proton Acquisition. The Group will continue to collaborate with Proton in the development of electric vehicle models under Proton brand in the future.

The DHG Acquisition is intertwined with the Proton Acquisition because the incorporation of DHG is solely for the purpose of Proton Group's internal debt restructuring. For more information, please refer to "Information of the Target Companies – Principal businesses of Proton and DHG – DHG" above. The original subscription price paid by GIHK for the DHG Sale Shares is RM499 (equivalent to approximately RMB787.6).

The Group currently sells automobile parts and components and provide R&D and technology licensing services to the Geely Holding Group in relation to the manufacture of Proton-branded Vehicles. After completion of the Proton Acquisition, the Group will directly sell automobile parts and components and provide R&D and technology licensing services to the Proton Group, which will then cease to be a connected person of the Company. The above arrangement will reduce the number of continuing connected transactions between the Group and the Geely Holding Group and thus reduce the Group's reliance on the Geely Holding Group.

Each of GIHK and DRBH has provided shareholder's loans to the Proton Group for the development of Proton Group's automotive business in Southeast Asia. As at 30 September 2022, there were shareholders' loans including principals and interests incurred, which were recorded in trade and other payables of the Proton Group, at amount of approximately RM476.2 million (equivalent to approximately RMB751.6 million) and US$70.8 million (equivalent to approximately RMB494.4 million) due to DRBH and GIHK, respectively. Such shareholder's loans are used primarily for the development and operation of automotive business of the Proton Group in Southeast Asia. Pursuant to the Deed of Assignment to be executed upon completion of the Proton Acquisition, GIHK will assign and transfer the Sale Loan to Linkstate. Such shareholder's loans will maintain the funding sources and working capital of the Proton Group for further development of the automotive business, which will in turn contribute to the overall financial results of the Group by way of equity method.

After completion of the Proton Acquisition, the Group will continue to support the business development of Proton and will consider to provide further financial assistance pro-rata to its interest in Proton. The Company will comply with the relevant requirements under the Listing Rules on the provision of such financial assistance to Proton when they arise.

The Board (including the independent non-executive Directors) is of the view that there is no specific disadvantage for the Group to enter into the Proton Agreement and the DHG Agreement.

Having considered the above reasons and benefits of the Transactions, the Board (including the independent non-executive Directors) considers that the Transactions are on normal commercial terms and the terms of the Transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE VALUATION REPORTS

Proton

The appraised value of 49.9% of the equity interest in Proton as at 30 November 2022 was determined based on the market approach valuation according to the valuation report of Proton. The principal assumptions of the valuation are:

- It is assumed that the projected business will be according to the proposed business plan of the Proton Group and could be achieved with the effort of the Proton Group's management;

- In order to realize the future economic benefit of the business and maintain a competitive edge, manpower, equipment and facilities are necessary to be employed. For the valuation exercise, it is assumed that all proposed facilities and systems will work properly and will be sufficient for future operation;

- It is assumed that there will be no material changes in the international financial environment, global economic environment and national macroeconomic conditions, and that there will be no material change in the political, economic and social environment in which the appraised entity operates;

- The Valuer has assumed the accuracy of the financial and operational information provided by the Company and the Proton Group and relied to a considerable extent on such information in arriving at the Valuer's opinion of value;

- It is assumed that the Proton Group will not exercise its option to convert any redeemable convertible preference shares into ordinary shares and will make repayment of the dividend and principal amount relating to the redeemable convertible preference shares;

- It is assumed that there are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value. Further, the Valuer assumes no responsibility for changes in market conditions after 30 November 2022.

DHG

The appraised value of 49.9% of the equity interest in DHG as at 30 November 2022 was determined based on the asset-based approach valuation according to the valuation report of DHG. The principal assumptions of the valuation are:

- it is assumed that there will be no material changes in the international financial environment, global economic environment and national macroeconomic conditions, and that there will be no material change in the political, economic and social environment in which the appraised entity operates;

- the Valuer has assumed the accuracy of the financial and operational information provided by the Company and DHG and relied to a considerable extent on such information in arriving at the Valuer's opinion of value; and

- it is assumed that there are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value. Further, the Valuer assumes no responsibility for changes in market conditions after 30 November 2022.

The Board's view on the fairness and reasonableness of the valuation methodology, parameters and assumptions

The Directors have reviewed the methodology of, and the bases and assumptions adopted for, the valuations of Proton and DHG as stated in the valuation reports. Based on the review of the valuation reports and having considered that (i) the valuations of Proton and DHG are in compliance with the International Valuation Standards issued by the International Valuation Standards Council and the RICS Valuation-Global Standards issued by the Royal Institution of Chartered Surveyors ("**RICS**"), a global professional body for surveyors; (ii) the assumptions adopted by the Valuer in the valuation reports are reasonable and it is not uncommon in practice for the purpose of assessing the market value of Proton based on the market approach and assessing the market value of DHG based on the asset-based approach given that DHG is a special purpose vehicle with no substantial operation; and (iii) the Board has not identified any major factors which would cause them to doubt the fairness and reasonableness of the valuation methodologies (i.e. the market approach and the asset-based approach) or the assumptions adopted by the Valuer, the Directors are of the view that the valuation methodologies (i.e. the market approach and the asset-based approach) and assumptions adopted by the Valuer in the valuation reports of Proton and DHG are fair and reasonable and the valuations of Proton and DHG as of 30 November 2022 have been made after due and careful enquiry.

In respect of the parameters adopted for the valuation of Proton, in particular, the selection criteria of the comparable companies and discount for lack of marketability ("**DLOM**") for the valuation of Proton, the Directors have inquired with the Valuer and understood that: (i) the comparable companies are all publicly listed and selected globally from various stock exchanges; (ii) the majority of the revenue of the comparable companies are from automobile manufacturer industry in Malaysia which is similar to Proton; (iii) the comparable companies recorded increasing revenue and positive EBITDA and EBIT margins for the last twelve months ended 30 September 2022. It is understood that the selected revenue growth rate and profit margins of Proton Group fall within the range of the selected comparable companies, which made the Valuer to form the view that selected comparable companies are fair and representative samples; and (iv) the Valuer has adopted Black-Scholes option pricing model with parameters including spot price, exercise price, risk free rate, volatility and maturity to derive the DLOM for the valuation of Proton. Having considered the above, the Directors are of the view that the parameters adopted for the valuation of Proton, in particular, the selection criteria of the comparable companies and DLOM for the valuation of Proton as at 30 November 2022, are fair and reasonable.

The Board's assessment on the independence of the Valuer

To the best of the knowledge, information and belief of the Directors, the Valuer is a third party independent from the Company and its connected persons. As at the Latest Practicable Date, the Valuer did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for the securities in any member of the Group.

The Board's assessment on the competence of the Valuer

Asia-Pacific Consulting and Appraisal Limited is a company registered in Hong Kong that can carry out valuation, financial consulting and other businesses, and is also a company member registered with the RICS. The responsible person of the Valuer in the valuation of Proton and DHG is Mr. Jack Li.

Mr. Jack Li is the Partner of Asia-Pacific Consulting and Appraisal Limited. He is a member of the RICS. He has extensive experiences in consulting and valuation in capital market for various companies in the PRC, Hong Kong and the Asia-Pacific region. He has been responsible for the consulting and valuation works for various listed companies in Hong Kong and overseas, to provide the financial reporting reference and internal investment reference on the value of equity interest, intangible assets, mineral assets, financial instruments, etc.

Taking into account the above qualifications and experience of Mr. Jack Li, the Board considers the Valuer a competent expert in performing the valuation of Proton and DHG as of 30 November 2022.

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, the sole shareholder of GIHK was Geely Holding, which was ultimately beneficially wholly-owned by Mr. Li and his associate.

Mr. Li is an executive Director and a substantial shareholder holding approximately 42.15% of the total issued share capital of the Company as at the Latest Practicable Date. As such, GIHK is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Transactions exceeds 5% but is lower than 25%, the Transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and connected transactions of the Company under Chapter 14A of the Listing Rules. Therefore, the Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

GENERAL

Mr. Li, Mr. Li Dong Hui, Daniel, Mr. An Cong Hui and Mr. Gan Jia Yue, each an executive Director, are considered to be interested in the Transactions by virtue of their interests and/or directorship in Geely Holding and/or Proton. As a result, each of Mr. Li, Mr. Li Dong Hui, Daniel, Mr. An Cong Hui and Mr. Gan Jia Yue has abstained from voting on the Board resolutions for approving the Transactions.

Mr. Li and his associates together holding 4,239,028,000 Shares (representing approximately 42.15% of the total issued share capital of the Company, and controlled or were entitled to exercise control over the voting rights in respect of the Shares held in the Company), Mr. Li Dong Hui, Daniel and his associates together holding 5,004,000 Shares (representing approximately 0.05% of the total issued share capital of the Company, and controlled or were entitled to exercise control over the voting rights in respect of the Shares held in the Company), Mr. An Cong Hui and his associates together holding 7,876,000 Shares (representing approximately 0.08% of the total issued share capital of the Company, and controlled or were entitled to exercise control over the voting rights in respect of the Shares held in the Company) and Mr. Gan Jia Yue and his associates together holding 2,230,200 Shares (representing approximately 0.02% of the total issued share capital of the Company, and controlled or were entitled to exercise control over the voting rights in respect of the Shares held in the Company) as at the Latest Practicable Date, will all abstain from voting on the resolutions to be proposed at the EGM to approve the Transactions.

Save as disclosed above, no other Directors and/or Shareholders would be required to abstain from voting on the resolutions at the EGM to approve the Transactions.

EGM

The EGM will be convened to consider and approve the Transactions. A notice to convene the EGM is set out on pages EGM-1 to EGM-2 of this circular.

The EGM will be held at 3/F., Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong on Friday, 28 April 2023 at 10:30 a.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).

RECOMMENDATION

The Independent Board Committee has been established to advise the Independent Shareholders whether the terms of the Transactions are fair and reasonable so far as the Independent Shareholders are concerned and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in that connection.

The text of the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 32 to 58 of this circular and the text of the letter from the Independent Board Committee to the Independent Shareholders is set out on pages 30 to 31 of this circular.

The Board (including the independent non-executive Directors) considers that, although the Transactions are not entered into in the ordinary and usual course of business of the Group, the terms of the Proton Agreement and the DHG Agreement and the transactions contemplated thereunder are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM.

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 30 to 31 and pages 32 to 58 of this circular. Additional information is also set out in the appendices to this circular.

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

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Transactions prepared for the purpose of incorporation in this circular.

GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 175)

6 April 2023

To the Independent Shareholders,

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF 49.9% OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF PROTON AND DHG

We refer to the circular dated 6 April 2023 of the Company (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context requires otherwise.

We, being the independent non-executive Directors constituting the Independent Board Committee, are writing to advise you as an Independent Shareholder whether the Independent Board Committee is of the view that the Transactions are entered into in the ordinary and usual course of business of the Group, fair and reasonable, on normal commercial terms 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 as set out on pages 11 to 29 of the Circular and the letter from the Independent Financial Adviser as set out on pages 32 to 58 of the Circular which contains, *inter alia*, their advice and recommendation to us regarding the terms of the Transactions with the principal factors and reasons for those advice and recommendation.

RECOMMENDATION

Having taken into account the advice and recommendation of the Independent Financial Adviser, we are of the view that, although the Transactions are not entered into in the ordinary and usual course of business of the Group, the terms of the Proton Agreement and the DHG Agreement and the transactions contemplated thereunder are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Transactions.

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

Mr. An Qing Heng **Mr. Wang Yang**

Ms. Lam Yin Shan, Jocelyn **Ms. Gao Jie**

Independent Non-executive Directors

BALLAS
CAPITAL
A subsidiary of Crosby

5/F Capital Centre
151 Gloucester Road
Wanchai, Hong Kong

6 April 2023

To the Independent Board Committee and
the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF 49.9% OF THE ISSUED AND PAID-UP ORDINARY SHARE CAPITAL OF PROTON AND DHG

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proton Acquisition and the DHG Acquisition, 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 6 April 2023, 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.

On 20 January 2023 (after trading hours), Linkstate (as purchaser), a direct wholly-owned subsidiary of the Company, and GIHK (as seller) entered into the Proton Agreement, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the Proton Sale Shares at a consideration of RMB1,063 million and the Sale Loan at a consideration of US$56,390,000 (equivalent to approximately RMB393.7 million).

On the same day, Linkstate and GIHK also entered into the DHG Agreement, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the DHG Sale Shares at a nominal consideration of US$1.00. Immediately after completion of the acquisition of the Proton Sale Shares and the DHG Sale Shares, the Group will hold 49.9% of the issued and paid-up ordinary share capital of each of Proton and DHG, and will account for their financial results by way of equity method.

As at the Latest Practicable Date, Geely Holding was the sole shareholder of GIHK and was ultimately beneficially wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial shareholder holding approximately 42.15% of the total issued share capital of the Company as at the Latest Practicable Date. As such, GIHK is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

As the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the Transactions exceeds 5% but is lower than 25%, the Transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and connected transactions of the Company under Chapter 14A of the Listing Rules. Therefore, the Transactions are subject to the reporting, announcement requirements, and Independent Shareholders' approval requirements under Chapter 14 and 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders with respect to the Proton Acquisition and the DHG Acquisition.

INDEPENDENCE DECLARATION

We are not associated or connected with the Company, the counterparties of the Proton Acquisition and the DHG Acquisition or their respective core connected persons or associates. In the two years immediately preceding the Latest Practicable Date, save for (i) the appointment as the independent financial adviser in relation to the Acquisitions, the Ningbo Viridi Subscription and certain continuing connected transactions as disclosed and defined in the circular of the Company dated 5 August 2021; (ii) the appointment as the independent financial adviser in relation to certain continuing connected transactions as disclosed in the circular of the Company dated 16 November 2021; (iii) the appointment as the independent financial adviser in relation to the acquisition of shares of ZEEKR as disclosed in the circular of the Company dated 30 November 2021; (iv) the appointment as the independent financial adviser in relation to certain continuing connected transactions as disclosed in the circular of the Company dated 26 October 2022; (v) the appointment as the independent financial adviser in relation to certain acquisition and continuing connected transactions as disclosed in the announcement of the Company dated 12 December 2022; and (vi) this appointment as the independent financial adviser in relation to the Proton Acquisition and the DHG Acquisition (collectively, the "**IFA Engagements**"), we did not have any other relationship with or interests in the Company, the counterparties of the Proton Acquisition and the DHG Acquisition 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 represented normal professional fees (which were not considered material) and did not affect our independence. Accordingly, we consider we are eligible to give independent advice on the terms of the Proton Acquisition and the DHG Acquisition.

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 Proton Acquisition and the DHG Acquisition or any of their respective subsidiaries or associates.

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. Background of the Proton Acquisition and DHG Acquisition

On 20 January 2023 (after trading hours), Linkstate (as purchaser), a direct wholly-owned subsidiary of the Company, and GIHK (as seller) entered into the Proton Agreement, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the Proton Sale Shares at a consideration of RMB1,063 million and the Sale Loan at a consideration of US$56,390,000 (equivalent to approximately RMB393.7 million).

On the same day, Linkstate and GIHK also entered into the DHG Agreement, pursuant to which GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the DHG Sale Shares at a nominal consideration of US$1.00.

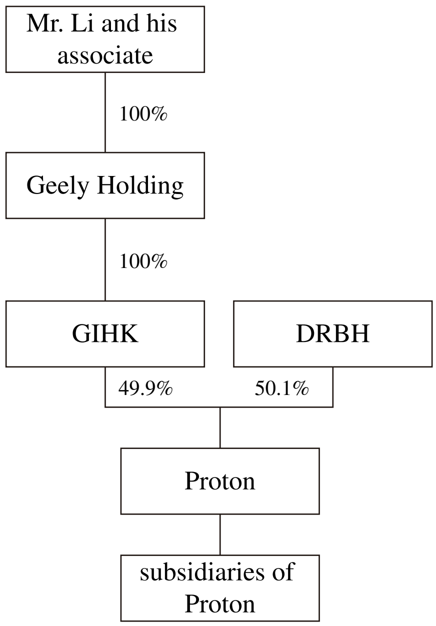
Proton is principally engaged in the manufacture and sale of Proton-branded Vehicles in Southeast Asia. DHG is an investment holding company. The DHG Acquisition is intertwined with the Proton Acquisition because the incorporation of DHG is solely for the purpose of Proton Group's internal debt restructuring (more details are set out in the section headed *"3. Information of Proton and DHG"* below and the Letter from the Board).

Immediately after completion of the acquisition of the Proton Sale Shares and the DHG Sale Shares, the Group will hold 49.9% of the issued and paid-up ordinary share capital of each of Proton and DHG, and will account for their financial results by way of equity method.

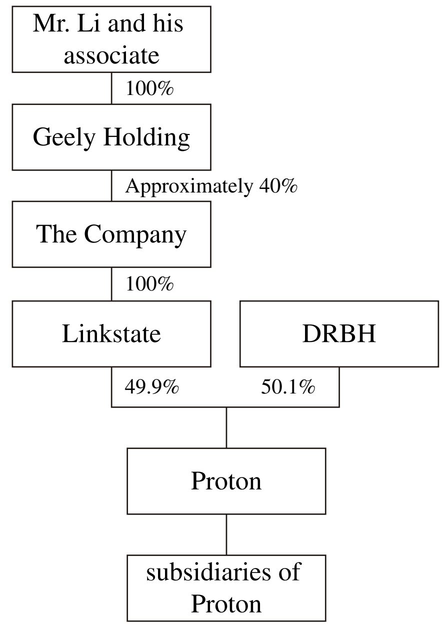
The shareholding structures of the Proton Group and DHG as at the Latest Practicable Date and immediately after completion of the Transactions are set out below:

Proton Group

As at the Latest Practicable Date

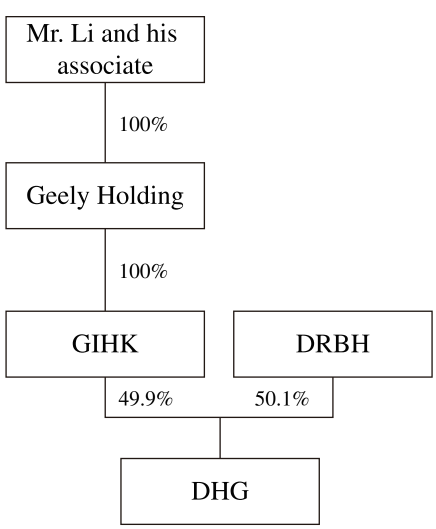


Immediately after completion of the Proton Acquisition

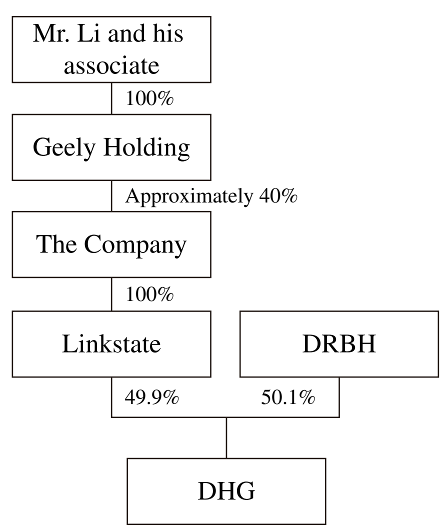


DHG

As at the Latest Practicable Date



Immediately after completion of the DHG Acquisition



2. Information of the Company and the counterparties of the Proton Acquisition and DHG Acquisition

2.1. Background of the Company and the counterparties of the acquisitions

The Group

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

Linkstate

Linkstate was a limited liability company incorporated in the British Virgin Islands, which was an investment holding company and a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date.

GIHK

GIHK is a limited liability company incorporated in Hong Kong, which is an investment holding company. As at the Latest Practicable Date, Geely Holding was the sole shareholder of GIHK.

Geely Holding

Geely Holding is principally engaged in the sales of automobiles and related parts and components wholesale and retail business. As at the Latest Practicable Date, Geely Holding was beneficially wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial Shareholder holding approximately 42.15% of the issued share capital of the Company as at the Latest Practicable Date, and is a connected person of the Company.

2.2. Historical financial performance of the Group

Set out below is a summary of the financial results of the Group for the three years ended 31 December 2020 ("**FY2020**"), 2021 ("**FY2021**") and 2022 ("**FY2022**") as extracted from the Company's respective financial reports and results announcements.

	FY2020	**FY2021**	**FY2022**
	RMB'million	*RMB'million*	*RMB'million*
	(Audited)	(Audited)	(Audited)
Revenue			
– Sales of automobiles and related services	83,814	87,697	122,783
– Sales of automobile parts and components	6,989	8,799	8,779
– Sales of battery packs and related parts	–	589	8,018
– Research and development and related technological support services	745	3,251	6,728
– Licensing of intellectual properties	566	1,275	1,657
Total revenue	92,114	101,611	147,965
Gross profit	14,737	17,412	20,896
Profit attributable to equity holders	5,534	4,847	5,260

FY2022 vs FY2021

As disclosed in the results announcement of the Company for FY2022, the Group recorded revenue of approximately RMB148.0 billion for FY2022, representing an increase of 46% as compared to that of approximately RMB101.6 billion for FY2021. The Group sold a total of 1,432,988 units of vehicles in 2022, representing an increase of 8% from 1,328,031 units of vehicles sold in 2021. The Group's domestic wholesale volume increased by 2%, whilst its export wholesale volume continued to perform well and grew by 72% in 2022. The Group's average ex-factory selling price increased by 30% for FY2022 as a result of the continued improvement in the product pricing and product mix. As the new energy vehicles recorded a lower gross margin ratio as compared to that of fuel vehicles while their proportion increased rapidly, the Group's gross margin ratio decreased by 3 percentage points to 14.1% for FY2022. The Group's profit attributable to equity holders increased by 9% to approximately RMB5.3 billion for FY2022, which was contributed by the improvement in the Group's sales performance for FY2022, whilst the impacts brought by the surging costs of batteries, chips and other parts and components as well as significant investment the Group made to ZEEKR during its early development stage put pressure on the profitability of the Group during FY2022.

FY2021 vs FY2020

As disclosed in the annual report of the Company for FY2021, the Group sold a total of 1,328,031 units of vehicles in 2021, increased by 1% from 2020 and the total revenue increased by 10% to RMB101.6 billion in 2021. The Group's domestic wholesale volume decreased by 3% in 2021, whilst its export sales volume continued to grow strongly by 58% as a result of robust recovery of demand in major export markets. Despite the negative impact of global shortage of chips supply and raw material price hikes, gross margin ratio improved during the year primarily due to better product mix. The selling and distribution expenses during the year were kept at relatively high levels to maintain the competitiveness of the Group's dealers in a highly competitive market. The Group's profit attributable to equity holders decreased by 12% to RMB4.8 billion in 2021, mainly due to higher operating and research and development expenses, and recognition of share-based expenses during the year.

2.3. Financial position of the Group

Set out below is a summary of the financial position of the Group as at 31 December 2022 as extracted from the results announcement of the Company for FY2022.

	As at 31 December 2022 *RMB'million* (Audited)
Non-current assets	78,762
Current assets	79,064
Non-current liabilities	(12,677)
Current liabilities	(68,953)
Net assets	**76,196**

As at 31 December 2022, total assets of the Group amounted to approximately RMB157.8 billion, which mainly comprised (i) trade and other receivables of approximately RMB35.8 billion; (ii) bank balances and cash of approximately RMB33.3 billion; (iii) property, plant and equipment of approximately RMB32.2 billion; and (iv) intangible assets of approximately RMB22.5 billion.

As at 31 December 2022, total liabilities of the Group amounted to approximately RMB81.6 billion, which mainly comprised (i) trade and other payables of approximately RMB67.1 billion; (ii) loan from a related company of approximately RMB6.0 billion; and (iii) bank borrowings of approximately RMB2.8 billion.

As at 31 December 2022, the Group recorded net assets of approximately RMB76.2 billion.

3. Information of Proton and DHG

3.1. Background information of Proton and DHG

Proton

Proton is a limited liability company incorporated in Malaysia in 1983. The principal activities of Proton include the manufacture and sale of motor vehicles of its own brand in Southeast Asia. As at the Latest Practicable Date, Proton was owned as to 50.1% by DRBH and 49.9% by GIHK. DRBH is a public company incorporated in Malaysia, the shares of which have been listed on the Bursa Securities since 4 September 1992 (stock name: DRBHCOM). It is a large and diversified conglomerate in Malaysia. DRBH is involved in the entire automotive value chain, including designing, assembling, distributing, component manufacturing, repairing and retailing.

DHG

DHG is an investment holding company and was owned as to 50.1% by DRBH and as to 49.9% by GIHK as at the Latest Practicable Date. According to the announcement issued by DRBH dated 15 January 2018, as a post-completion obligation relating to the share subscription agreement between DRBH and GIHK in 2017 with respect to the investment in Proton (the "**Proton Investment**"), DHG was incorporated to facilitate a restructuring of the intercompany debt in the amount of approximately RM1,616.4 million (equivalent to approximately RMB2,551.3 million) (the "**Debt**") between Proton (as borrower) and PONSB (a wholly-owned subsidiary of Proton, as lender). Based on communications with the parties involved in the Proton Investment, in order to capitalise the Debt, Proton issued non-convertible redeemable preference shares to DHG at an issue price equal to the Debt. In return, DHG issued the same number of non-convertible redeemable preference shares to PONSB at the same issue price, which was then offset against the Debt. No cash consideration was received by each of Proton and DHG for its issue of non-convertible redeemable preference shares to DHG and PONSB, respectively. The non-convertible redeemable preference shares issued by each of Proton and DHG had no voting rights and could only be redeemed at the discretion of the issuer when it has sufficient funds.

In addition, under the Malaysian laws, a subsidiary incorporated in Malaysia is not allowed to hold any shares of its parent company. Therefore, Proton could not capitalise the Debt by issuing non-convertible redeemable preference shares to PONSB, which was a subsidiary of Proton. Given the above legal requirement and after taking into account the then business development plan and financial status of the Proton Group, DHG was incorporated to undertake the above debt restructuring. As confirmed by the Company's Malaysian legal adviser, there is no violation of the Malaysian law with capitalisation of an outstanding loan by way of issuing shares in the borrower to the lender, as it is subject to the commercial intention of the parties to the loan.

3.2. Historical financial performance and financial position of Proton and DHG

Proton Group

Set out below is a summary of the financial information of the Proton Group for FY2020, FY2021 and the nine months ended 30 September 2022 ("**9M2022**") as extracted from the financial information of the Proton Group prepared under the MFRS.

	FY2020		**FY2021**		**9M2022**	
	Audited		**Audited**		**Unaudited**	
	RM'million	*RMB'million*	*RM'million*	*RMB'million*	*RM'million*	*RMB'million*
Revenue	6,075.6	9,589.4	6,928.7	10,935.9	6,763.0	10,674.4
(Loss)/Profit before taxation	(15.0)	(23.6)	11.0	17.3	93.1	146.9
(Loss)/Profit after taxation	(15.3)	(24.2)	74.1	117.0	87.5	138.1

Revenue of the Proton Group amounted to approximately RM6,075.6 million (equivalent to approximately RMB9,589.4 million), RM6,928.7 million (equivalent to approximately RMB10,935.9 million) and RM6,763.0 million (equivalent to approximately RMB10,674.4 million) for FY2020, FY2021 and 9M2022, respectively, which were mainly generated from the sales of Proton-branded Vehicles. The increase in revenue for FY2021 and 9M2022 was mainly contributed by the increase in customer demand for certain vehicle models. The Proton Group recorded profit after taxation of RM74.1 million (equivalent to approximately RMB117.0 million) for FY2021 as compared to loss after taxation of approximately RM15.3 million (equivalent to approximately RMB24.2 million) for FY2020, which was contributed by lower distribution costs and administration expenses for FY2021. The Proton Group recorded profit after taxation of approximately RM87.5 million (equivalent to approximately RMB138.1 million) for 9M2022.

Set out below is a summary of the financial position of the Proton Group as at 30 September 2022 as extracted from the reviewed consolidated financial statements of the Proton Group prepared under the MFRS.

	As at 30 September 2022	
	Unaudited	
	RM'million	*RMB'million*
Non-current assets	4,660.7	7,356.3
Current assets	3,419.2	5,396.7
Current liabilities	(3,206.4)	(5,060.9)
Non-current liabilities	(1,796.8)	(2,836.0)
Net assets	**3,076.7**	**4,856.1**

As at 30 September 2022, the book value of total assets of the Proton Group amounted to approximately RM8,079.9 million (equivalent to approximately RMB12,753.0 million), which mainly comprised (i) property, plant and equipment of approximately RM2,667.8 million (equivalent to approximately RMB4,210.8 million) mainly for manufacturing purposes; (ii) inventories of approximately RM1,629.1 million (equivalent to approximately RMB2,571.2 million); (iii) other investments of approximately RM1,616.4 million (equivalent to approximately RMB2,551.3 million), which relates to the issuance of non-convertible redeemable preference shares by DHG to PONSB (a wholly-owned subsidiary of Proton); and (iv) deposits, cash and cash equivalents of approximately RM1,224.4 million (equivalent to approximately RMB1,932.6 million).

As at 30 September 2022, the book value of total liabilities of the Proton Group amounted to approximately RM5,003.2 million (equivalent to approximately RMB7,896.9 million), which mainly comprised (i) trade and other payables of approximately RM2,910.4 million (equivalent to approximately RMB4,593.6 million), which included shareholders' loans including principals and interests incurred at amounts of approximately RM476.2 million (equivalent to approximately RMB751.6 million) and US$70.8 million (equivalent to approximately RMB494.4 million) due to DRBH and GIHK, respectively; and (ii) borrowings of approximately RM1,644.9 million (equivalent to approximately RMB2,596.2 million).

As at 30 September 2022, the book value of the net assets of the Proton Group amounted to approximately RM3,076.7 million (equivalent to approximately RMB4,856.1 million).

As at 30 September 2022, the equity of Proton Group included (i) non-convertible redeemable preference shares issued by Proton to DHG in the amount of RM1,616.4 million (which was issued for the purpose of restructuring intercompany debt as mentioned in the section *"3. Information of Proton and DHG"* above); (ii) non-convertible redeemable preference shares issued by Proton to DRBH in the amount of RM494.97 million; and (iii) convertible redeemable preference shares issued by Proton to Govco Holdings and DRBH in the aggregate principal amount of approximately RM1,500 million for financing purpose.

DHG

Set out below is the financial information of DHG for the years/period as indicated below prepared under the MFRS:

	FY2020 Audited		FY2021 Audited		9M2022 Unaudited	
	RM'000	*RMB'000*	*RM'000*	*RMB'000*	*RM'000*	*RMB'000*
(Loss)/Profit before taxation	(6.0)	(9.5)	(8.0)	(12.6)	(5.0)	(7.9)
(Loss)/Profit after taxation	(6.0)	(9.5)	(8.0)	(12.6)	(5.0)	(7.9)

	As at 30 September 2022 Unaudited	
	RM'million	*RMB'million*
Net assets	1,616.4	2,551.3

DHG is an investment holding company. Under the MFRS, DHG recorded audited losses of approximately RM6,000 (equivalent to approximately RMB9,470.1) and RM8,000 (equivalent to approximately RMB12,626.9) before and after taxation for FY2020 and FY2021, respectively. For 9M2022, DHG recorded unaudited losses of approximately RM5,000 (equivalent to approximately RMB7,891.8) before and after taxation.

As at 30 September 2022, the unaudited total assets of DHG mainly represented investment in non-convertible redeemable preference shares issued by Proton of approximately RM1,616.4 million (equivalent to approximately RMB2,551.3 million).

As at 30 September 2022, the equity of DHG mainly represented the issuance of non-convertible redeemable preference shares to PONSB (a wholly-owned subsidiary of Proton) in the same amount of approximately RM1,616.4 million (equivalent to approximately RMB2,551.3 million), which was for the purpose of internal debt restructuring as mentioned above.

4. Reasons for and benefits of the Proton Acquisition and DHG Acquisition

Proton is principally engaged in the manufacture and sale of Proton-branded Vehicles in Southeast Asia. As set out in the Letter from the Board, the Proton-Geely strategic partnership has begun in 2017 since GIHK acquired 49.9% of the issued and paid-up ordinary share capital of Proton (namely, the Proton Sales Shares). It provided an opportunity for Proton to have access to the platforms and technologies of Geely Holding which laid a solid foundation for the subsequent success of Proton. Besides, the unique background of DRBH, which sets footprints in the entire automotive value chain in Malaysia and owns 50.1% of the issued and paid-up ordinary share capital of Proton as at the Latest Practicable Date, also provides important support for Proton's business development.

By leveraging the strong support from the shareholders, Proton brand maintains high reputation and popularity in Southeast Asia. The market share of Proton brand in terms of sales volume reached 20.1% and 4.8% in Malaysia market and ASEAN market for the nine months ended 30 September 2022, respectively, which are calculated on the basis of data sourced from MAA and Segment Y.

The Proton Acquisition provides a valuable opportunity for the Group to enter the passenger vehicle market of right-hand drive models in Southeast Asia. By leveraging the resources and experiences of Proton, the Group will be able to further strengthen its business development in Southeast Asia after completion of the Proton Acquisition. The Group will continue to collaborate with Proton in the development of electric vehicle models under Proton brand in the future.

The DHG Acquisition is intertwined with the Proton Acquisition because the incorporation of DHG is solely for the purpose of Proton Group's internal debt restructuring. For more information, please refer to the section headed *"Information of Target Companies – Principal businesses of Proton and DHG – DHG"* as set out in the Letter from the Board.

The Group currently sells automobile parts and components and provide R&D and technology licensing services to the Geely Holding Group in relation to the manufacture of Proton-branded Vehicles. After completion of the Proton Acquisition, the Group will directly sell automobile parts and components and provide R& D and technology licensing services to the Proton Group, which will then cease to be a connected person of the Company. The above arrangement will reduce the number of continuing connected transactions between the Group and the Geely Holding Group and thus reduce the Group's reliance on the Geely Holding Group.

Our view

In view of the above, which (a) the Proton Acquisition provides a valuable opportunity for the Group to enter the passenger vehicle market of right-hand drive models in Southeast Asia, and by leveraging the resources and experiences of Proton and the reputation and popularity of the Proton brand, the Group will be able to further strengthen its business development in Southeast Asia; (b) the Proton Acquisition provides an opportunity for the Group to continue to collaborate with Proton in the development of electric vehicle models under Proton brand in the future; (c) the DHG Acquisition is intertwined with the Proton Acquisition because the incorporation of DHG is solely for the purpose of Proton Group's internal debt restructuring, and our analysis on the principal terms of the Proton Agreement and DHG Agreement as discussed in the sections below, we concur with the view of the Directors that although the Proton Agreement and DHG Agreement are not entered into in the ordinary and usual course of business of the Group, the terms of the Proton Acquisition and the DHG Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

5. Principal terms of the Proton Agreement

Date

20 January 2023 (after trading hours)

Parties

Vendor: GIHK
Purchaser: Linkstate

Subject matter

Pursuant to the Proton Agreement, Linkstate conditionally agreed to acquire, and GIHK conditionally agreed to sell the Proton Sale Shares and the Sale Loan, for an aggregate cash consideration of approximately RMB1,456.7 million (the "**Aggregate Consideration**"). The annual interest rate of the Sale Loan is 6%.

Immediately after completion of the Proton Acquisition, the Group will hold 49.9% of the issued and paid-up ordinary share capital of Proton and will account for Proton's financial results by way of equity method.

Aggregate Consideration

The Aggregate Consideration comprises: (i) RMB1,063 million for the Proton Sale Shares (the "**Equity Consideration**"); and (ii) US$56,390,000 (equivalent to approximately RMB393.7 million) for the Sale Loan. The Aggregate Consideration shall be paid to GIHK by electronic transfer of immediately available funds on the Proton Closing Date.

The Equity Consideration was determined after arm's length negotiations between Linkstate and GIHK with reference to the appraised value of RMB1,063 million for 49.9% of the equity interest in Proton as at 30 November 2022 as determined by the Valuer using the market approach. The consideration of the Sale Loan was determined after arm's length negotiations between Linkstate and GIHK with reference to the loan principal amount of US$56,390,000 (equivalent to approximately RMB393.7 million).

It is expected that the Aggregate Consideration will be funded by internal cash reserve of the Group.

Conditions precedent

Completion of the Proton Acquisition will be subject to and conditional upon the fulfilment or waiver (as the case may be) of the conditions as set out in the paragraph headed *"Conditions precedent"* in the Letter from the Board.

Completion of the Proton Acquisition

Completion of the Proton Acquisition will take place within ten (10) Business Days after all the conditions precedent to the Proton Agreement have been fulfilled or waived (as the case may be) or such other date as the parties may agree in writing. Subject to fulfillment or waiver (as the case may be) of the conditions precedent to the Proton Agreement, it is expected that completion of the Proton Acquisition will take place on or before 30 April 2023.

Proton Shareholders Agreement

As set out in the Letter from the Board, upon completion of the Proton Acquisition, Linkstate will execute the Deed of Adherence and also Linkstate, Proton and DRBH will enter into a supplemental shareholders agreement, pursuant to which Linkstate will accede as a party to and agree to be bound by the Proton Shareholders Agreement.

The Proton Shareholders Agreement regulates matters relating to the operation of the Proton Group including but not limited to transfer of shares of Proton, pre-emptive rights of shareholders, dividend policy, board governance and other management related matters.

The key terms of the Proton Shareholders Agreement are set out in the Letter from the Board, as summarised below. Further details with respect to the Proton Shareholders Agreement are set out in the Letter from the Board.

Board of directors and management

The board of directors of each Proton Group Company (save for PONSB) shall consist of a maximum of five (5) directors of which DRBH shall be entitled to nominate up to three (3) directors while Linkstate shall be entitled to nominate up to two (2) directors. The board of directors of PONSB shall consist of a maximum of seven (7) directors of which DRBH shall be entitled to nominate up to four (4) directors while Linkstate shall be entitled to nominate up to three (3) directors.

The chairman of the board of directors of each Proton Group Company will not have a casting vote in the event of equality of votes.

The chief executive officer and chief financial officer of PONSB shall be identified by Linkstate, and nominated and appointed by the board of directors of PONSB. The chief executive officer and chief financial officer of Proton Marketing shall be identified by DRBH, and nominated and appointed by the board of directors of Proton Marketing.

Reserved matters

Certain reserved matters can only be carried out by the board of directors and management of the relevant Proton Group Companies with the prior written approval of DRBH and Linkstate, such as change in the nature or scope of the business of any Proton Group Company and any alteration of the share capital of any Proton Group Company.

Business Plan

The objective of the Proton Group is to carry on and maintain the automotive business and all ancillary activities relating to the automotive business. Linkstate, Proton and DRBH shall implement the business plan approved by the board of directors of PONSB (the key operating subsidiary of Proton with the manufacturing and product development functions), which may be amended from time to time taking into account market conditions.

Anti-dilution and restriction on transfer of equity interest

If Proton intends to issue any new shares, each of Linkstate and DRBH shall have the right to subscribe for such shares in proportion to its shareholding in Proton. If Linkstate or DRBH fails to subscribe for its portion within a specified period, then the other shareholder (who shall have subscribed for its portion) shall have the right to subscribe for such unsubscribed portion. Proton shall not offer the unsubscribed portion to any person other than Linkstate and DRBH without their consent.

Termination

The Proton Shareholders Agreement shall terminate when (a) either Linkstate, DRBH and/or its respective affiliate ceases to hold any shares in Proton or (b) when a resolution is passed by Linkstate and DRBH or creditors, or an order made by a court that shall lead to Proton being wound up and its assets being distributed among its creditors, shareholders or other contributors.

Undertaking

On 30 January 2023, Geely Holding entered into a letter of undertaking in favour of DRBH pursuant to which it shall upon signing of the Deed of Adherence: (i) procure that Linkstate or any new shareholder nominated by Linkstate (the "**New Shareholder**") shall perform the obligations and liabilities under the Proton Shareholders Agreement; (ii) guarantee the performance of such obligations and liabilities of Linkstate or any New Shareholder under the Proton Shareholders Agreement should Linkstate or any New Shareholder fail to perform such relevant obligations and liabilities under the Proton Shareholders Agreement; and (iii) indemnify DRBH for any loss, liability, costs or expenses suffered by DRBH arising from such non-performance by Linkstate or New Shareholder as stipulated in the Proton Shareholders Agreement.

Our view

The Proton Shareholders Agreement sets out the principal terms with respect to the governance and the operation of Proton Group. The key terms of the Proton Shareholders Agreement, in our view are not uncommon in agreements of similar nature among shareholders for the purpose of governing a company. In terms of management, there are provisions in the Proton Shareholders Agreement setting out board composition, power to nominate directors, business plan, as well as specific matters requiring the approval of shareholders under certain circumstances, such as change in the nature of business of any Proton Group Company and any alteration of the share capital of any Proton Group Company.

Taking into account (a) the purpose of the Proton Shareholders Agreement, that is to set out the rights and obligations of the parties with respect to the governance and operation of the Proton Group; and (b) the key terms of the Proton Shareholders Agreement are not uncommon in agreements of similar nature, we are of the view that the terms of the Proton Shareholders Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

6. Principal terms of the DHG Agreement

Date

20 January 2023 (after trading hours)

Parties

Vendor: GIHK
Purchaser: Linkstate

Subject matter

Pursuant to the DHG Agreement, GIHK conditionally agreed to sell and Linkstate conditionally agreed to purchase the DHG Sale Shares at a nominal consideration of US$1.00. Immediately after completion of the DHG Acquisition, the Group will hold 49.9% of the issued and paid-up ordinary share capital of DHG and will account for DHG's financial results by way of equity method.

Consideration

The consideration for the DHG Acquisition is US$1.00 (the "**DHG Consideration**"). This consideration shall be paid to GIHK by electronic transfer of immediately available funds on the DHG Closing Date.

Such nominal consideration was determined after arm's length negotiations between Linkstate and GIHK taking into account the nil appraised value of 49.9% equity interest in DHG as at 30 November 2022 as determined by the Valuer using the asset-based approach and the relevant applicable legal requirements. It is expected that the DHG Consideration will be funded by internal cash reserve of the Group.

Conditions precedent

Completion of the DHG Acquisition will be subject to and conditional upon the fulfilment or waiver (as the case may be) of the conditions as set out in the paragraph headed *"Conditions precedent"* in the Letter from the Board.

Completion of the DHG Acquisition

Completion of the DHG Acquisition will take place within ten (10) Business Days after all the conditions precedent to the DHG Agreement have been fulfilled or waived (as the case may be) or such other date as the parties may agree in writing. Subject to fulfillment or waiver (as the case may be) of the conditions precedent to the DHG Agreement, it is expected that completion of the DHG Acquisition will take place on or before 30 April 2023.

7. Fairness and reasonableness of the considerations of the Proton Acquisition and the DHG Acquisition

In assessing the fairness and reasonableness of (i) the Equity Consideration, being the consideration for the Proton Sale Shares of RMB1,063 million; and (ii) the DHG Consideration of US$1.00, we have relied on the valuation reports of the Proton Group (the "**Proton Valuation Report**") and DHG (the "**DHG Valuation Report**") (collectively, the "**Valuation Reports**") conducted by the Valuer. According to the Valuation Reports, as at 30 November 2022 (the **"Valuation Date**"), the appraised value of 49.9% equity interest of the Proton Group and DHG was approximately RMB1,063 million and nil, respectively, details of which are set out in Appendix IA and Appendix IB to the Circular.

Details of our work performed in relation to the Valuation Reports are set out below:

(i) Suitability and qualification of the Valuer

We have reviewed the Valuation Reports and interviewed the relevant team members of the Valuer with particular attention to: (i) the terms of engagement of the Valuer with the Company; (ii) the qualifications and experience of the Valuer; and (iii) the steps and due diligence measures taken by the Valuer in performing the valuations in formulating the Valuation Reports (the "**Valuations**"). Based on our review of the engagement letter between the Company and the Valuer, we are satisfied that the scope of work performed by the Valuer is appropriate to perform the Valuations. We are not aware of any limitation on the scope of work which might have a negative impact on the degree of assurance given by the Valuer. The Valuer has confirmed that it is independent from the Company, the counterparties of the Proton Acquisition and DHG Acquisition or their respective core connected persons or associates. We further understand that the Valuer is certified with the relevant professional qualifications required to perform the Valuations. We also understand that the Valuer mainly conducted its valuation procedures through its own research and has relied on public information obtained through its own research as well as the financial information provided by the management of Proton and the Company.

In light of the above, we are not aware of any matters that would cause us to question the Valuer's competence and independence and we consider that the Valuer has sufficient expertise and is independent to perform the Valuations.

(ii) Valuation methodology of the Valuations

We understand that the generally accepted valuation approaches include market approach, asset-based approach and income approach. Market approach considers prices recently paid for similar assets, with adjustments made to indicate market prices to reflect the condition and utility of the appraised assets relative to the comparable market transactions. Asset-based approach determines the value of the subject by valuating an enterprise's value contribution to the overall assets and liabilities, based on the balance sheet of the subject of valuation as at the valuation date. Income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for an asset than an amount equal to the present worth of anticipated future benefits (income) from the same or equivalent asset with similar risk.

7.1. The Proton Valuation Report

Selection of valuation methodology

For the valuation of the Proton Group, as discussed with the Valuer, the Valuer considers the market approach to be the most appropriate valuation approach over the asset-based approach and the income approach as: (i) the income approach requires subjective assumptions to which the valuation is highly sensitive and detailed operational information and long-term financial projections are also needed to arrive at an indication of value and such reliable information and projections are difficult to acquire; (ii) the asset-based approach does not directly incorporate information about economic benefits and earning potential of the Proton Group; and (iii) the application of market approach is relatively more objective as publicly available data is used which reflects the market consensus of pricing of similar assets. Under the market approach, the Valuer adopted the guideline public company method where the market value of the Proton Group was derived by applying benchmark multiples of comparable listed companies. Taking into account that there is publicly available data on comparable companies of the Proton Group which reflects market consensus of pricing of similar assets, we concur with the view of the Valuer that it is most appropriate to adopt market approach for the valuation of the Proton Group.

Choice of valuation multiples

In carrying out the valuation of the Proton Group, the valuation multiple adopted by the Valuer was the enterprise value-to-earnings before interest, tax, depreciation and amortisation ratio (the "**EV/EBITDA Multiple**"). The EV/EBITDA Multiple uses the market capitalization of a company as the starting point, considering the value of debt, minority interest, preferred shares and excludes excess cash and cash equivalents to represent enterprise value, which is then divided by earnings before interest, tax, depreciation and amortization ("**EBITDA**"). The enterprise value takes into account the debt and equity structure of a company. We have discussed with the Valuer on adopting the EV/EBITDA Multiple and understand that it was considered more appropriate than the price-to-earnings multiple since the Proton Group and the comparable companies operate in a capital-intensive industry with high levels of depreciation and amortization and have different capital structures. We understand from the Valuer that the price-to-book multiple was not considered appropriate because the book value captures only the tangible assets of a company and does not take into account the preferred shares in the capital structure of the Proton Group, and does not capture the earning potential of the Proton Group. Regarding price-to-sales multiple, we understand from the Valuer that such multiple is commonly used in the valuation of start-up enterprises and does not take into account the cost structure and profitability of a company, and therefore is not considered an appropriate valuation multiple. Taking into account the recent financial performance of the Proton Group (which the Proton Group was profit making for FY2021 and 9M2022), the high levels of depreciation and amortization incurred by the Proton Group and its capital structure that includes large amount of debt and preferred shares, we concur with the view of the Valuer that the EV/EBITDA Multiple is a suitable and appropriate valuation multiple for the valuation of the Proton Group.

Comparable companies selection

From the discussion with the Valuer, we understand that the Valuer has exhaustively identified three comparable companies (the "**Comparable Companies**") based on the following criteria: (a) the comparable companies are publicly listed; (b) the comparable companies have over 50% of revenue generated from automobile manufacturing in Malaysia, which share the same similarity with the Proton Group; and (c) the comparable companies recorded positive earnings before interest, tax, depreciation and amortization in its latest financial year and have available EV/EBITDA Multiple as at the Valuation Date. We have discussed with the Valuer on such selection criteria and reviewed the scope of business of the Comparable Companies. With reference to the Proton Valuation Report, the three comparable companies are namely (i) Tan Chong Motor Holdings Berhad ("**Tan Chong**"), a company listed in Malaysia (KLSE: TCHONG) engaged in the assembly, manufacture and distribution of motor vehicles in Malaysia, Vietnam and internationally; (ii) UMW Holdings Berhad ("**UMW**"), a company listed in Malaysia (KLSE: UMW) engaged in automotive, equipment and manufacturing and engineering business in Malaysia and internationally; and (iii) DRBH (the 50.1% shareholder of Proton as at the Latest Practicable Date), a company listed in Malaysia (KLSE: DRBHCOM) that manufactures, assembles, distributes and sells passenger and commercial vehicles, motorcycles, defense vehicles, and related parts and accessories. We have also performed our own search for comparable companies based on the selection criteria adopted by the Valuer and obtained the same results of comparable companies as chosen by the Valuer. As such, we are of the view that (i) the selection criteria is fair and reasonable; and (ii) the Comparable Companies are fair and representative for the purpose of valuation multiples analysis by the Valuer. Based on the respective financial reports published by the Comparable Companies (namely Tan Chong, UMW and DRBH), we note that each of Tan Chong, UMW and DRBH is mainly engaged in automobile manufacturing in Malaysia, with more than 50% of their revenues in their latest financial year generated from automotive manufacturing, sales or distribution in Malaysia, being similar in nature to the principal business of the Proton Group. As each of the Comparable

Companies is principally engaged in the same business as the Proton Group, we concur with the view of the Valuer that the Comparable Companies represent a comparable group of companies from the perspective of the market (being companies mainly engaged in automobile manufacturing in Malaysia) and would be assessed under similar light by the market. Despite that (i) there exists no company which can be of exactly the same business model, scale of operation and profitability; and (ii) each of the Comparable Companies has its own respective prospects and operational performance (we have discussed with the Valuer and understand that (a) the Comparable Companies recorded increasing revenue and positive EBITDA and EBIT margins for the last twelve months ended 30 September 2022, and (b) the revenue growth rate and profit margins of the Proton Group fall within the range of the Comparable Companies and as such, the Valuer considers that they are comparable companies of Proton. Details of the EBITDA and EBIT margins and revenue growth rates of the Comparable Companies are set out in the Appendix IA of the Circular, we concur with the view of the Valuer that the Comparable Companies are appropriate to serve as a benchmark reference for comparable analysis purpose, which reflects the prevailing market sentiment towards the business sector of automotive manufacturing in Malaysia.

Calculation of the valuation of the Proton Group

Based on the Proton Valuation Report set out in Appendix IA to this Circular, the table below sets out the method of calculation of the equity value of the Proton Group. We understand from the Valuer that the equity value of the Proton Group is arrived at by first deriving its enterprise value, which is calculated by multiplying the EBITDA of the Proton Group by the average EV/EBITDA Multiple of the Comparable Companies. The equity value of the Proton Group was then derived from the enterprise value by deducting (i) net debt ("**Net Debt**"); (ii) preferred shares (the "**Preferred Shares**"); and (iii) minority interest, and then adjusted for (iv) a discount for lack of marketability (the "**DLOM**") and 49.9% equity interest in the Proton Group.

		As at 30 November 2022
a	Average EV/EBITDA Multiple of the Comparable Companies	5.84x
b	EBITDA of the Proton Group for the last twelve months ended 30 September 2022 *(RM'000)* **(Note 1)**	905,353
c=a*b	Enterprise Value of the Proton Group *(RM'000)*	5,285,453
d	Less: Net Debt *(RM'000)* **(Note 2)**	(1,354,854)
e	Less: Preferred Shares *(RM'000)* **(Note 3)**	(2,261,974)
f	Less: Minority interest *(RM'000)*	(4,508)
g = c – d – e -f	Equity value of the Proton Group *(RM'000)*	1,664,117
h	Adjusted for discount on lack of marketability **(Note 4)**	19.5%
i = g * (1-h)	100% equity value of the Proton Group *(RM'000)*	1,339,614
j = i * 49.9%	49.9% equity value of the Proton Group *(RM'000)*	668,467
k	RM/RMB exchange rate as at the Valuation Date	1.5901
l = j *k	49.9% equity value of the Proton Group *(RMB'000)*	1,063,000

Note 1:

Based on our discussion with the Valuer, we understand that in determining the EBITDA of the Proton Group and the EV/EBITDA Multiples of the Comparable Companies, the EBITDA for the last twelve months ended 30 September 2022 was adopted for both the Proton Group and the Comparable Companies to reflect their more recent financial performance. We note from the Valuer's calculation that the EBITDA of the Proton Group for the last twelve months ended 30 September 2022 was determined based on the sum of (i) the EBITDA of the Proton Group for the nine months ended 30 September 2022; and (ii) the EBITDA of the Proton Group for the three months ended 31 December 2021 according to the financial statements of the Proton Group, which was normalised by excluding non-operating and non-recurring expenses or gains (such as gain or loss on disposal of property, plant and equipment and foreign exchange gain or loss etc.) such that the Valuer can measure the operating performance of the Proton Group and the Comparable Companies on a comparable basis.

Note 2:

In relation to the Net Debt of the Proton Group of approximately RM1,354.9 million that is deducted from the enterprise value, based on our discussion with the Valuer and our review of the Valuer's calculation, Net Debt represented bank and shareholder borrowings, lease liability and non-operating liabilities minus cash and cash equivalents and short-term investments of the Proton Group, which we understand are common components in the composition of Net Debt. Based on our review of the Valuer's calculation, we note that the amounts of each component were based on the balance sheet of the Proton Group as at 30 September 2022.

Note 3:

Based on our discussion with the Valuer, we understand that in arriving at the equity value, the value of preference shares is deducted from enterprise value as the equity value reflects common shareholders' residual interest after paying off debt and preference shares. With reference to the Proton Valuation Report, preference shares in the amount of approximately RM2,262.0 million was deducted, which represents the aggregate market value of (i) the non-convertible redeemable preference shares issued by Proton to DRBH with principal amount of RM494.97 million (the "**DRBH Preference Shares**"); (ii) the convertible redeemable preference shares issued by Proton to Govco Holdings and DRBH with principal amount of approximately RM1,500 million, with determined market value of approximately RM1,767 million (the "**Convertible Preference Shares**") (please refer to analysis below); and (iii) the non-convertible redeemable preference shares issued by Proton to DHG in the amount of RM1,616.4 million, which is offset by the Proton Group's investment in the non-convertible preference shares issued by DHG (i.e. nil effect).

As the DRBH Preference Shares have no interest element, we understand from the Valuer that the market value of the DRBH Preference Shares is equivalent to its principal amount of RM494.97 million.

In relation to the Convertible Preference Shares with principal amount of approximately RM1,500 million, which pays dividends in accordance with the repayment schedule of the Convertible Preference Shares, we have reviewed the Valuer's calculation and understand that the Valuer has computed the market value of the Convertible Preference Shares in accordance with the repayment schedule of the principal and dividend components of the Convertible Preference Shares (which the principal amount of approximately RM1,500 million shall be fully repaid by the year 2030 with dividends paid between the years 2023 to 2030 according to repayment schedule), taking into account time element and applying the prevailing market bond yield of the Proton Group with reference to the trading bond yield issued by DRBH as time discount factor, before arriving at the market value of approximately RM1,767 million for the Convertible Preference Shares.

We further understand from the Valuer that it has appraised the Convertible Preference Shares in the same manner as non-convertible debt, taking into account that the holders of the Convertible Preference Shares (i.e. Govco Holdings and DRBH) are not entitled to call for the conversion of the Convertible Preference Shares, and only Proton has the option to convert the Convertible Preference Shares into its ordinary shares subject to unanimous consent of all its shareholders. The Valuer has assumed that there will be no conversion of the Convertible Preference Shares in appraising the Convertible Preference Shares in the same manner as non-convertible debt. As set out in the Letter from the Board, assuming that the Convertible Preference Shares are fully converted into ordinary shares of Proton, the interest in Proton held by the Group after completion of the Transactions will be diluted to 19.4%. As set out in the Letter from the Board, (i) as at the Latest Practicable Date, it was confirmed by Proton that it had no intention for conversion of the Convertible Preference Shares; and (ii) only Proton has the option to convert the Convertible Preference Shares into its ordinary shares subject to unanimous consent of all its shareholders (i.e. upon completion of the Transactions, consent of the Company (through Linkstate as shareholder of Proton) would be required).

As set out in the Letter from the Board and the section headed *"5. Principal terms of the Proton Agreement – Proton Shareholders Agreement"* above, upon completion of the Proton Acquisition, Linkstate will execute the Deed of Adherence and also Linkstate, Proton and DRBH will enter into a supplemental shareholders agreement, pursuant to which Linkstate will accede as a party to and agree to be bound by the Proton Shareholders Agreement. Pursuant to the terms of the Proton Shareholders Agreement, prior written approval of DRBH and Linkstate is required for any alteration of the share capital of any Proton Group company (i.e. unanimous consent from DRBH and Linkstate is required for the conversion of the Convertible Preference Shares into ordinary shares). The Company has confirmed that it will not agree, and will procure that Linkstate will not agree, to any conversion of the Convertible Preference Shares if its interest (through Linkstate) in Proton will be unfairly diluted or such conversion will not be in the interests of the Company and the Shareholders as a whole. Given that any conversion of the Convertible Preference Shares will require consent from the Company (through Linkstate as shareholder of Proton) and the Company has confirmed that it will not permit any conversion as explained above, we concur with the view of the Valuer that appraising the Convertible Preference Shares in the same manner as non-convertible debt is fair and reasonable.

Note 4:

In relation to the DLOM, since Proton is a private company whose shares are not publicly traded in the open market, a discount for lack of marketability shall be considered in the course of valuation to discount for lack of ability of converting shares of Proton into immediate cash. We understand from that the DLOM of 19.5% was determined by the Valuer based on the put option method. Such concept is that when comparing a public share and a private share, holder of a public share has the ability to sell the shares (i.e. a put option) to the stock market right away. The value of put option is determined by the Valuer using the Black Scholes option pricing model. We have reviewed the parameters adopted by the Valuer in computing the Black Scholes option pricing model in arriving at the DLOM of 19.5%, including (a) the spot price and exercise price both set at 1, as the put option is at-the-money such that the exercise price should equal the spot price; (b) the risk free rate of 3.88% adopted based on yield rate on 3-year Malaysian Government securities; (c) volatility of 38% with reference to the median volatility of the Comparable Companies; and (d) the approximation of holding period. We understand from the Valuer that the put option method is a commonly adopted method in reflecting the theoretical marketability discount in a private company. Taking into account the shares of Proton are not publicly traded in the open market and the equity interest of the Proton Sale Shares represent a non-controlling interest, we concur with the view of the Valuer that an adjustment on discount on lack of marketability is applied to the equity value of the Proton Group.

Our view

Based on the above and having considered that (i) the Valuer is qualified and experienced with sufficient knowledge, skills and understanding necessary to prepare the Proton Valuation Report competently; (ii) the adoption of market approach for the valuation of the Proton Group is fair and reasonable; and (iii) methodologies so applied on assessing the equity value of the Proton Group are fair and reasonable, we concur with the view of the Directors that the Proton Valuation Report is an appropriate reference in determining the Equity Consideration of the Proton Acquisition of approximately RMB1,063 million, which made reference and is equivalent to the 49.9% equity value of the Proton Group as at the Valuation Date, is fair and reasonable so far as the Independent Shareholders are concerned.

7.2. The DHG Valuation Report

Selection of valuation methodology

For the valuation of the DHG Group, as discussed with the Valuer, the Valuer considers the asset-based approach (which is valuating an enterprise's value contribution to the balance sheet assets and liabilities, based on the balance sheet of the subject of valuation) to be the most appropriate valuation approach as (i) DHG is a special purpose vehicle incorporated for the purpose of restructuring intercompany debt; (ii) DHG has no operating business; and (iii) there are no sufficient public companies or market transactions which are comparable in terms of business nature. Taking into account the above, we concur with the view of the Valuer that it is most appropriate to adopt the asset-based approach for the valuation of DHG.

Assets

The assets of DHG largely comprise investment in non-convertible redeemable preference shares issued by Proton of approximately RM1,616.4 million, which represents the market value. Other assets of DHG represent immaterial cash and bank balances and notes receivable of less than RM500.

Liabilities

The liabilities of DHG comprise immaterial payables of about RM32,000.

Equity

The equity of DHG largely represented the issuance of non-convertible preference shares to PONSB (a wholly-owned subsidiary of Proton) in the amount of approximately RM1,616.4 million, which represents the market value.

Equity attributable to owners of DHG

We understand from the Valuer that the equity attributable to owners of DHG is nil, as the issue price for both (a) the non-convertible redeemable preference shares issued by Proton to DHG; and (b) the non-convertible redeemable preference shares issued by DHG to PONSB are in the same amount of RM1,616.4 million.

The Valuer has determined the equity value of DHG as nil.

Our view

Taking into account that DHG is a special purpose vehicle incorporated for the purpose of restructuring intercompany debt, and based on the above and having considered that (i) the Valuer is qualified and experienced with sufficient knowledge, skills and understanding necessary to prepare the DHG Valuation Report competently; (ii) the adoption of asset-based approach is fair and reasonable and the methodologies so applied on assessing the equity value of the DHG are fair and reasonable, we concur with the view of the Directors that the DHG Valuation Report is an appropriate reference in determining the DHG Consideration of US$1.00, which made reference to the 49.9% equity value of DHG of nil as at the Valuation Date, is fair and reasonable so far as the Independent Shareholders are concerned.

7.3. The consideration for the Sale Loan

As set out in the Letter from the Board, pursuant to the Deed of Assignment to be executed upon completion of the Proton Acquisition, GIHK will assign and transfer the Sale Loan (being the loan principal amount of US$56,390,000 due and payable by PONSB to GIHK) to Linkstate. Such shareholder's loan will maintain the funding sources and working capital of the Proton Group for further development of the automotive business.

The consideration for the Sale Loan is US$56,390,000 (equivalent to approximately RMB393.7 million). As the consideration for the Sale Loan is equivalent to the face value of the loan principal due and payable by the Proton Group to GIHK in the financial statements of the Proton Group as at 30 September 2022, we are of the view that the consideration for the Sale Loan is fair and reasonable.

8. Financial effects of the Proton Acquisition and the DHG Acquisition

8.1. Overall accounting presentation

Immediately after completion of the acquisitions of the Proton Sale Shares and DHG Sale Shares, the Group will hold 49.9% of the issued and paid-up ordinary share capital of each of Proton and DHG, and will account for their financial results by way of equity method.

8.2. Earnings

Upon completion of the Proton Acquisition and the DHG Acquisition, the financial results of the Proton Group and DHG will be accounted by way of equity method, which 49.9% of the results of the Proton Group and DHG respectively will be recognised by the Group as share of results of associates. The management of the Company advised that no significant effect on the Group's consolidated income statement is expected to be resulted from the Proton Acquisition and DHG Acquisition. Based on the results announcement of the Company for FY2022, the Group recorded net profit of approximately RMB4,649.7 million for FY2022, whilst the Proton Group recorded profit after taxation of approximately RM87.5 million (equivalent to approximately RMB138.1 million) for the nine months ended 30 September 2022.

8.3. Net assets

The Proton Acquisition and DHG Acquisition will be accounted for in the Group's consolidated statement of financial position as interests in associates. Based on the results announcement of the Company for FY2022, the net asset value of the Group was approximately RMB76,195.8 million as at 31 December 2022. As confirmed by management of the Company, as the considerations for the Proton Sale Shares and the DHG Sales Shares approximate their respective fair values, it is expected that the Proton Acquisition and DHG Acquisition would not have material impact on the net asset value of the Group upon completion of the Proton Acquisition and DHG Acquisition.

8.4. Cash flow

Since the Aggregate Consideration for the sale and purchase of the Proton Sales Shares and the Sale Loan of approximately RMB1,456.7 million (comprising the Equity Consideration of approximately RMB1,063 million and the consideration for the Sale Loan of US$56,390,000 (equivalent to approximately RMB393.7 million) will be funded by the internal cash reserve of the Group, the cash level of the Group will decrease immediately upon completion of the Proton Acquisition and DHG Acquisition. Given the Group's bank balances and cash of approximately RMB33,341.3 million as at 31 December 2022 according to the results announcement of the Company for FY2022, and based on the assumption that there is no material adverse change in such position since 31 December 2022, the management of the Company expected that there would not be material adverse effect on the cash flow of the Group as a result of the Proton Acquisition and the DHG Acquisition.

It should be noted that the analysis above is for illustrative purposes only and does not purport to represent how the financial position of the Group would be upon completion of the Proton Acquisition and DHG Acquisition.

CONCLUSION AND RECOMMENDATION

Based on the above principal factors and reasons, in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

(a) the Proton Acquisition provides (i) a valuable opportunity for the Group to enter the passenger vehicle market of right-hand drive models in Southeast Asia, and by leveraging the resources and experiences of Proton and the reputation and popularity of the Proton brand, the Group will be able to further strengthen its business development in Southeast Asia; and (ii) an opportunity for the Group to continue to collaborate with Proton in the development of electric vehicle models under Proton brand in the future;

(b) the DHG Acquisition is intertwined with the Proton Acquisition because the incorporation of DHG is solely for the purpose of Proton Group's internal debt restructuring;

(c) based on our independent workdone performed on the Valuation Reports (which forms the basis of the Equity Consideration for the Proton Sale Shares and the DHG Consideration), we are satisfied with the fairness and reasonableness of the methodology, principal bases, assumptions and parameters adopted in the Valuation Reports, and hence we consider the Equity Consideration for the Proton Sale Shares and the DHG Consideration are fair and reasonable;

(d) the consideration for the Sale Loan is equivalent to its face value of the loan principal due and payable by the Proton Group to GIHK in the financial statements of the Proton Group as at 30 September 2022 which we consider to be fair and reasonable; and

(e) the key terms of the Proton Agreement and the DHG Agreement represent normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole;

we consider that (i) while the Proton Acquisition and the DHG Acquisition are not in the ordinary and usual course of business of the Group, it is in the interests of the Company and the Shareholders as a whole; (ii) the terms of the Proton Acquisition and DHG Acquisition are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned and the entering into of the Proton Agreement and the DHG Agreement is 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 resolution to be proposed at the EGM in relation to the Proton Acquisition and DHG Acquisition (including the Proton Agreement and the DHG Agreement).

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

Note: Mr. Alex Lau of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activity since 2004 and Mr. Colin Lee of Ballas Capital Limited has been a licensed representative of Type 6 (advising on corporate finance) regulated activity from 2013 to 2018 and since 2020.

The following is the text of a valuation report, prepared for the purpose of incorporation in this circular received from Asia-Pacific Consulting and Appraisal Limited, an independent professional valuer, in connection with its valuation as at 30 November 2022 of the market value of 49.9% equity interest of Proton Holdings Berhad and its subsidiaries.

APA
CONSULTING & APPRAISAL
亚太評估

Asia-Pacific Consulting and Appraisal Limited
Flat/RM A 12/F Kiu Fu Commercial Bldg,
300 Lockhart Road,
Wan Chai, Hong Kong

6 April 2023

The Board of Directors
Geely Automobile Holdings Limited
Room 2301, 23/F, Great Eagle Centre,
23 Harbour Road,
Wanchai, Hong Kong

Dear Sirs,

In accordance with the instructions received from Geely Automobile Holdings Limited (the "**Company**"), we have undertaken a valuation exercise which requires Asia-Pacific Consulting and Appraisal Limited ("**APA**") to express an independent opinion on the market value of 49.9% equity interest of Proton Holdings Berhad ("**Proton**") and its subsidiaries (collectively, the "**Proton Group**") as at 30 November 2022 (the "**Valuation Date**").

The purpose of this valuation is for circular reference of the Company.

Our valuation was carried out on a market value basis which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion".

INTRODUCTION

Incorporated in 1983, the Proton Group manufactures, assembles and sells motor vehicles and related products primarily in Malaysia. The Proton Group is headquartered in Shah Alam and has three main manufacturing plants located in Shah Alam (1 plant) and Tanjung Malim (2 plants). The Proton Group operates as a subsidiary of DRB-HICOM Berhad ("**DRBH**"), listed on Bursa Securities under the symbol DRBHCOM.

APA understands that the Company, through Linkstate Overseas Limited ("**Linkstate**"), its wholly-owned subsidiary, intends to enter into a sale and purchase agreement (the "**Proton Agreement**") by and between Linkstate and Geely International (Hong Kong) Limited (the "**Seller**"). Pursuant to the Proton Agreement, Linkstate will acquire an aggregate of 49.9% equity interest of Proton from the Seller.

VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, asset-based approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect the condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Asset-based approach refers to the valuation methodology to determine the value of the subject on a reasonable basis by valuating an enterprise's value contribution to the overall on-balance-sheet and off-balance-sheet assets and liabilities, based on the balance sheet of the subject as at the valuation date.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Given the characteristics of the Proton Group, there are substantial limitations for the income approach and the asset-based approach for valuing the underlying asset. Firstly, the income approach requires subjective assumptions to which the valuation is highly sensitive. Secondly, the asset-based approach does not directly incorporate information about the economic benefits contributed by the subject business.

In view of the above, we have adopted the market approach for the valuation. The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few assumptions. It also introduces objectivity in application as publicly available inputs are used.

In this valuation exercise, the market value of 49.9% equity interest in the Proton Group was developed through the application of the market approach technique known as the guideline public company method. This method requires the research of comparable companies' benchmark multiples and proper selection of a suitable multiple to derive the market value of the Proton Group. We have considered price-to-book ("**P/B**"), price-to-sales ("**P/S**"), enterprise value-to-earnings before interests, taxes, depreciation and amortization ("**EV/EBITDA**") and price-to-earnings ("**P/E**") multiples.

The P/B multiple is considered not appropriate for this valuation because book value captures only the tangible assets of a company and also does not take into account the equity structure of a company which, in this case, the Proton Group shares preference share capital structure that the book value does not take into account. Thus, the P/B multiple is not a good measurement of the fair value of the Proton Group.

The P/S multiple is commonly used in the valuation of start-up enterprises. However, it ignores the cost structure of a company and hence the profitability of a company, which is critical in reflecting the fair value. Hence, we are of the view that it is not appropriate to adopt the P/S multiple to assess the fair value of the Proton Group.

The enterprise value takes into account the debt and the equity structure of a company. The market capitalization, however, does not. The P/E ratio is quicker to calculate, using only a company's market capitalization as the numerator. However, when comparing businesses in the capital-intensive industry with high level of depreciation and amortization and also have vastly different capital structures, as in this case where the Proton Group bears large amount of debt, preference shares and high level of depreciation and amortization, the EV/EBITDA multiple is preferred.

The EV/EBITDA multiple uses the market capitalization of a company as the starting point, considering of the value of debt, minority interest, preference shares and excludes excess cash and cash equivalents to represent enterprise value, which is then divided by EBITDA amount.

In order to reflect the latest financial performance of the Proton Group, it is considered that the suitable multiple in this valuation is the EV/EBITDA ratio (the "**EV/EBITDA Ratio**"), which is calculated by using comparable companies' enterprise value and the available EBITDA for last twelve months ("**LTM**") ended 30 September 2022 as of the Valuation Date to determine the market value of the Proton Group and then taken into account market liquidity discount as the appropriate adjustment.

BASIS OF OPINION

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. The valuation procedures employed include a review of legal status and financial condition of the Proton Group and an assessment of key assumptions, estimates, and representations made by the proprietor. All matters essential to the proper understanding of the valuation are disclosed in this report.

The following factors form an integral part of our basis of opinion:

➢ The economic outlook in general;

- The directors' report and audited financial statements for the year ended 31 December 2019, 31 December 2020, 31 December 2021 and the unaudited financial statements for the nine months ended 30 September 2021 and 30 September 2022 of the Proton Group;

- Financial and business risk of the Proton Group;

- Consideration and analysis on the micro and macro economy affecting the subject business; and

- Other operational and market information in relation to the Proton Group's business.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the Proton Group.

VALUATION ASSUMPTIONS

In determining the market value of the equity interest in the Proton Group, we make the following key assumptions:

- It is assumed that the projected business will be according to the proposed business plan of the Proton Group and could be achieved with the effort of the Proton Group's management;

- In order to realize the future economic benefit of the business and maintain a competitive edge, manpower, equipment and facilities are necessary to be employed. For the valuation exercise, we have assumed that all proposed facilities and systems will work properly and will be sufficient for future operation;

- It is assumed that there will be no material changes in the international financial environment, global economic environment and national macroeconomic conditions, and that there will be no material change in the political, economic and social environment in which the appraised entity operates.

- We have assumed the accuracy of the financial and operational information provided to us by the Company and the Proton Group and relied to a considerable extent on such information in arriving at our opinion of value;

- We have assumed that the Proton Group will not exercise its option to convert any redeemable convertible preference shares ("**RCPS**") into ordinary shares and will make repayment of the dividend and principal amount relating to the RCPS; and

- We have assumed that there are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

FINANCIAL INFORMATION OF THE PROTON GROUP

Set out below is extracted from the audited consolidated financial statements for the year ended 31 December 2020, 31 December 2021 and the unaudited consolidated financial statements for the nine months ended 30 September 2021 and 30 September 2022 of the Proton Group:

	For year ended 31 December 2020	**For year ended 31 December 2021**	**Nine months ended 30 September 2021**	**Nine months ended 30 September 2022**
	RM'000	*RM'000*	*RM'000*	*RM'000*
	Audited	Audited	Unaudited	Unaudited
Revenue	6,075,559	6,928,677	4,406,630	6,762,985
EBITDA*(Note)*	522,927	605,172	279,465	579,646

Note: EBITDA has excluded the non-operating and non recurring items such as gain or loss on disposal of property, plant and equipment, gain or loss on foreign exchange, etc.

The market value of the Proton Group was developed by using the EV/EBITDA Ratio deriving from comparable companies as at the Valuation Date and the EBITDA for the last twelve months ended 30 September 2022 of the Proton Group.

MARKET MULTIPLE

In determining the market multiple, we selected the listed comparable companies globally including the Stock Exchange, Ho Chi Minh Stock Exchange, Indonesia Stock Exchange, etc. The three comparable companies listed on the Bursa Securities are selected based on the selection criteria below:

➢ the comparable companies are publicly listed;

➢ the comparable companies derive over fifty percent of their revenues from automobile manufacturer industry in Malaysia, which share the similarity with the Proton Group; and

➢ the comparable companies recorded positive earnings before interest, tax, depreciation and amortization in their latest financial years and the EV/EBITDA Ratio of the comparable companies are available, as at the Valuation Date.

As sourced from Capital IQ, a reliable third-party database service provider designed by Standard & Poor's (S&P), an exhaustive list of comparable companies satisfying the above criteria was obtained on a best effort basis and the details of these comparable companies are shown below:

Company Name (Stock Name)	Company Description	Last twelve months ("LTM") EBITDA margin up to 30 September 2022	LTM EBIT margin up to 30 September 2022	LTM revenue up to 30 September 2022 in Million RM	Revenue growth rate by comparing revenue data in the fiscal year 2021 and LTM up to 30 September 2022
Tan Chong Motor Holdings Berhad (KLSE: TCHONG)	Tan Chong Motor Holdings Berhad, an investment holding company, engages in the assembly, manufacture, and distribution of motor and commercial vehicles in Malaysia, Vietnam, and internationally.	6.56%	3.12%	3,180	25.34%
UMW Holdings Berhad (KLSE: UMW)	UMW Holdings Berhad engages in the automotive, equipment, and manufacturing and engineering businesses in Malaysia and internationally.	5.61%	3.53%	15,084	36.38%
DRB-HICOM Berhad (KLSE: DRBHCOM)	DRB-HICOM Berhad manufactures, assembles, distributes, imports, exports, rents, leases, retails, and sells passenger and commercial vehicles, motorcycles, defense vehicles, and related spare parts and accessories.	10.39%	6.47%	15,289	23.51%
Average		7.52%	4.37%	11,184	28.41%
Proton Group		9.75%	4.44%	9,285	34.01%

Source: Capital IQ and annual reports of the comparable companies; Proton Group's data is sourced from the financial statements provided by the management.

Based on the abovementioned selection criteria, the list of three comparable companies shown above was identified and we are of the opinion that each of them is considered as a fair and representative sample. Further details of these three comparable companies with available EV/EBITDA Ratios as at the Valuation Date are shown as follows:

Stock Name	Company Name	EV/EBITDA Ratio as at the Valuation Date
KLSE:TCHONG	Tan Chong Motor Holdings Berhad	6.49
KLSE:UMW	UMW Holdings Berhad	4.87
KLSE:DRBHCOM	DRB-HICOM Berhad	6.15
Average		5.84

Source: Capital IQ

DISCOUNT FOR LACK OF MARKETABILITY ("DLOM")

The level of a company value can be described as: the marketable minority interest value which refers to the price quoted in public market less the DLOM equals to the non-marketable minority interest value representing the non-controlling shareholder of a private company.

A factor to be considered in valuing closely held companies is the marketability of an interest in such businesses. Marketability is defined as the ability to convert the business interest into cash quickly, with minimum transaction and administrative costs, and with a high degree of certainty as to the amount of net proceeds. There is usually a cost and a time lag associated with locating interested and capable buyers of interests in privately-held companies, because there is no established market of readily-available buyers and sellers. All other factors being equal, an interest in a publicly traded company is worth more because it is readily marketable. Conversely, an interest in a private-held company is worth less because no established market exists.

Most of the businesses or financial interests that we are valuing do not enjoy immediate liquidity. We thus face the task of making an adjustment from the value we have estimated from the transactions observed in the market approach to account for the lack of marketability of the business or business interest that we are valuing. That adjustment is what we refer to as the discount for lack of marketability.

We have assessed the DLOM of this investment using put option method. With reference to a study "Option Pricing as a Proxy for Discount for Lack of Marketability in Private Company Valuations" by David B. H. Chaffee, Chaffee related the cost to purchase a European put option to the DLOM. The rationale is that "if one holds restricted or nonmarketable stock and purchases an option to sell those shares at the free market price, the holder has, in effect, purchased marketability for the shares. The price of that put is the discount for lack of marketability".

Therefore, we have adopted Black-Scholes option pricing model with the following parameters to estimate the DLOM:

Parameter	As of the Valuation Date	Remarks
Spot Price ("S")	1.00	As we are calculating a percentage for the DLOM, for simplicity, we set the spot price to be 1.00 in the valuation.
Exercise Price ("K")	1.00	According to the study, the put option is at-the-money, such that the exercise price should equal the spot price.
Risk Free Rate ("r")	3.88%	Annual yield rate on 3-year Malaysia Government Securities, as sourced from Bank Negara Malaysia.
Volatility ("σ")	38.00%	With reference to median volatility of the comparable companies which are the same as the three comparable companies for determining the EV/EBITDA Ratio, as sourced from Capital IQ.
Maturity ("t")	3 years	It is an approximation of holding period that assuming a market participant who owns a business entity would dispose of that business entity. The management of the Company is satisfied that 3 years would be a reasonable assumption.

The estimated DLOM is calculated based on the Black-Scholes option pricing model (BS model). In mathematical notation, $C = SN(d_1) - Ke^{-rt}N(d_2)$, Also, under the assumptions of BS model, put-call parity holds, where $C + PV(K) = P + S$, Thus, $P = Ke^{-rt}N(-d_2) - SN(-d_1) - S + C$

Where:

P = price of a European put option which represents the DLOM,

C = price of a European call option,

S = spot price of underlying asset,

K = strike price,

PV(K) = the present value of a risk-free asset with the price of strike price,

$d_1 = [\ln(S/K)+(r+\sigma^2/2)*t]/[\sigma*t^{(1/2)}]$,

$d_2 = d_1 - \sigma*t^{(1/2)}$,

r = risk-free rate,

t = time to maturity,

N = a normal distribution,

In this exercise, S = 1, K = 1, t = 3, r = 3.88%, σ = 38.00% and solve P and round to the nearest multiple of 0.5%, we arrive with P = 19.5%, which is also the value of the DLOM.

CALCULATION OF VALUATION RESULT

Under the guideline public company method, the market value depends on the market multiples of the comparable companies, sourced from Capital IQ, as at the Valuation Date and we have taken into account DLOM of the Proton Group that Linkstate will hold 49.9% of the equity interest in the Proton Group upon completion of this acquisition. The calculation of the market value of 49.9% equity interest in the Proton Group as at the Valuation Date is as follows:

	As at 30 November 2022
Applied EV/EBITDA Ratio	5.84
EBITDA for last twelve months ended 30 September 2022 of the Proton Group *(RM'000)*	905,353
Enterprise Value of the Proton Group *(RM'000)*	5,285,453
Less: Net Debt *(RM'000)*[(Note 1)]	1,354,854
Less: Preference Shares *(RM'000)*[(Note 2)]	2,261,974
Less: Minority interest *(RM'000)*	4,508
Equity Value of the Proton Group *(RM'000)*	1,664,117
Adjusted for DLOM at 19.5%	(1-19.5%)
100% Equity Value of the Proton Group *(RM'000)*	1,339,614
49.9% Equity Value of the Proton Group *(RM'000)*	668,467
RM/RMB exchange rate as at the Valuation Date	1.5901
49.9% Equity Value of the Proton Group *(RMB'000) (rounded)*	1,063,000

Note 1: Net Debt equals to the bank and shareholder borrowings, lease liability and non-operating liabilities minus cash and cash equivalent and short-term investments.

Note 2: Represents: a) the redeemable preference shares (the "**RPS and RPS3**") issued by the Proton Group to DRBH with principal amount and market value of RM 494.97 million; b) the redeemable preference shares (the "**RPS4**") issued by the Proton Group to DRB-HICOM GEELY Sdn Bhd ("**DHG**") with principal amount of RM 1,616.42 million, which is offsetted by the preference shares investment in DHG held by the Proton Group with principal amount of RM 1,616.42 million; and c) the RCPS held by Govco Holdings Berhad and DRBH with principal amount of RM 1.5 billion and 4 percent cumulative dividends per year with market value of RM 1,767.00 million determined based on the present value of the estimated future dividends and principal payment schedules, which are provided by the Proton Group, discounted at the prevailing market bond yield as at the Valuation Date of the Proton Group.

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Proton Group, the Company and Asia-Pacific Consulting and Appraisal Limited.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Proton Group over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

OPINION OF VALUE

Based on the results of our investigations and analyses, we are of the opinion that the market value of 49.9% equity interest of the Proton Group as at the Valuation Date is reasonably stated approximately at the amount of **RMB1,063,000,000 (RENMINBI ONE BILLION SIXTY THREE MILLION YUAN ONLY).**

Yours faithfully,
for and on behalf of
Asia-Pacific Consulting and Appraisal Limited

Jack W. J. Li
CFA, MRICS, MBA
Partner

Note: Jack W. J. Li is a Chartered Surveyor who has 16 years' experience in the valuation of assets in the PRC, Hong Kong and the Asia-Pacific region.

The following is the text of a valuation report, prepared for the purpose of incorporation in this circular received from Asia-Pacific Consulting and Appraisal Limited, an independent professional valuer, in connection with its valuation as at 30 November 2022 of the market value of 49.9% equity interest of DRB-HICOM GEELY Sdn. Bhd.

CONSULTING & APPRAISAL
亜太評估

Asia-Pacific Consulting and Appraisal Limited
Flat/RM A 12/F Kiu Fu Commercial Bldg,
300 Lockhart Road,
Wan Chai, Hong Kong

6 April 2023

The Board of Directors
Geely Automobile Holdings Limited
Room 2301, 23/F, Great Eagle Centre,
23 Harbour Road,
Wanchai, Hong Kong

Dear Sirs,

In accordance with the instructions received from Geely Automobile Holdings Limited (the "**Company**"), we have undertaken a valuation exercise which requires Asia-Pacific Consulting and Appraisal Limited ("**APA**") to express an independent opinion on the market value of 49.9% equity interest of DRB-HICOM GEELY Sdn. Bhd. ("**DHG**") as at 30 November 2022 (the "**Valuation Date**").

The purpose of this valuation is for circular reference of the Company.

Our valuation was carried out on a market value basis which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion".

INTRODUCTION

DHG was incorporated on 11 January 2018 in Malaysia. The sole object, activity and business of DHG is the carrying on of the business and for the purposes of (a) the subscription of certain redeemable preference shares ("**RPS 4**") with principal amount of RM 1.616 billion from Proton Holdings Berhad ("**Proton**"); and (b) the allotment and issuance of the redeemable preference shares ("**RPS-PONSB**") to Perusahaan Otomobil Nasional Sdn Bhd ("**PONSB**"), a wholly-owned subsidiary of Proton with the same principal amount of approximately RM 1.616 billion. DRB-HICOM Berhad and Geely International (Hong Kong) Limited are the shareholders of DHG and hold 50.1% and 49.9% equity interest in DHG respectively as at the Valuation Date.

As at the Valuation Date, the unaudited total assets and liabilities of DHG are as follows:

	Unaudited book value
	RM
Other non-current assets	1,616,417,631
Non-current assets	**1,616,417,631**
Cash and bank balances	285
Notes receivable	33
Current assets	**318**
Total assets	**1,616,417,949**
Non-current liabilities	**–**
Other payables	5,830
Other current liabilities	25,923
Current liabilities	**31,753**
Total liabilities	**31,753**
Share capital	1,616,418,631
In which: preference shares	1,616,418,631
Perpetual bonds	–
Capital reserve	–
Other comprehensive income	(32,435)
Total equity attributable to owners of DHG	**–**
Non-controlling interest	–

VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, asset-based approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect the condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Asset-based approach refers to the valuation methodology to determine the value of the subject on a reasonable basis by valuating an enterprise's value contribution to the overall on-balance-sheet and off-balance-sheet assets and liabilities, based on the balance sheet of the subject as at the valuation date.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Given DHG as a special purpose vehicle, there are no substantial operating business that there are substantial limitations for the income approach and the market approach for valuing the underlying asset. Firstly, the income approach requires subjective assumptions to which the valuation is highly sensitive considering there are no substantial operating activities and financial records of DHG. Secondly, there is no sufficient public companies or market transactions which are comparable in terms of business nature identified as at the Valuation Date.

In view of the above, we have adopted the asset-based approach to calculate the market value of 49.9% equity interest in DHG. This method requires us to conduct a valuation of DHG's on-balance-sheet and off-balance-sheet assets and liabilities, based on the balance sheet of DHG as of the Valuation Date.

In this report, we had considered the type of assets and liabilities and their conditions when determining their market values and adopted appropriate valuation methodology. The details are summarized as follows:

Cash and bank balances, other assets and liabilities

Based on unaudited book values checking with related original documents provided by the Company.

Other investment and the redeemable preference shares

Base on unaudited book values checking with the Constitution of Proton and DHG: a) as the holder of RPS 4, Proton shall pay to DHG the redeemed amount equivalent to the issue price of such RPS 4 on the redemption date deemed by Proton; b) as the issuer of RPS-PONSB, DHG shall pay to PONSB the redeemed amount equivalent to the issue price of such RPS-PONSB on the redemption date deemed by DHG. The total issue prices for RPS 4 and RPS-PONSB both amounted to RM1,616,417,631.

BASIS OF OPINION

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. The valuation procedures employed include a review of legal status and economic condition of DHG and an assessment of key assumptions, estimates, and representations made by the proprietor. All matters essential to the proper understanding of the valuation are disclosed in this report.

The following factors form an integral part of our basis of opinion:

➢ the economic outlook in general;

➢ the nature of business and historical financial performance of DHG;

➢ consideration and analysis on the micro and macro economy affecting the subject business; and

➢ other operational and market information in relation to DHG.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on DHG.

VALUATION ASSUMPTIONS

In determining the market value of the equity interest in DHG, we made the following assumptions:

➢ it is assumed that there will be no material changes in the international financial environment, global economic environment and national macroeconomic conditions, and that there will be no material change in the political, economic and social environment in which the appraised entity operates.

➢ we have assumed the accuracy of the financial and operational information provided to us by the Company and DHG and relied to a considerable extent on such information in arriving at our opinion of value; and

➢ we have assumed that there are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the valuation assumptions set out above. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of DHG, the Company and Asia-Pacific Consulting and Appraisal Limited.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers.

CALCULATION OF VALUATION RESULT

Under the asset-based approach, the calculation of the market value of the 49.9% equity interest of DHG as at the Valuation Date is as follows:

	Book Value (Based on unaudited financial statements of DHG as at 30 November 2022) *RM*	Market Value (Based on asset-based approach valuation) *RM*	
Other non-current assets	1,616,417,631	1,616,417,631	
Total Non-current assets	**1,616,417,631**	**1,616,417,631**	(a)
Cash and bank balances	285	285	
Notes receivable	33	33	
Total Current assets	**318**	**318**	(b)
Total Current liabilities	**–**	**–**	(c)
Other payables	5,830	5,830	
Other current liabilities	25,923	25,923	
Total Non-current liabilities	**31,753**	**31,753**	(d)
Share capital	1,616,418,631	1,616,418,631	
In which: preference shares held by PONSB	1,616,418,631	1,616,418,631	(e)
Other comprehensive income	(32,435)	(32,435)	
Total equity attributable to owners of DHG	**–**	**–**	(f)=(a)+(b)-(c)-(d)-(e)*(Note)*
RM/RMB exchange rate	1.5901	1.5901	
Market Value of the 49.9% equity interest of DHG *(RMB)*		Nil	

Note: Total equity interest representing the common equity of DHG equals net book value minus the value of preference shares.

OPINION OF VALUE

Based on the results of our investigations and analyses, we are of the opinion that the market value of 49.9% equity interest of DHG as at the Valuation Date is reasonably stated as **Nil (RENMINBI NIL).**

Yours faithfully,
for and on behalf of
Asia-Pacific Consulting and Appraisal Limited

Jack W. J. Li
CFA, MRICS, MBA
Partner

Note: Jack W. J. Li is a Chartered Surveyor who has 16 years' experience in the valuation in the PRC, Hong Kong and the Asia-Pacific region.

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 Companies as set out in Appendix 10 to the Listing Rules were as follows:

(i) Director's and chief executive's interests and short positions in the shares of the Company

Name of Director Shares	Nature of interests	Number or attributable number of shares Long position	Short position	Approximate percentage or attributable percentage of shareholding (%)
Mr. Li *(Note 1)*	Interest in controlled corporations	4,215,888,000	–	41.92
Mr. Li	Personal	23,140,000	–	0.23
Mr. Li Dong Hui, Daniel	Personal	5,004,000	–	0.05
Mr. Gui Sheng Yue	Personal	17,877,000	–	0.18
Mr. An Cong Hui	Personal	7,876,000	–	0.08
Mr. Ang Siu Lun, Lawrence	Personal	4,000,000	–	0.04
Mr. Gan Jia Yue	Personal	2,230,200	–	0.02
Mr. Wang Yang	Personal	1,000,000	–	0.01

Note:

1. Proper Glory and its concert parties in aggregate hold securities' interest of 4,215,888,000 shares (excluding those held directly by Mr. Li), representing approximately 41.92% of the issued share capital of the Company as at the Latest Practicable Date. 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 21.29% by Geely Group Limited.

(ii) Director's and chief executive's interests and short positions in the derivatives of the Company

Share Options/Share Awards

Name of Director	Nature of interests	Number or attributable number of shares Long position	Short position	Approximate percentage or attributable percentage of shareholding (%)
Mr. Gui Sheng Yue	Personal	13,500,000 *(Note 1)*	–	0.13
Mr. Li Dong Hui, Daniel	Personal	14,000,000 *(Note 1)*	–	0.14
Mr. An Cong Hui	Personal	22,000,000 *(Note 1)*	–	0.22
Mr. Ang Siu Lun, Lawrence	Personal	3,000,000 *(Note 1)*	–	0.03
Ms. Wei Mei	Personal	7,000,000 *(Note 1)*	–	0.07
Mr. Gan Jia Yue	Personal	8,000,000 *(Note 1)*	–	0.08
Mr. Gan Jia Yue	Personal	4,200,000 *(Note 2)*	–	0.04

Note:

1. The interest relates to share options granted on 15 January 2021 by the Company to the Directors. The share options are exercisable at a subscription price of HK$32.70 for each Share during the period from 15 January 2023 to 14 January 2028. The percentage of shareholding is calculated on the basis that (i) the options are fully exercised; and (ii) the number of total issued share capital of the Company when the options are exercised was the same as that as at the Latest Practicable Date.

2. The interest relates to the restricted share awards of the Company (which were unvested share awards granted under the share award scheme of the Company adopted on 30 August 2021), representing 0.04% of the issued share capital of the Company as at the Latest Practicable Date.

(iii) Interests and short positions in the securities of the associated corporations of the Company

Name of Director	Name of the associated corporations	Number or attributable number of shares Long position	Short position	Approximate percentage or attributable percentage of shareholding (%)
Mr. Li	Proper Glory Holding Inc.	8,929 *(Note 1)*	–	89.29
Mr. Li	Geely Group Limited	50,000	–	100
Mr. Li	Zhejiang Geely Holding Group Company Limited	RMB938,074,545 *(Note 2)*	–	91.08
Mr. Li	Zhejiang Geely Automobile Company Limited	RMB2,069,907,337 *(Note 3)*	–	72.40
Mr. Li	Shanghai Maple Automobile Company Limited	RMB240,000,000 *(Note 4)*	–	100
Mr. Li	Zhejiang Haoqing Automobile Manufacturing Company Limited	RMB3,530,000,000 *(Note 5)*	–	91.08
Mr. Li	Zhejiang Jirun Automobile Company Limited	US$7,900,000 *(Note 6)*	–	1
Mr. Li	Hunan Geely Automobile Components Company Limited	US$885,000 *(Note 7)*	–	1
Mr. Li	ZEEKR Intelligent Technology Holding Limited	RMB522,000,000 *(Note 8)*	–	22.93
Mr. An Cong Hui	ZEEKR Intelligent Technology Holding Limited	RMB68,000,000 *(Note 9)*	–	2.99
Mr. Li Dong Hui, Daniel	ZEEKR Intelligent Technology Holding Limited	RMB20,000,000 *(Note 10)*	–	0.88
Mr. Gui Sheng Yue	ZEEKR Intelligent Technology Holding Limited	RMB10,000,000 *(Note 11)*	–	0.44
Ms. Wei Mei	ZEEKR Intelligent Technology Holding Limited	RMB5,800,000 *(Note 12)*	–	0.25

Name of Director	Name of the associated corporations	Number or attributable number of shares Long position	Number or attributable number of shares Short position	Approximate percentage or attributable percentage of shareholding (%)
Mr. Gan Jia Yue	ZEEKR Intelligent Technology Holding Limited	RMB4,000,000 *(Note 13)*	–	0.18

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 21.29% 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 incorporated in the PRC and is beneficially wholly-owned by Mr. Li and his associate.

2. Geely Holding is a limited liability company incorporated in the PRC and is beneficially wholly-owned by Mr. Li and his associate.

3. Zhejiang Geely is a limited liability company incorporated in the PRC and is owned as to 72.40% by Geely Holding, as to 1.61% by other Mr. Li's interested entities and as to 25.99% by independent third parties.

4. Shanghai Maple is a limited liability company incorporated in the PRC and is beneficially wholly-owned by Mr. Li and his associate.

5. Zhejiang Haoqing is a limited liability company incorporated in the PRC and is beneficially wholly-owned by Mr. Li and his associate.

6. Zhejiang Jirun is a limited liability company incorporated in the PRC and is 1%-owned by Zhejiang Geely.

7. Hunan Geely Automobile Components Company Limited is a limited liability company incorporated in the PRC and is 1%-owned by Zhejiang Haoqing.

8. ZEEKR is a limited liability company incorporated in the Cayman Islands and is beneficially 22.93%-owned by Mr. Li and his associate.

9. ZEEKR is a limited liability company incorporated in the Cayman Islands and is beneficially 2.99%-owned by Mr. An Cong Hui, an executive Director, and his associate.

10. ZEEKR is a limited liability company incorporated in the Cayman Islands and is beneficially 0.88%-owned by Mr. Li Dong Hui, Daniel, an executive Director, and his associate.

11. ZEEKR is a limited liability company incorporated in the Cayman Islands and is beneficially 0.44%-owned by Mr. Gui Sheng Yue, an executive Director, and his associate.

12. ZEEKR is a limited liability company incorporated in the Cayman Islands and is beneficially 0.25%-owned by Ms. Wei Mei, an executive Director, and her associate.

13. ZEEKR is a limited liability company incorporated in the Cayman Islands and is beneficially 0.18%-owned by Mr. Gan Jia Yue, an executive Director, and his associate.

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 a 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 of Director	**Nature of interests**	**Number of shares held Long position**	**Approximate percentage or attributable percentage of shareholding (%)**
Proper Glory Holding Inc. *(Note 1)*	Beneficial owner	2,636,705,000	26.22
Zhejiang Geely Holding Group Company Limited *(Note 1)*	Interest in controlled corporation	4,019,391,000	39.97
Geely Group Limited *(Note 1)*	Beneficial owner	196,497,000	1.95
Zhejiang Geely Automobile Company Limited *(Note 2)*	Beneficial owner	796,562,000	7.92

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 21.29% 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 incorporated in the PRC and is beneficially wholly-owned by Mr. Li and his associate.

2. Zhejiang Geely is a limited liability company incorporated in the PRC and is owned as to 72.40% by Geely Holding, as to 1.61% by other Mr. Li's interested entities and as to 25.99% by independent third parties.

Mr. Li is a director of each of Proper Glory, Geely Holding, Zhejiang Geely and Geely Group Limited. Mr. Li Dong Hui, Daniel is a director of each of Geely Holding and Zhejiang Geely. Mr. An Cong Hui is a director of each of Geely Holding and Zhejiang Geely.

Save as disclosed above, as at the Latest Practicable Date, the directors and the chief executives of the Company were 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 entered or was proposing to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

b) Competing interests

The Group is principally engaged in the research, production, marketing and sales of vehicles and related automobile components in the PRC. Geely Holding, which is ultimately owned by Mr. Li and his associate, has signed agreements or been in negotiations with local governments in the PRC and other entities to set up production plants for the manufacturing and distribution of Geely Holding-branded vehicles. The potential production and distribution of Geely Holding-branded vehicles by Geely Holding will constitute competing businesses (the "**Competing Businesses**") to those currently engaged by the Group. Mr. Li has undertaken to the Company (the "**Undertaking**") 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 applicable requirements of the Listing Rules and other applicable laws and regulations upon terms to be mutually agreed as fair and reasonable. In addition, it is required that Mr. Li informs the Group of all potential Competing Businesses carried out by him or his associates.

In August 2010, Geely Holding completed the acquisition of Volvo Car Corporation, which manufactures Volvo cars, a range of family sedans, wagons and sport utility cars, and has 2,500 dealerships in 100 markets (the "**Volvo Acquisition**"). Although the Group is not a party to the Volvo Acquisition nor in any discussions with Geely Holding to cooperate with Geely Holding in relation to the Volvo Acquisition, Geely Holding has provided an irrevocable undertaking to the Company on 27

March 2010 to the effect that upon being notified of any decision by the Company pursuant to a resolution approved by a majority of the independent non-executive Directors, Geely Holding 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 the Volvo Acquisition, and such transfer will be subject to the terms and conditions being fair and reasonable, and being in compliance with applicable requirements of the Listing Rules, other applicable laws and regulations and other necessary approvals and consents on terms to be mutually agreed.

On 10 February 2020, the Company announced that the management of the Company was in preliminary discussions with the management of Volvo Car AB (publ) regarding a possible restructuring through a combination of the businesses of the two companies into a strong global group that could realise synergies in cost structure and new technology development to face the challenges in the future.

On 24 February 2021, the Company announced that it will carry out a series of business combination and collaboration in respect of powertrain, electrification, autonomous driving and operational collaboration with Volvo Car AB (publ) (a company which is indirectly non wholly-owned by Geely Holding and is the parent company of the Volvo Car Group of companies) maintaining their respective existing independent corporate structures. The Board (including the independent non-executive Directors) is of the view that, through such business combination and collaboration, the major potential competition between the parties has been mitigated. Also, the Geely Holding's Letter of Undertaking made by Geely Holding has now been fully reflected and fulfilled. For details, please refer to the announcement of the Company published on 24 February 2021.

Despite the fact that the Geely Holding Group is principally engaged in similar business activities as the Group, their respective product offerings do not overlap due to different market positioning and target customer base of each brand (see below for details), as such, the Competing Businesses of the Geely Holding Group can be defined and delineated from the business of the Group by different product offerings (i.e. high-end versus economy automobiles) and brand names.

In May 2017, Geely Holding entered into a heads of agreement for the acquisition of 49.9% of the issued and paid-up ordinary share capital of Proton (the "**Previous Proton Acquisition**"). Proton is a producer of a range of family sedans which is active in the Southeast Asia market and is a potential competitor of the Group. The Previous Proton Acquisition has been completed in October 2017. Although the Group is not a party to the Previous Proton Acquisition, to protect the interests of the Group, Geely Holding has provided an irrevocable undertaking to the Company on 29 November 2017 to the effect that upon being notified of any decision by the Company pursuant to a resolution resolved by a majority of the independent non-executive Directors, Geely Holding will, and will procure its associates (other than the Group) to transfer to the Group all or any part of the equity/ businesses and related assets of the Previous Proton Acquisition, and such transfer will be subject to the terms and conditions being fair and reasonable, and being in compliance with applicable requirements of the Listing Rules, other applicable laws and regulations and other necessary approvals and consents on terms to be mutually agreed. Although the vehicles being produced by Proton occupy the same market segment as that of the Group, they could be distinguished from the products of the Group in that they are right-hand drive vehicles and are primarily being market to right-hand drive markets in Southeast Asia. At present, the Group primarily produces left-hand drive vehicles, which are mainly exported to developing countries such as Asia, Eastern Europe and the Middle East. As such, Proton is considered to be operating in a different market that can be distinguished from the business of the Group.

On 20 January 2023, Linkstate (as purchaser) and GIHK (as seller) entered into the agreement to purchase the sale shares of Proton, representing 49.9% of the issued and paid-up ordinary share capital of Proton, at a consideration of RMB1,063 million and the Sale Loan at a consideration of US$56,390,000 (equivalent to approximately RMB393.7 million). Immediately after completion of the Proton Acquisition, the Group will hold 49.9% of the issued and paid-up ordinary share capital of Proton and will account for Proton's financial results by way of equity method. It is expected that completion of the Proton Acquisition will take place on or before 30 April 2023 and the potential competing business between the Group and Proton would no longer exist upon completion of the Proton Acquisition.

Horizontal competition between the Group and Geely Holding together with corporations controlled by it

The Group's passenger vehicle products include two major brands, namely, Geely and ZEEKR. Except for the Group and its subsidiaries, Geely Holding controls the principal businesses of research and development, production and sales of passenger vehicles, and the major passenger vehicle brands include Volvo, LYNK & CO, Lotus, Polestar, London Electric Vehicle, Lavin and smart. There is no horizontal competition that casts material and adverse impact on the Group between the Group and other corporations such as those passenger vehicle brands controlled by Geely Holding and other enterprises (other than the controlling shareholders) controlled by the actual controller. Details are as follows: The Group owns two major brands: Geely and ZEEKR. Geely-branded vehicles are mainly sold in the PRC, and exported to developing countries such as Asia, Eastern Europe and the Middle East. Geely-branded vehicles are positioned as economical passenger vehicles, and Geely Brand includes three major product series, namely Geely Star series, Geome series and Galaxy series. Among them, Geely Star series is focused on the fuel vehicle market, the Geome series targets the mass market for pure electric vehicle market and the Galaxy series is positioned as a mass market for mid-to-high-end new energy vehicles. The ZEEKR brand is a new luxury smart pure electric vehicle brand of the Group.

(1) Volvo

Volvo is a luxurious global manufacture corporation based in Northern Europe, with a high-end brand image worldwide for high income group. Brand positioning: personalized, sustainable, safe, and people-oriented. Volvo's sales regions cover Europe, China, the United States and other major global automobile markets.

Due to the significant differences between the Group and Volvo in terms of product positioning, selling prices and other aspects, CBUs of the Group and Volvo target at different consumer groups. As for the automobile products, in general, consumers' decision over purchasing different brands of vehicle would largely be affected by the group they belong to. For consumers, switching between different groups would be relatively difficult and longer period of time would be needed since it usually requires certain accumulation of financial foundation and changes in their awareness, concepts, etc. over consumption. Therefore, the Group is different from Volvo in terms of the consumer group; the manufacture business operated by each party does not constitute a competitive relationship, and the possibility of mutually or unilaterally transferring business opportunities is small.

Having a history of nearly a century, Volvo brand has long been reputed as the "safest vehicle", shaping a high-end brand image throughout the world. The high-end image and product reputation of Volvo, being a corporation which, together with the Group, is controlled by Geely Holding, play an active and positive role in enhancing the brand image and market recognition of the Group and are beneficial to the enhancement of market awareness of the Group. Also, the Group and Volvo, both being a manufacture corporation focusing on passenger vehicle as its main product, create certain synergy effects in the research and development of related technology of CBUs and prospective technology. Leveraging the synergies in research and development with Volvo, the Group has the opportunity to learn and acquire Volvo's technology accumulated over the years, which in turn will help promote the enhancement of the Company's technological capability.

(2) LYNK & CO

LYNK & CO, being a mid- to high-end brand established through joint venture among Ningbo Geely, Geely Holding and VCI, adopts a more premium product positioning than the Group's economy passenger vehicles under Geely Brand and the positioning of the luxury smart pure electric vehicles of the ZEEKR brand is higher-end than that of LYNK & CO Brand; LYNK & CO targets younger users in pursuit of a stronger sense of fashion and technology as its customer base, representing certain discrepancy with the Group's brand positioning of popularization and target customer base.

As at the Latest Practicable Date, the Group held 50% equity interests in LYNK & CO. It has appointed 2 of the 4 directors to LYNK & CO and participated in the corporate governance of LYNK & CO. It has joint control over LYNK & CO and has stronger influence over decision-making on LYNK & CO's material events. Therefore, if LYNK & CO's material events may have material adverse effect on the Group, the Group can avoid such material adverse effect through the shareholder's rights entitled and the directors appointed by it in LYNK & CO.

(3) *Other brands that are controlled by Geely Holding*

Lotus

Lotus is a manufacture brand under Lotus Advance Technologies Sdn. Bhd., which is controlled by Geely Holding. As at the Latest Practicable Date, Geely Holding indirectly held 51% equity interests in Lotus Advance Technologies Sdn. Bhd. and controls Lotus Advance Technologies Sdn. Bhd.

Lotus is a well-known manufacturer of sports car and racing car. Its passenger vehicle products are mainly high-performance sports cars and racing cars, which display significant difference from the economic passenger vehicles of the Group in terms of product positioning. Since the target consumer groups of Lotus and the Group are mainly different, the manufacture business operated by each party does not constitute a competitive relationship, and the possibility of mutually or unilaterally transferring business opportunities is small.

Although the Group is not a party to the Lotus acquisition, to protect the interests of the Group, Geely Holding has provided an irrevocable undertaking to the Company in November 2017 to the effect that upon being notified of any decision by the Company pursuant to a resolution resolved by a majority of the independent non-executive Directors, Geely Holding will, and will procure its associates (other than the Group) to transfer to the Group all or any part of the equity/businesses and related assets of the Lotus acquisition, and such transfer will be subject to the terms and conditions being fair and reasonable, and being in compliance with applicable requirements of the Listing Rules, other applicable laws and regulations and other necessary approvals and consents on terms to be mutually agreed.

Polestar

Polestar is a manufacture brand under Polestar Automotive Holding UK PLC. Polestar Automotive Holding UK PLC is owned as to 39.3% by PSD Investment Limited and as to 48.3% by Volvo Cars. PSD Investment Limited is a company controlled by Mr. Li.

The positioning of Polestar is high-performance electric vehicle. Polestar adheres the concept of "technology-oriented", enjoys the technical engineering synergy advantages of Volvo Cars, with worldwide sales network. Polestar redefines luxury in the age of sustainability with design, driving experience, and eco-friendly, high-tech minimalism. Significant difference is shown with the products of the Group in terms of the target consumers group.

London Electric Vehicle Company

London Electric Vehicle Company ("**LEVC**") is a manufacture brand of Geely Holding. LEVC is positioned as the VAN series of electrified models. As at the Latest Practicable Date, LEVC had launched two models of TX5 and VN5 VANs. Both models are mainly targeted for European and other international markets. Both customer base and pricing are different from the Group's major brands, namely Geely and ZEEKR.

Lavin

Lavin is an electric mobility brand focusing on battery swapping business models. Lavin is jointly established by the Group and Lifan Technology, with 50% equity held by both parties respectively. The vision of Lavin is to create a new pattern of battery swapping in the new energy era. The goal is to shape the perception of intergenerational advantage, to advocate the life style of battery swapping, and to create new value and changes for the industry. Lavin positions itself as popularizing convenient commute with battery swapping. Lavin has released a number of battery swapping models, which not only focus on the operation market, but also provide more choices for consumers. The business-end and customer-end drive the business growth at the same time. Lavin has obvious differentiations with the Group's major brands, namely Geely and ZEEKR, regarding product positioning, targeted market segment and business operation models.

smart

smart is a vehicle brand of the joint venture company and owned as to 50% each by Geely Holding Automobile and a third party, respectively. With more than 25 years of brand awareness, the tonality of the brand mainly emphasizes light luxury, fashionable interest and intelligence, highlighting internal and external style design, personalized use function and experience and aiming at the targeted user group that pursues light luxury/fashionable interest/technological experience. The pricing of the first model of smart and the price range of other brands formed a strong complementary relationship. In terms of sales market, smart naturally has the advantage of centering on two major markets, China and Europe. Especially, the brand recognition is stronger in the European market than that of other brands. smart targets the middle class customers who prefer smaller size vehicles which are more applicable for individual use. There are clear differences between smart and the Group's major brands, namely Geely and ZEEKR, in terms of targeted market, targeted customers and management team.

Businesses controlled by the controlling shareholder, such as Lotus, Polestar, LEVC, Lavin and smart are significantly different from the Group in terms of product positioning, target consumer group, etc. such that no competitive relationship is constituted with the Group, and the possibility of mutually or unilaterally transferring business opportunities is small.

No horizontal competition was found between the Group and other enterprises (other than the controlling shareholders) controlled by the actual controller

Save as disclosed above, as at the Latest Practicable Date, neither Mr. Li nor his associate engaged in the research and development, production or sales of passenger vehicle business which is the same or similar to that of the Group, and no horizontal competition was found between them and the Group.

Saved as disclosed above, as at the Latest Practicable Date, none of the Directors nor any of their respective associates had any business or interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

c) Directors' interests in assets, contracts or arrangements

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 2022, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of or leased to any member of the Group or are proposed to be acquired or disposed of or leased to any member of the Group.

Operation services agreement among the Company, Geely Holdings and LYNK & CO (the operation services agreement has an effective term from 1 January 2022 to 31 December 2024)

Pursuant to the operation services agreement dated 15 October 2021, (i) the Group agreed to provide to the Geely Holding Group and LYNK & CO Group operation services that mainly include but not limited to IT, logistics, supplier quality engineering services, construction management services, manufacturing engineering, procurement services and other administrative functions with the largest annual cap being RMB2,708.3 million for the three years ending 31 December 2024; and (ii) the Group agreed to procure from the Geely Holding Group and LYNK & CO Group operation services that mainly include but not limited to business travel services and after-sales services with the largest annual cap being RMB484.6 million for the three years ending 31 December 2024.

As the applicable percentage ratios of the continuing connected transactions contemplated under the operation services agreement are over 0.1% but less than 5% on an annual basis, the operation services agreement is subject to the reporting, annual review and announcement requirements, but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Services agreement and the supplemental services agreement both between the Company and Geely Holding (the services agreement has an effective term from 1 January 2022 to 31 December 2024 and the supplemental services agreement has an effective term from its effective date to 31 December 2024)

- *Sales of CKDs from the Group to the Geely Holding Group*

Pursuant to the services agreement dated 15 October 2021 and the supplemental services agreement dated 9 September 2022, the Group agreed to supply to the Geely Holding Group the CKDs manufactured by the Group with the largest annual cap being RMB163,930 million for the three years ending 31 December 2024.

- *Sales of CBUs from the Geely Holding Group to the Group*

Pursuant to the services agreement dated 15 October 2021 and the supplemental services agreement dated 9 September 2022, the Geely Holding Group agreed to sell to the Group the CBUs with the largest annual cap being RMB169,577 million for the three years ending 31 December 2024.

As the applicable percentage ratios of the continuing connected transactions contemplated under the supplemental services agreement are higher than 5% on an annual basis, the supplemental services agreement is subject to the reporting, annual review, announcement and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Shareholders' meeting in respect of the supplemental services agreement was held on 11 November 2022 and the supplemental services agreement was duly approved by the then independent Shareholders.

Automobile components procurement agreement between the Company and Geely Holding (the automobile components procurement agreement has an effective term from 1 January 2022 to 31 December 2024)

Pursuant to the automobile components procurement agreement dated 15 October 2021, the Group agreed to procure automobile components from the Geely Holding Group with the largest annual cap being RMB9,220.2 million for the three years ending 31 December 2024.

As the applicable percentage ratios of the continuing connected transactions contemplated under the automobile components procurement agreement are higher than 5% on an annual basis, the automobile components procurement agreement is subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Shareholders' meetings in respect of the automobile components procurement agreement was held on 6 December 2021 and the automobile components procurement agreement was duly approved by the then independent Shareholders.

Volvo finance cooperation agreements among Genius AFC, VCDC and VCIC (the Volvo finance cooperation agreements have an effective term from 1 January 2022 to 31 December 2024)

- *Volvo wholesale facility agreements between Genius AFC and Volvo Dealers (as defined in the circular of the Company dated 16 November 2021) (the Volvo wholesale facility agreements have an effective term from 1 January 2022 to 31 December 2024)*

Pursuant to the Volvo wholesale facility agreements dated 11 December 2015 and the Company's announcement dated 15 October 2021, Genius AFC agreed to enter into the Volvo wholesale facility agreements with the Volvo Dealers, pursuant to which Genius AFC will provide wholesale financing to such Volvo Dealers to facilitate their purchase of Volvo-branded vehicles, with the largest annual cap being RMB6,883.4 million for the three years ending 31 December 2024.

- *Volvo retail loan cooperation agreements between Genius AFC and Volvo Dealers (as defined in the circular of the Company dated 16 November 2021) (the Volvo retail loan cooperation agreements have an effective term from 1 January 2022 to 31 December 2024)*

Pursuant to the Volvo retail loan cooperation agreement dated 11 December 2015 and the Company's announcement dated 15 October 2021, Genius AFC agreed to enter into the Volvo retail loan cooperation agreements with Volvo Dealers pursuant to which the Volvo Dealers shall recommend the retail consumers to use Genius AFC for obtaining vehicle loans to finance their purchase of Volvo-branded vehicles (as defined in the circular of the Company dated 16 November 2021) with the largest annual cap being RMB10,473.0 million for the three years ending 31 December 2024.

As the applicable percentage ratios of the continuing connected transactions contemplated under the Volvo finance cooperation agreements are higher than 5% on an annual basis, the Volvo finance cooperation agreements are subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Shareholders' meeting in respect of the Volvo finance cooperation agreement was held on 6 December 2021 and the Volvo finance cooperation agreements were duly approved by the then independent Shareholders.

CBUs sales agreement between the Company and Geely Holding (the CBUs sales agreement has an effective term from 1 January 2022 to 31 December 2024)

Pursuant to the CBUs sales agreement dated 15 October 2021, the Group agreed to supply to the Geely Holding Group the CBUs and related after-sales parts, components and accessories manufactured by the Group with the largest annual cap being RMB4,244.3 million for the three years ending 31 December 2024.

As the applicable percentage ratios of the continuing connected transactions contemplated under the CBUs sales agreement are over 0.1% but less than 5% on an annual basis, the CBUs sales agreement is subject to the reporting, annual review and announcement requirements, but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Master CKDs and automobile components sales agreement between the Company and Geely Holding (the master CKDs and automobile components sales agreement has an effective term from 1 January 2021 to 31 December 2023)

Pursuant to the master CKDs and automobile components sales agreement dated 4 November 2020, the Group agreed to sell CKDs and automobile components in relation to vehicle models including Proton-branded vehicles, Maple-branded vehicles, Farizon-branded vehicles etc. to the Geely Holding Group with the largest annual cap being RMB12,027.0 million for the three years ending 31 December 2023.

As one or more of the applicable percentage ratios of the proposed annual caps under the master CKDs and automobile components sales agreement exceed 5% on an annual basis, the proposed annual caps under the master CKDs and automobile components sales agreement are subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Shareholders' meeting in respect of the master CKDs and automobile components sales agreement was held on 22 December 2020 and the master CKDs and automobile components sales agreement was duly approved by the then independent Shareholders.

Master CKDs and automobile components purchase agreement and the supplemental master CKDs and automobile components purchase agreement both between the Company and Geely Holding (the master CKDs and automobile components purchase agreement has an effective term from 1 January 2021 to 31 December 2023 and the supplemental master CKDs and automobile components purchase agreement has an effective term from 6 December 2021 to 31 December 2023)

Pursuant to the master CKDs and automobile components purchase agreement dated 4 November 2020 and the supplemental master CKDs and automobile components purchase agreement dated 15 October 2021, the Group agreed to purchase CKDs and automobile components from the Geely Holding Group with the largest annual cap being RMB58,836.5 million for the three years ending 31 December 2023.

As one or more of the applicable percentage ratios of the proposed annual caps under the supplemental master CKDs and automobile components purchase agreement exceed 5% on an annual basis, the proposed annual caps under the supplemental master CKDs and automobile components purchase agreement are subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Shareholders' meeting in respect of the supplemental master CKDs and automobile components purchase agreement was held on 6 December 2021 and the supplemental master CKDs and automobile components purchase agreement was duly approved by the then independent Shareholders.

The new powertrain sales agreement among the Company, Geely Holding and LYNK & CO (the new powertrain sales agreement has an effective term from 1 January 2021 to 31 December 2023)

Pursuant to the new powertrain sales agreement dated 4 November 2020, the Group agreed to sell vehicle engines, transmissions and related after-sales parts to the Geely Holding Group and the LYNK & CO Group with the largest annual cap being RMB18,232.5 million for the three years ending 31 December 2023.

As one or more of the applicable percentage ratios of the proposed annual caps under the new powertrain sales agreement exceed 5% on an annual basis, the proposed annual caps under the new powertrain sales agreement are subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Shareholders' meeting in respect of the new powertrain sales agreement was held on 22 December 2020 and the new powertrain sales agreement was duly approved by the then independent Shareholders.

Automobile financing arrangements with an effective terms from 1 January 2021 to 31 December 2023

LYNK & CO financing arrangements – LYNK & CO finance cooperation agreement between Genius AFC and LYNK & CO Sales with an effective term from 1 January 2021 to 31 December 2023

Pursuant to the LYNK & CO finance cooperation agreement dated 4 November 2020, Genius AFC agreed to provide vehicle financing services to the LYNK & CO Dealers (as defined in the circular of the Company dated 1 December 2020) and LYNK & CO Retail Customers (as defined in the circular of the Company dated 1 December 2020), including (i) wholesale financing to the LYNK & CO Dealers to assist them to buy LYNK & CO-branded vehicles and eventually selling such vehicles to the LYNK & CO Retail Customers; and (ii) retail financing to the LYNK & CO Retail Customers to assist them to buy LYNK & CO-branded vehicles. The largest annual cap for the LYNK & CO wholesale financing arrangements is RMB1,125.0 million for the three years ending 31 December 2023. The largest annual cap for the LYNK & CO retail financing arrangements is RMB17,149.7 million for the three years ending 31 December 2023.

Fengsheng financing arrangements – Fengsheng finance cooperation agreement between Genius AFC and Fengsheng Sales with an effective term from 1 January 2021 to 31 December 2023

Pursuant to the Fengsheng finance cooperation agreement dated 4 November 2020, Genius AFC agreed to provide vehicle financing services to the Fengsheng Retail Customers (as defined in the circular of the Company dated 1 December 2020) to assist them to purchase Maple-branded vehicles. The largest annual cap for the Fengsheng finance cooperation agreement is RMB241.0 million for the three years ending 31 December 2023.

Geely Holding financing arrangements – Geely Holding finance cooperation agreement between Genius AFC and Geely Holding with an effective term from 1 January 2021 to 31 December 2023

Pursuant to the Geely Holding finance cooperation agreement dated 4 November 2020, Genius AFC agreed to provide vehicle financing services to the Geely Retail Customers (as defined in the circular of the Company dated 1 December 2020) to assist them to purchase (a) vehicles under brands owned by Geely Holding from the Geely Holding Dealers (as defined in the circular of the Company dated 1 December 2020); or (b) Geely-branded vehicles from the Connected Geely Dealers (as defined in the circular of the Company dated 1 December 2020). The largest annual cap for the Geely Holding finance cooperation agreement is approximately RMB606.5 million for the three years ending 31 December 2023.

As one or more of the applicable percentage ratios for the proposed annual caps of the continuing connected transactions contemplated under the automobile financing arrangements, exceed(s) 5% on an aggregated and annual basis, the continuing connected transactions contemplated under the automobile financing arrangements are subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Shareholders' meeting in respect of the automobile financing arrangements was held on 22 December 2020 and the automobile financing arrangements were duly approved by the then independent Shareholders.

ZEEKR operation services agreement and the supplemental ZEEKR operation services agreement both between the Company and ZEEKR (the ZEEKR operation services agreement has an effective term from 2 July 2021 to 31 December 2023 and the supplemental ZEEKR operation services agreement has an effective term from 29 March 2022 to 31 December 2023)

Pursuant to the ZEEKR operation services agreement dated 2 July 2021 and the supplemental ZEEKR operation services agreement dated 29 March 2022, the Group agreed to provide to the ZEEKR Group operation services that mainly include IT, logistics, procurement, finance, human resources and other administrative functions with the largest annual cap being RMB930.9 million for the three years ending 31 December 2023.

As the applicable percentage ratios of the continuing connected transactions contemplated under the supplemental ZEEKR operation services agreement are over 0.1% but less than 5% on an annual basis, the supplemental ZEEKR operation services agreement is subject to the reporting, annual review and announcement requirements, but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

R&D services and technology licensing agreement among the Company, Geely Holding and LYNK & CO (the R&D services and technology licensing agreement has an effective term from its effective date to 31 December 2023)

Pursuant to the R&D services and technology licensing agreement dated 2 July 2021, (i) the Group agreed to provide to the Geely Holding Group and LYNK & CO Group R&D and related technological support services with the largest annual cap being RMB10,053.1 million for the three years ending 31 December 2023; and (ii) the Group agreed to procure from the Geely Holding Group R&D and related technological support services with the largest annual cap being RMB4,364.0 million for the three years ending 31 December 2023.

As the applicable percentage ratios of the continuing connected transactions contemplated under the R&D services and technology licensing agreement are more than 5% on an annual basis, the R&D services and technology licensing agreement is subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Shareholders' meeting in respect of the R&D services and technology licensing agreement was held on 24 August 2021 and the R&D services and technology licensing agreement was duly approved by the then independent Shareholders.

Automobile components sales agreement among the Company, Geely Holding and LYNK & CO (the automobile components sales agreement has an effective term from its effective date to 31 December 2023)

Pursuant to the automobile components sales agreement dated 2 July 2021, the Group agreed to sell, and the Geely Holding Group and LYNK & CO Group agreed to procure, automobile components with the largest annual cap being RMB24,644.7 million for the three years ending 31 December 2023.

As the applicable percentage ratios of the continuing connected transactions contemplated under the automobile components sales agreement are more than 5% when aggregated with the automobile components procurement agreement between the Company and ZEEKR on an annual basis, the automobile components sales agreement is subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Shareholders' meeting in respect of the automobile components sales agreement was held on 24 August 2021 and the automobile components sales agreement was duly approved by the then independent Shareholders.

Automobile components procurement agreement and the supplemental automobile components procurement agreement both between the Company and ZEEKR (the automobile components procurement agreement and the supplemental automobile components procurement agreement both have an effective term from their effective date to 31 December 2023)

Pursuant to the automobile components procurement agreement dated 2 July 2021 and the supplemental automobile components procurement agreement dated 9 September 2022, the Group agreed to procure, and the ZEEKR Group agreed to supply, automobile components with the largest annual cap being RMB3,941.6 million for the three years ending 31 December 2023.

As the applicable percentage ratios of the continuing connected transactions contemplated under the supplemental automobile components procurement agreement are more than 5% when aggregated with the automobile components sales agreement among the Company, Geely Holding and LYNK & CO on an annual basis, the supplemental automobile components procurement agreement is subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter14A of the Listing Rules.

The Shareholders' meeting in respect of the supplemental automobile components procurement agreement was held on 11 November 2022 and the supplemental automobile components procurement agreement was duly approved by the then independent Shareholders.

ZEEKR financing arrangements – ZEEKR finance cooperation agreement between Genius AFC and ZEEKR with an effective term from its effective date to 31 December 2023

Pursuant to the ZEEKR finance cooperation agreement dated 2 July 2021, Genius AFC agreed to provide vehicle financing services to the ZEEKR Retail Customers (as defined in the circular of the Company dated 5 August 2021) to assist them to purchase ZEEKR-branded vehicles. The largest annual cap under the ZEEKR finance cooperation agreement is approximately RMB12,715.9 million for the three years ending 31 December 2023.

As one or more of the applicable percentage ratios for the proposed annual caps of the continuing connected transactions contemplated under the ZEEKR finance cooperation agreement, exceed(s) 5% on an annual basis, the continuing connected transactions contemplated under the ZEEKR finance cooperation agreement are subject to the reporting, annual review, announcement and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Shareholders' meeting in respect of the ZEEKR finance cooperation agreement was held on 24 August 2021 and the ZEEKR finance cooperation agreement was duly approved by the then independent Shareholders.

smart financing arrangements – smart finance cooperation agreement between Genius AFC and smart Sales with an effective term from its effective date to 31 December 2023

Pursuant to the smart finance cooperation agreement dated 9 September 2022, Genius AFC agreed to provide vehicle financing services to the smart retail customers to assist them to purchase smart-branded vehicles. The largest annual cap under the smart finance cooperation agreement is approximately RMB670.0 million for the two years ending 31 December 2023.

As the applicable percentage ratios of the continuing connected transactions contemplated under the smart finance cooperation agreement are over 0.1% but less than 5% on an annual basis, the smart finance cooperation agreement is subject to the reporting, annual review and announcement requirements, but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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

d) Director's Service Contracts

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)).

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 were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, the date to which the latest published audited accounts of the Company have been made up.

6. QUALIFICATION OF EXPERTS

The following is the qualification of the experts or professional advisers who have given opinion or advice contained in this circular:

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

Asia-Pacific Consulting and Appraisal Limited	an independent professional valuer

As at the Latest Practicable Date, each of Ballas Capital Limited and Asia-Pacific Consulting and Appraisal 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 2022, the date to which the latest audited financial statements of the Group was 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. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group during the two years immediately preceding the Latest Practicable Date and are or may be material:

(i) the disposal agreement dated 28 April 2021 entered into among ZEEKR, Value Century, Zhejiang Fulin and Shanghai Maple in relation to the disposal of ZEEKR Shanghai pursuant to which, Value Century, Zhejiang Fulin and Shanghai Maple agreed to sell, their respective 91%, 8% and 1% equity interest(s) in ZEEKR Shanghai, and ZEEKR agreed to acquire the 100% equity interests in ZEEKR Shanghai through its indirect wholly foreign-owned subsidiary, for a cash consideration of approximately RMB980.4 million in total;

(ii) the acquisition agreement dated 28 April 2021 entered into between ZEEKR Shanghai and Geely Holding Automobile in relation to the acquisition of the entire registered capital of ZEEKR Automobile, pursuant to which ZEEKR Shanghai agreed to acquire, and Geely Holding Automobile agreed to sell, the entire registered capital of ZEEKR Automobile for a consideration of approximately RMB485.3 million;

(iii) the acquisition agreement dated 13 May 2021 entered into between Zhejiang Jirun and 吉利長興新能源汽車有限公司 (Geely Changxing New Energy Automobile Company Limited*), in relation to the entire registered capital of 長興吉利汽車部件有限公司 (Changxing Geely Automobile Components Company Limited*), for a cash consideration of approximately RMB2,534.7 million;

(iv) the acquisition agreement dated 2 July 2021 entered into between ZEEKR and Zhejiang Geely, in relation to the acquisition of 100% equity interests in China-Europe Vehicle Technology AB for a cash consideration of approximately SEK1,057.8 million;

(v) the acquisition agreement dated 2 July 2021 entered into between ZEEKR and Geely Holding Automobile, in relation to the acquisition of 30% equity interests in 浙江浩瀚能源科技有限公司 (Zhejiang Haohan Energy Technology Company Limited*), for a cash consideration of approximately RMB9.0 million;

(vi) the subscription agreement dated 2 July 2021 entered into among ZEEKR, Zhejiang Jichuang and Ningbo Viridi in relation to the subscription for additional capital in Ningbo Viridi at a cash consideration of approximately RMB860.7 million;

(vii) the subscription agreement dated 7 September 2021 entered into among the Company, ECARX and ECARX stakeholders in relation to the subscription for 4,321,521 series B preference shares for a cash consideration of approximately US$50 million;

(viii) the assets transfer agreement dated 15 October 2021 entered into between the Company and Geely Holding pursuant to which (i) the Group agreed to purchase and the Geely Holding Group agreed to sell the assets (which comprise predominantly equipment for use in the Group's research and development for the LYNK & CO-branded, ZEEKR-branded and Geely-branded vehicles related products such as vehicles engines and transmissions, as well as a small amount of office equipment and software system) for a maximum cash consideration of approximately RMB632.8 million; and (ii) the Group agreed to sell and the Geely Holding Group agreed to purchase the assets (which comprise vehicle testing related machinery and equipment which are idle for use) for a maximum cash consideration of approximately RMB357.9 million;

(ix) the share purchase agreement dated 29 October 2021 entered into between the Company and Geely Group Limited in relation to the acquisition of 220,000,000 ordinary shares of ZEEKR for a total consideration of approximately RMB5,602.2 million;

(x) the investment cooperation agreement dated 13 December 2021 entered into between the Company and Lifan Technology in relation to the formation of a joint venture pursuant to which the Company and Lifan Technology will contribute 50% (representing RMB300 million) and 50% (representing RMB300 million), respectively, of the total shares issued by the joint venture;

(xi) the subscription agreement dated 9 May 2022 entered into between Centurion Industries Limited ("**CIL**"), a wholly-owned subsidiary of the Company, and Renault Korea Motors Company Limited ("**Renault Korea Motors**") in relation to the subscription of 45,375,000 common shares of Renault Korea Motors at a cash consideration of approximately KRW264 billion (approximately RMB1,376 million);

(xii) the equity transfer agreement dated 11 July 2022 entered into among the Company, BNPP PF and its wholly-owned subsidiary in relation to the transfer of 5% interests in the registered capital of Genius AFC at an initial cash consideration of approximately RMB420.7 million;

(xiii) the framework agreement dated 8 November 2022 entered into among Geely Holding, Renault s.a.s. ("**Renault**"), and the Company in relation to the formation of a joint venture company regarding internal combustion engine, hybrids and plug-in hybrids powertrains and transmissions activities and related technologies;

(xiv) the acquisition agreement dated 12 December 2022 and the supplemental agreement dated 28 March 2023 entered into between Zhejiang Jirun and Geely Manufacturing in relation to the acquisition of Xi'an Geely for a cash consideration of approximately RMB382.5 million;

(xv) the acquisition agreement dated 20 January 2023 entered into between GIHK and Linkstate in relation to the acquisition of the Proton Sale Shares and the Sale Loan for an aggregate consideration of approximately RMB1,456.7 million; and

(xvi) the acquisition agreement dated 20 January 2023 entered into between GIHK and Linkstate in relation to the acquisition of the DHG Sale Shares at a nominal consideration of US$1.00.

8. 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, Wanchai, 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.

9. 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://geelyauto.com.hk) from the date of this circular up to and including the date of the EGM on Friday, 28 April 2023:

a) the Proton Agreement;

b) the DHG Agreement;

c) the letter from the Board, the text of which is set out in the section headed "Letter from the Board" in this circular;

d) the letter from the Independent Board Committee, the text of which is set out in the section headed "Letter from the Independent Board Committee" in this circular;

e) the valuation reports in respect of Proton and DHG issued by Asia-Pacific Consulting and Appraisal Limited as set out in Appendix IA and Appendix IB of this circular, respectively;

f) the letter from Ballas Capital Limited, the text of which is set out in the section headed "Letter from the Independent Financial Adviser" in this circular; and

g) the written consents from Ballas Capital Limited and Asia-Pacific Consulting and Appraisal Limited referred to in the paragraph headed "Qualification of experts" in this appendix.

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 175)

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 3/F., Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong on Friday, 28 April 2023 at 10:30 a.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**:

   (i) the conditional sale and purchase agreement dated 20 January 2023 (the "**Proton Agreement**") entered into between GIHK (as defined in the circular of the Company dated 6 April 2023 (the "**Circular**")) and Linkstate (as defined in the Circular), in relation to the acquisition of the Proton Sale Shares (as defined in the Circular) and the Sale Loan (as defined in the Circular), a copy of which is tabled at the meeting and marked "**A**" and initialed by the chairman of the meeting for the purpose of identification; and (ii) the other agreements or documents executed and/or delivered by Linkstate or GIHK in connection with, ancillary or incidental to the transaction contemplated thereby (together with the Proton Agreement); and the transaction contemplated under the Proton Agreement be and is hereby approved, ratified and confirmed; and any one, 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 do all such acts and things and execute all such documents which he/she/they may consider necessary, desirable or expedient to implement the transaction contemplated thereunder (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the directors of the Company)."

2. "**THAT**:

   (i) the conditional sale and purchase agreement dated 20 January 2023 (the "**DHG Agreement**") entered into between GIHK and Linkstate, in relation to the acquisition of the DHG Sale Shares (as defined in the Circular) which is subject to, among others, the completion of the Proton Acquisition, a copy of which is tabled at the meeting and marked "**B**" and initialed by the chairman of the meeting for the purpose of identification; and (ii) the other agreements or documents executed and/or delivered by Linkstate or GIHK in connection with, ancillary or incidental to the transaction contemplated thereby (together with the DHG

Agreement); and the transaction contemplated under the DHG Agreement be and is hereby approved, ratified and confirmed; and any one, 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 do all such acts and things and execute all such documents which he/she/ they may consider necessary, desirable or expedient to implement the transaction contemplated thereunder (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the directors of the Company)."

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

Hong Kong, 6 April 2023

Notes:

(1) In order to establish entitlements of attending and voting at the forthcoming extraordinary general meeting of the Company to be held on Friday, 28 April 2023, 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 not later than 4:00 p.m. on Monday, 24 April 2023.

(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 proxy form 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 purposes 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 at (http://www.geelyauto.com.hk) and the Stock Exchange at (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. Li Shu Fu (Chairman), Mr. Li Dong Hui, Daniel (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Mr. An Cong Hui, Mr. Ang Siu Lun, Lawrence, Ms. Wei Mei and Mr. Gan Jia Yue, and the independent non-executive directors of the Company are Mr. An Qing Heng, Mr. Wang Yang, Ms. Lam Yin Shan, Jocelyn and Ms. Gao Jie.