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GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 175)

**(I) CONNECTED TRANSACTIONS IN RELATION TO THE ACQUISITIONS
AND THE NINGBO VIRIDI SUBSCRIPTION;**

**(II) CONTINUING CONNECTED TRANSACTIONS UPON COMPLETION
OF THE ACQUISITIONS AND THE NINGBO VIRIDI SUBSCRIPTION**

Financial Adviser to Geely Automobile Holdings Limited



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

BALLAS
C A P I T A L

(I) THE ACQUISITIONS AND THE NINGBO VIRIDI SUBSCRIPTION

The Board announces that in order to develop the ZEEKR Brand, the ZEEKR Group has entered into the CEVT Acquisition Agreement, the Haohan Energy Acquisition Agreement and the Ningbo Viridi Subscription Agreement to acquire the assets and technologies required for the research and development, production and sale of electric vehicles.

(A) CEVT Acquisition

On 2 July 2021 (after trading hours), ZEEKR, a 51% owned subsidiary of the Company, entered into the CEVT Acquisition Agreement with Zhejiang Geely, an approximately 71% owned subsidiary of Geely Holding, pursuant to which ZEEKR conditionally agreed to acquire through a subsidiary 100% of the equity interests in CEVT for a cash consideration of approximately SEK1,057.8 million.

Upon completion of the CEVT Acquisition, CEVT will become a wholly owned subsidiary of ZEEKR and its financial results will be consolidated into the consolidated financial statements of the Group.

(B) Haohan Energy Acquisition

On 2 July 2021 (after trading hours), ZEEKR entered into the Haohan Energy Acquisition Agreement with Geely Holding Automobile, a wholly owned subsidiary of Geely Holding, pursuant to which ZEEKR conditionally agreed to acquire through a subsidiary 30% of the equity interests in Haohan Energy for a cash consideration of approximately RMB9.0 million.

Upon completion of the Haohan Energy Acquisition, the financial results of Haohan Energy will be accounted for using the equity method in the consolidated financial statements of the Group.

(C) Ningbo Viridi Subscription

On 2 July 2021 (after trading hours), ZEEKR entered into the Ningbo Viridi Subscription Agreement with Zhejiang Jichuang and Ningbo Viridi, each a wholly owned subsidiary of Geely Holding pursuant to which ZEEKR conditionally agreed to subscribe through a subsidiary for additional capital of Ningbo Viridi at a cash consideration of approximately RMB860.7 million.

Upon completion of the Ningbo Viridi Subscription, ZEEKR and Zhejiang Jichuang will hold 51% and 49% of the enlarged share capital of Ningbo Viridi, respectively, and Ningbo Viridi will be accounted for as a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

(II) CONTINUING CONNECTED TRANSACTIONS UPON COMPLETION OF THE ACQUISITIONS AND THE NINGBO VIRIDI SUBSCRIPTION

After the completion of the Acquisitions and the Ningbo Viridi Subscription, the ZEEKR Group will possess the automobile and electric vehicle related technologies developed by CEVT and engage in the manufacture and sale of electric vehicles, electric powertrain and battery systems and other automobile components. It is expected that there will be continuing connected transactions in relation to the manufacture and sale of automobile components, R&D services and technology licensing services and ZEEKR Financing Arrangement among the ZEEKR Group, the Group, the LYNK & CO Group and the Geely Holding Group. The Group will also provide to the ZEEKR Group operation services to support the daily operation of the ZEEKR Group.

In order to regulate these continuing connected transactions after completion of the Acquisitions and the Ningbo Viridi Subscription and to comply with the relevant requirements under the Listing Rules, the Company has entered into the following agreements:

Non-Exempt Continuing Connected Transactions

(A) R&D Services and Technology Licensing Agreement

Reference is made to the Company's announcement dated 4 November 2020 regarding the 2020 R&D Services and Technology Licensing Agreement entered into among the Company, Geely Holding and LYNK & CO for a term from the effective date of the 2020 R&D Services and Technology Licensing Agreement to 31 December 2022.

CEVT has been providing R&D services to the Geely Holding Group prior to the CEVT Acquisition. After completion of the CEVT Acquisition, the Group will, through CEVT, provide R&D services to the Geely Holding Group in relation to automotive design, software systems development and modular development for use in the Geely Holding Brand Vehicles. The Group will also at the same time procure more R&D services from the Geely Holding Group for use in the ZEEKR Brand Vehicles. In view of the increasing demand for the R&D services to be provided by the Group and the Geely Holding Group to each other, the Directors expect that the annual caps under the 2020 R&D Services and Technology Licensing Agreement for the two years ending 31 December 2022 will not be sufficient.

In order to meet the increasing demand for the R&D services and technology licensing services, on 2 July 2021 (after trading hours), the Company, Geely Holding and LYNK & CO entered into the R&D Services and Technology Licensing Agreement pursuant to which (i) the Group conditionally agreed to provide to the Geely Holding Group and LYNK & CO Group R&D and related technological support services, including

research and development of new technologies and new products, technical verification and testing, technical consultation services, technical support services, technology licensing, etc.; and (ii) the Group conditionally agreed to procure from the Geely Holding Group R&D and related technological support services, including research and development of new technologies and new products, technical verification and testing, technical consultation, technical support services, technology licensing, etc. for a term from the effective date of the R&D Services and Technology Licensing Agreement to 31 December 2023.

As such, the 2020 R&D Services and Technology Licensing Agreement will be terminated and superseded by the R&D Services and Technology Licensing Agreement upon it becoming effective.

The proposed annual caps of the service fees and licenses fees receivable by the Group under the R&D Services and Technology Licensing Agreement for the period from the effective date of the R&D Services and Technology Licensing Agreement to 31 December 2021 and each of the two years ending 31 December 2023 are approximately RMB5,157.2 million, RMB9,568.2 million and RMB10,053.1 million, respectively.

The proposed annual caps of the service fees and license fees payable by the Group under the R&D Services and Technology Licensing Agreement for the period from the effective date of the R&D Services and Technology Licensing Agreement to 31 December 2021 and each of the two years ending 31 December 2023 are approximately RMB2,032.9 million, RMB4,027.9 million and RMB4,364.0 million, respectively.

(B) Automobile Components Sales Agreement

On 2 July 2021 (after trading hours), the Company, Geely Holding and LYNK & CO entered into the Automobile Components Sales Agreement, pursuant to which the Group conditionally agreed to sell, and the Geely Holding Group and LYNK & CO Group conditionally agreed to procure, automobile components for a period from the effective date of the Automobile Components Sales Agreement to 31 December 2023. The automobile components being sold to the Geely Holding Group and LYNK & CO will be further processed and assembled into CKDs and related components for use in the ZEEKR Brand Vehicles, LYNK & CO Brand Vehicles, Geely Holding Brand Vehicles, etc.. The proposed annual caps of the Automobile Components Sales Agreement are approximately RMB1,398.2 million, RMB13,750.9 million and RMB24,644.7 million for the three years ending 31 December 2023, respectively.

(C) *Automobile Components Procurement Agreement*

On 2 July 2021 (after trading hours), the Company and ZEEKR entered into the Automobile Components Procurement Agreement, pursuant to which the Group conditionally agreed to procure, and ZEEKR conditionally agreed to supply, automobile components for a period from the effective date of the Automobile Components Procurement Agreement to 31 December 2023. Such automobile components procured by the Group are mainly for use in manufacturing Geely Brand Vehicles. The proposed annual caps under the Automobile Components Procurement Agreement are approximately RMB628.1 million, RMB1,223.8 million and RMB1,410.6 million for the three years ending 31 December 2023, respectively.

(D) *ZEEKR Financing Arrangement – ZEEKR Finance Cooperation Agreement*

On 2 July 2021 (after trading hours), Genius AFC and ZEEKR entered into the ZEEKR Finance Cooperation Agreement, pursuant to which Genius AFC will provide vehicle financing services to the ZEEKR Retail Customers to assist them to purchase ZEEKR Brand Vehicles.

Under the terms of the ZEEKR Finance Cooperation Agreement, Genius AFC will enter into the ZEEKR Relevant Business Agreement with the ZEEKR Group or ZEEKR Cooperation Partners, pursuant to which the ZEEKR Group or the ZEEKR Cooperation Partners will recommend ZEEKR Retail Customers to use Genius AFC for vehicle loans to finance their purchase of ZEEKR Brand Vehicles. After the commencement of the ZEEKR Retail Financing Business, Genius AFC will enter into individual ZEEKR Retail Loan Agreements with the ZEEKR Retail Customers.

The ZEEKR Financing Annual Caps under the ZEEKR Retail Financing Business for the three years ending 31 December 2023 are approximately RMB144.0 million, RMB4,977.0 million and RMB12,715.9 million, respectively.

Exempted Continuing Connected Transaction

(E) *ZEEKR Operation Services Agreement*

On 2 July 2021 (after trading hours), the Company and ZEEKR entered into the ZEEKR Operation Services Agreement, pursuant to which the Group agreed to provide to the ZEEKR Group operation services that mainly include IT, logistics, procurement, finance, human resources and other administrative functions for a period from the effective date of the ZEEKR Operation Services Agreement to 31 December 2023. The proposed annual caps of the service fees receivable by the Company under the ZEEKR

Operation Services Agreement for the three years ending 31 December 2023 are approximately RMB14.8 million, RMB116.6 million and RMB248.2 million, respectively.

IMPLICATIONS UNDER THE LISTING RULES

Geely Holding is a substantial shareholder of the Company and is wholly owned by Mr. Li and his associate. Geely Holding Automobile and Ningbo Viridi are ultimately wholly owned subsidiaries of Geely Holding, Mr. Li is an executive Director and a substantial shareholder of the Company. Each of Geely Holding, Geely Holding Automobile, Zhejiang Jichuang and Ningbo Viridi is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the CEVT Acquisition Agreement, the Haohan Energy Acquisition Agreement, the Ningbo Viridi Subscription Agreement, the R&D Services and Technology Licensing Agreement and the Automobile Components Sales Agreement constitute connected transaction or continuing connected transactions for the Company under the Listing Rules.

As at the date of this announcement, ZEEKR is owned as to 51% by the Company and as to 49% of Geely Holding and is therefore a connected subsidiary of the Company. As such, the transactions contemplated under the Automobile Components Procurement Agreement, the ZEEKR Financing Cooperation Agreement and ZEEKR Operation Services Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Under the ZEEKR Financing Arrangement, should Genius AFC provide financing services to the ZEEKR Retail Customers who will purchase ZEEKR Brand Vehicles from the ZEEKR Group or the ZEEKR Cooperation Partners during the term of the ZEEKR Finance Cooperation Agreement, their transactions with Genius AFC are deemed to be connected transactions of the Company under Rule 14A.23 of the Listing Rules for the reason that the ZEEKR Retail Customers will use the loans provided by Genius AFC to purchase ZEEKR Brand Vehicles, which is a connected person of the Company under the Listing Rules.

As the applicable percentage ratios in respect of the Acquisitions and the Ningbo Viridi Subscription exceeds 5% but less than 25% when aggregated with previous acquisition of ZEEKR Technology within the 12 months period prior to the Acquisitions and the Ningbo Viridi Subscription, the entering into of the CEVT Acquisition Agreement, the Haohan Energy Acquisition Agreement and the Ningbo Viridi Subscription Agreement are subject to the requirements of reporting, announcement and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of (i) the proposed annual caps for the R&D Services and Technology Licensing Agreement; (ii) the proposed annual caps aggregated under the Automobile Components Sales Agreement and the Automobile Components Procurement Agreement; and (iii) the proposed annual caps for the ZEEKR Financing Cooperation Agreement

on an annual basis are more than 5% respectively, the entering into the R&D Services and Technology Licensing Agreement, the Automobile Components Sales Agreement, the Automobile Components Procurement Agreement and the ZEEKR Financing Cooperation Agreement are subject to the requirement of reporting, announcement and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the proposed annual caps for the ZEEKR Operation Services Agreement on an annual basis are more than 0.1% but less than 5%, the entering into of the ZEEKR Operation Services Agreement is subject to the reporting and announcement requirements, but is exempt from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Li, Mr. Yang Jian, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui, each an executive Director, are considered to be interested in the CEVT Acquisition Agreement, the Haohan Energy Acquisition Agreement, the Ningbo Viridi Subscription Agreement, the R&D Services and Technology Licensing Agreement, the Automobile Components Sales Agreement, the Automobile Components Procurement Agreement, the ZEEKR Financing Cooperation Agreement and the ZEEKR Operation Services Agreement by virtue of their interests and/or directorship in Geely Holding. As a result, each of Mr. Li, Mr. Yang Jian, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui has abstained from voting on the Board resolutions for approving the CEVT Acquisition Agreement, the Haohan Energy Acquisition Agreement, the Ningbo Viridi Subscription Agreement, the R&D Services and Technology Licensing Agreement, the Automobile Components Sales Agreement, the Automobile Components Procurement Agreement, the ZEEKR Financing Cooperation Agreement and the ZEEKR Operation Services Agreement.

General

The Independent Board Committee has been formed to advise the Independent Shareholders with respect to the Acquisitions, the Ningbo Viridi Subscription and the Non-Exempt Continuing Connected Transactions, and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the Acquisitions, the Ningbo Viridi Subscription and the Non-Exempt Continuing Connected Transactions are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

A circular containing, among other things, (i) further information about the Acquisitions, the Ningbo Viridi Subscription and the Non-Exempt Continuing Connected Transactions; (ii) the recommendation of the Independent Board Committee in respect of the Acquisitions, the Ningbo Viridi Subscription and the Non-Exempt Continuing Connected Transactions; (iii) the advice of the Independent Financial Adviser on the Acquisitions, the Ningbo Viridi Subscription and the Non-Exempt Continuing Connected Transactions; and (iv) other information as required under the Listing Rules together with the notice of the EGM, will be despatched to the Shareholders on or

before 5 August 2021 (which is more than 15 business days after the publication of this announcement) after taking into account the time required for preparing and gathering the relevant information to be contained in the circular.

(I) THE ACQUISITIONS AND THE NINGBO VIRIDI SUBSCRIPTION

(A) CEVT Acquisition

Date

2 July 2021 (after trading hours)

Parties

Vendor: Zhejiang Geely

Purchaser: ZEEKR

Zhejiang Geely is principally engaged in the development, manufacture and sale of internal combustion engines and related automobile components in the PRC. Zhejiang Geely is a limited company established in the PRC and is a direct approximately 71% owned subsidiary of Geely Holding as at the date of this announcement.

ZEEKR is a limited liability company established in the Cayman Islands and is indirectly owned as to 51% by the Company and as to 49% by Geely Holding. ZEEKR is principally acted as an investment holding company. ZEEKR Group is principally engaged in the research and development, purchase and sale of the electric mobility related products such as the intelligent electric vehicles under the ZEEKR Brand and the provision of service relating thereto.

Subject matter

ZEEKR conditionally agreed to acquire through a subsidiary and Zhejiang Geely conditionally agreed to sell 100% equity interests in CEVT.

Details of CEVT are set out in the paragraph headed “Information on CEVT, Haohan Energy and Ningbo Viridi – CEVT” below.

Upon completion of the CEVT Acquisition, CEVT will become a wholly owned subsidiary of ZEEKR and its financial results will be consolidated into the consolidated financial statements of the Group.

Consideration

The consideration for the CEVT Acquisition is approximately SEK1,057.8 million, which was arrived at after arm's length negotiations between Zhejiang Geely and ZEEKR with reference to the appraised value for 100% equity interests of CEVT as at 30 April 2021 determined by an independent valuer based on the assets approach.

The consideration will be funded by internal resources of ZEEKR Group and payable in cash to Zhejiang Geely on a date to be mutually agreed between ZEEKR and Zhejiang Geely upon completion of the CEVT Acquisition.

Conditions precedent

Completion of the CEVT Acquisition will be subject to and conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (i) ZEEKR has been satisfied with the results of the due diligence of CEVT;
- (ii) all of Zhejiang Geely's warranties shall in all material respects be true, correct and not misleading when made, and shall in all material respects be true, correct and not misleading on the completion date with the same force and effect as if they had been made on such date and Zhejiang Geely having performed its obligations in all material respects under the CEVT Acquisition Agreement on or before the completion date;
- (iii) all of ZEEKR's warranties shall in all material respects be true, correct and not misleading when made, and shall in all material respects be true, correct and not misleading on the completion date with the same force and effect as if they had been made on such date;
- (iv) ZEEKR shall have obtained all decisions, consents and waivers necessary for consummation of the CEVT Acquisition, including, but not limited to, all permits, authorisations, approvals, consents or permits of any governmental authority or regulatory body;
- (v) the Company having complied with the requirements under the Listing Rules in respect of the CEVT Acquisition, including where necessary, having made the announcement and obtained the Independent Shareholders' approval for the CEVT Acquisition;
- (vi) Zhejiang Geely shall have obtained all decisions, consents and waivers necessary for consummation of the CEVT Acquisition, including, but not limited to, all permits, authorisations, approvals, consents or permits of any governmental authority or regulatory body; and

(vii) (a) there being no material adverse change in the existence, business and financial positions of CEVT; and (b) no statute, regulation, proceeding or order pertaining to CEVT having been promulgated, put into effect, commenced, granted or issued that is subsisting or pending as at the date of completion of the CEVT Acquisition that would or could reasonably be expected to prohibit or restrict the consummation of the transactions contemplated under the CEVT Acquisition Agreement.

In the event that any of the conditions set out above is not fulfilled or waived (conditions (iv) and (v) above are not capable of being waived) within 90 calendar days from the date of the CEVT Acquisition Agreement (or such later date as the parties may agree in writing), either party to the CEVT Acquisition Agreement will have the right to terminate the CEVT Acquisition Agreement by prior written notice to the other. In the event of such termination, no party to the CEVT Acquisition Agreement may raise any claim against the other party or demand the other party to undertake any liability. All rights, obligations and liabilities under the CEVT Acquisition Agreement will become null and void upon such termination and the CEVT Acquisition Agreement will be of no further effect, save with respect to any antecedent breaches.

Completion of the CEVT Acquisition

Completion of the CEVT Acquisition will take place on the later of the fifth Business Day following satisfaction or waiver of the conditions precedent set out in the CEVT Acquisition Agreement or at such other date and time as the parties may agree in writing.

(B) Haohan Energy Acquisition

Date

2 July 2021 (after trading hours)

Parties

Vendor: Geely Holding Automobile

Purchaser: ZEEKR

Geely Holding Automobile is a private limited liability company incorporated in the PRC which is wholly owned by Geely Holding. Geely Holding Automobile is principally engaged in the sales of automobiles and related parts and components wholesale and retail businesses.

Please refer to the paragraph headed “CEVT ACQUISITION – Parties” for further details regarding ZEEKR.

Subject matter

ZEEKR conditionally agreed to acquire through a subsidiary and Geely Holding Automobile conditionally agreed to sell, 30% of the equity interests in Haohan Energy.

Details of Haohan Energy are set out in the paragraph headed “Information on CEVT, Haohan Energy and Ningbo Viridi – Haohan Energy” below.

Consideration

The consideration for the Haohan Energy Acquisition is approximately RMB9.0 million and was arrived at after arm’s length negotiations between Geely Holding Automobile and ZEEKR with reference to the appraised value for 100% equity interests of Haohan Energy as at 30 April 2021 as determined by an independent valuer using the assets approach.

The consideration will be funded by internal resources of ZEEKR Group and payable in cash to Geely Holding Automobile on a date to be mutually agreed between ZEEKR and Geely Holding Automobile upon completion of the Haohan Energy Acquisition.

Conditions precedent

Completion of the Haohan Energy Acquisition will be subject to and conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (i) Haohan Energy has obtained valid internal approval for the Haohan Energy Acquisition Agreement and the transaction contemplated thereunder;
- (ii) ZEEKR and Geely Holding Automobile have obtained their respective valid internal approval for the Haohan Energy Acquisition Agreement and the transaction contemplated thereunder;
- (iii) the obtaining of all approvals, consents, filings and/or waivers from the relevant government authorities or third parties required for the Haohan Energy Acquisition Agreement and the transaction contemplated thereunder, including but not limited to, the obtaining of the new business license of Haohan Energy (if applicable) and the completion of registration procedures with the State Administration for Market Regulation in relation to the Haohan Energy Acquisition;
- (iv) the Company having made the announcement and obtained relevant Independent Shareholders’ approval (if applicable) for the Haohan Energy Acquisition Agreement and the transaction contemplated thereunder in accordance with the Listing Rules;

- (v) the representations and warranties made by Geely Holding Automobile in the Haohan Energy Acquisition Agreement remaining true and accurate in all material respects and not misleading in any respect, and Geely Holding Automobile having performed fully its obligations under the Haohan Energy Acquisition Agreement on or before completion of the Haohan Energy Acquisition; and
- (vi) (a) there being no material adverse change in the existence, business and financial positions of Haohan Energy; and (b) no statute, regulation, proceeding or order pertaining to Haohan Energy having been promulgated, put into effect, commenced, granted or issued that is subsisting or pending as at the date of completion of the Haohan Energy Acquisition that would or could reasonably be expected to prohibit or restrict the consummation of the transactions contemplated under the Haohan Energy Acquisition Agreement.

In the event that the conditions set out above are not fulfilled or waived (conditions (iii) and (iv) are not capable of being waived) within 90 calendar days from the date of the Haohan Energy Acquisition Agreement (or such later date as the parties may agree in writing), any party to the Haohan Energy Acquisition Agreement will have the right to terminate the Haohan Energy Acquisition Agreement by prior written notice to the other party. In the event of such termination, no party to the Haohan Energy Acquisition Agreement may raise any claim against the other party or demand the other party to undertake any liability. All rights, obligations and liabilities under the Haohan Energy Acquisition Agreement will become null and void upon such termination and the Haohan Energy Acquisition Agreement will be of no further effect, save with respect to any antecedent breaches.

Completion of the Haohan Energy Acquisition

Completion of the Haohan Energy Acquisition will take place on the second Business Day after all the conditions precedent to the Haohan Energy Acquisition Agreement have been fulfilled or waived (as the case may be) or such later date as the parties may agree in writing.

(C) Ningbo Viridi Subscription Agreement

Date

2 July 2021 (after trading hours)

Parties

ZEEKR, Zhejiang Jichuang and Ningbo Viridi

Please refer to the paragraph headed “CEVT ACQUISITION – Parties” for further details regarding ZEEKR.

Zhejiang Jichuang is principally engaged in the development, manufacture and sale of internal combustion engines and related automobile components.

Details of Ningbo Viridi are set out in the paragraph headed “Information on CEVT, Haohan Energy and Ningbo Viridi – Ningbo Viridi” below.

Subject Matter

ZEEKR conditionally agreed to subscribe through a subsidiary for additional capital in Ningbo Viridi at a cash consideration of approximately RMB860.7 million. Upon completion, ZEEKR will hold 51% of the enlarged share capital of Ningbo Viridi.

Consideration

The consideration for the Ningbo Viridi Subscription of approximately RMB860.7 million was arrived at after arm’s length negotiations among ZEEKR, Zhejiang Jichuang and Ningbo Viridi with reference to the appraised value of Ningbo Viridi as at 30 April 2021 as determined by an independent valuer using the assets approach.

The consideration will be funded by internal resources of ZEEKR and payable in cash to Ningbo Viridi on a date to be mutually agreed between ZEEKR and Ningbo Viridi upon completion date of the Ningbo Viridi Subscription.

Conditions Precedent

Completion of the Ningbo Viridi Subscription will be subject to and conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (i) Ningbo Viridi has obtained its valid internal approval for the Ningbo Viridi Subscription Agreement and the transaction contemplated thereunder;
- (ii) ZEEKR and Zhejiang Jichuang have obtained their respective valid internal approval for the Ningbo Viridi Subscription Agreement and the transaction contemplated thereunder;
- (iii) the obtaining of all approvals, consents, filings and/or waivers from the relevant government authorities or third parties required for the Ningbo Viridi Subscription Agreement and the transaction contemplated thereunder, including but not limited to, the obtaining of the new business license of Ningbo Viridi (if applicable) and the completion of registration procedures with the State Administration for Market Regulation in relation to the Ningbo Viridi Subscription;

- (iv) the Company having made the announcement and obtained the relevant Independent Shareholders' approval (if applicable) for the Ningbo Viridi Subscription Agreement and the transaction contemplated thereunder in accordance with the Listing Rules;
- (v) the representations and warranties made by Ningbo Viridi in the Ningbo Viridi Subscription Agreement remaining true and accurate in all material respects and not misleading in any respect, and Ningbo Viridi having performed fully its obligations under the Ningbo Viridi Subscription Agreement on or before completion of the Ningbo Viridi Subscription; and
- (vi) (a) there being no material adverse change in the existence, business and financial positions of Ningbo Viridi; and (b) no statute, regulation, proceeding or order pertaining to Ningbo Viridi having been promulgated, put into effect, commenced, granted or issued that is subsisting or pending as at the date of completion of the Ningbo Viridi Subscription that would or could reasonably be expected to prohibit or restrict the consummation of the transactions contemplated under the Ningbo Viridi Subscription Agreement.

In the event that the conditions set out above are not fulfilled or waived (conditions (iii) and (iv) above are not capable of being waived) within 90 calendar days from the date of the Ningbo Viridi Subscription Agreement (or such later date as the parties may agree in writing), any party to the Ningbo Viridi Subscription Agreement will have the right to terminate the Ningbo Viridi Subscription Agreement by prior written notice to the other parties. In the event of such termination, no party to the Ningbo Viridi Subscription Agreement may raise any claim against the other parties or demand the other parties to undertake any liability. All rights, obligations and liabilities under the Ningbo Viridi Subscription Agreement will become null and void upon such termination and the Ningbo Viridi Subscription Agreement will be of no further effect, save with respect to any antecedent breaches.

Completion

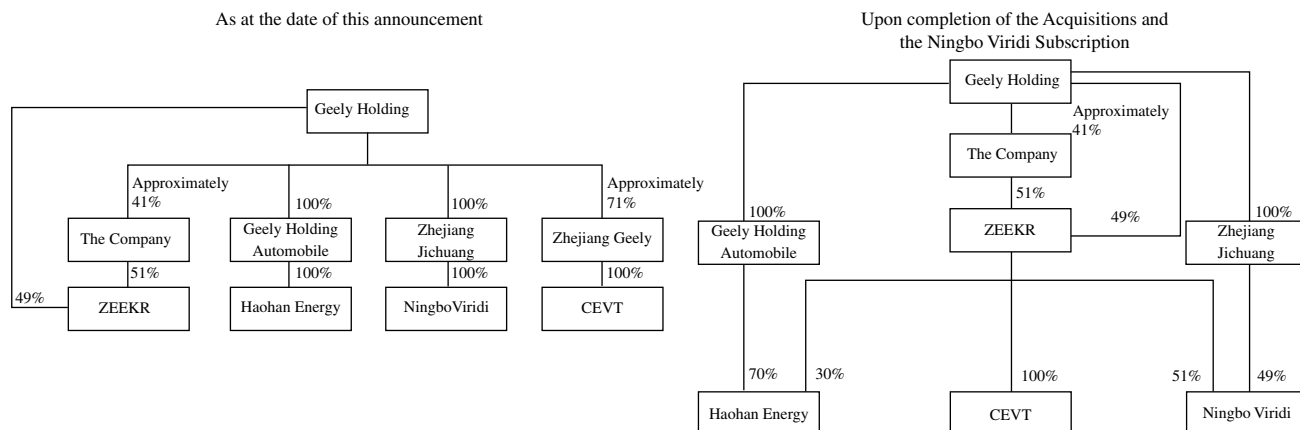
Completion of the Ningbo Viridi Subscription will take place on the second Business Day after all the conditions precedent to the Ningbo Viridi Subscription Agreement have been fulfilled or waived (as the case may be) or such later date as the parties may agree in writing.

FINANCIAL EFFECT OF THE ACQUISITIONS AND THE NINGBO VIRIDI SUBSCRIPTION

Upon completion of the CEVT Acquisition and the Ningbo Viridi Subscription, CEVT will become an indirect wholly owned subsidiary of ZEEKR and Ningbo Viridi will become an indirect non-wholly owned subsidiary of ZEEKR. The financial results of each of CEVT and Ningbo Viridi will be consolidated into the consolidated financial statements of the Group.

Upon completion of the Haohan Energy Acquisition, the financial results of Haohan Energy will be accounted for using equity method in the consolidated financial statements of the Group.

SHAREHOLDING STRUCTURE UPON COMPLETION OF THE ACQUISITIONS AND THE NINGBO VIRIDI SUBSCRIPTION



INFORMATION ON CEVT, HAOHAN ENERGY AND NINGBO VIRIDI

CEVT

CEVT was established in Sweden in 2013 and is a wholly owned subsidiary of Zhejiang Geely as at the date of this announcement. It is principally engaged in automotive design, software systems development, modular development, virtual engineering of intelligent electric vehicles and provision of mobility technology solutions.

CEVT's business plan is to focus on its research and development in its software systems, modular and virtual engineering for intelligent electric vehicle in its future development, aiming to be at the forefront of innovative technologies for mobility with sustainability.

Set out below is the unaudited financial information of CEVT prepared under HKFRS for the years ended 31 December 2019 and 31 December 2020:

	For the year ended 31 December	
	2019	2020
	(unaudited)	(unaudited)
	<i>SEK in million</i>	<i>SEK in million</i>
Revenue	4,238.0	3,735.3
Profit before taxation	215.2	231.8
Profit after taxation	167.7	183.2

The total assets and net assets of CEVT were approximately SEK4,428.0 million and SEK1,043.8 million, respectively, as at 30 April 2021.

Haohan Energy

Haohan Energy was established in the PRC in February 2021 and is a wholly owned subsidiary of Geely Holding Automobile as at the date of this announcement. Haohan Energy is principally engaged in the research and development of automobile charging systems and technologies, provision of automobile charging services and operation of automobile charging points and network.

The historical financial information of Haohan Energy was not available before February 2021. The unaudited total assets and net assets of Haohan Energy prepared under HKFRS were approximately RMB33.0 million and RMB29.9 million, respectively, as at 30 April 2021.

Ningbo Viridi

Ningbo Viridi was established in the PRC in June 2017 and is an indirect wholly owned subsidiary of Geely Holding as at the date of this announcement. Ningbo Viridi is principally engaged in the research, development, production and sale of automobile components including electric powertrain and battery systems and related products and provision of after-sales services.

Set out below is the unaudited financial information of Ningbo Viridi prepared under HKFRS for the years ended 31 December 2019 and 31 December 2020:

	For the year ended 31 December	
	2019	2020
	(unaudited)	(unaudited)
	<i>RMB in million</i>	<i>RMB in million</i>
Revenue	1,172.1	356.3
Profit before taxation	16.2	9.1
Profit after taxation	16.2	9.1

The total assets and net assets of Ningbo Viridi were approximately RMB2,878.2 million and RMB823.5 million, respectively, as at 30 April 2021.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS AND THE NINGBO VIRIDI SUBSCRIPTION

It is the goal of the Company to develop and build up the ZEEKR Brand, which is the new premium pure electric vehicle brand of the Group, in order to capture the rapid market growth in the electric vehicle segment. After the Acquisitions and the Ningbo Viridi Subscription, the ZEEKR Group will possess the manufacturing facility for electric battery systems and equip with the innovative technologies developed by the Geely Holding Group for electric vehicles. The Company believes that such further integration of resources and consolidation of assets required for the research and development, manufacture and sale of the ZEEKR Brand Vehicles will increase the competitiveness of the ZEEKR Group. Set out below is a summary of the reasons for and benefits of the Acquisitions and the Ningbo Viridi Subscription:

CEVT Acquisition

CEVT is a world-class automotive research and development institute located in Sweden. It has a complete research and development system for the development of new energy vehicles including but not limited to the functions of automotive design, software systems development, modular development, virtual engineering of intelligent electric vehicles and the provision of mobility technology solutions. After the CEVT Acquisition, the ZEEKR Group could greatly increase the speed of update and iteration of the ZEEKR Brand Vehicles, and provide continuous and stable technical support for product research and development.

Haohan Energy Acquisition

Haohan Energy is mainly engaged in the research and development of automobile charging facilities and technologies, provision of automobile charging services and operation of automobile charging points and network, focusing on the development on charging services under different situations, including at home, on a road trip and mobile rescue. The Company believes that it is an industry

norm for new energy automobile manufacturers to invest in automobile charging facilities and technology, as customers are increasingly considering the importance of automobile charging services. Such services form an integral part for providing a greater level of convenience and comfort to the customers. Considering the heavy maintenance and depreciation expenses incurred for operating the automobile charging facilities, the Company believes that the acquisition of 30% equity interests in Haohan Energy through the ZEEKR Group will provide an opportunity for the Group to benefit from this growing segment in an asset-light way.

Ningbo Viridi Subscription

Ningbo Viridi is engaged in the research, development, production and sale of electric powertrain and battery systems and related components, and the provision of after-sales services. Throughout the development process of electric vehicles, electric powertrain and battery systems are considered to be the core elements for the electric vehicle, as the level of performance and duration of the batteries directly affect the driving range and safety of the electric vehicles. By acquiring and consolidating Ningbo Viridi, the ZEEKR Group will benefit from having a continuous and stable supply of the electric powertrain and battery systems which are the key to the manufacture and sale of ZEEKR Brand Vehicles.

The Directors (excluding the independent non-executive Directors whose views will be given after having taken into consideration the advice of the Independent Financial Adviser) consider that, although the Acquisitions and the Ningbo Viridi Subscription are not entered into in the ordinary and usual course of business of the Group, such agreements of the Acquisitions and the Ningbo Viridi Subscription are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

(II) CONTINUING CONNECTED TRANSACTIONS UPON COMPLETION OF THE ACQUISITIONS AND THE NINGBO VIRIDI SUBSCRIPTION

After the completion of the Acquisitions and the Ningbo Viridi Subscription, the ZEEKR Group will possess the automobile and electric vehicle related technologies developed by CEVT and engage in the manufacture and sale of electric vehicles, electric powertrain and battery systems and other automobile components. It is expected that there will be continuing connected transactions in relation to the manufacture and sale of automobile components and R&D services and technology licensing services and ZEEKR Financing Arrangement among the ZEEKR Group, the Group, the LYNK & CO Group and the Geely Holding Group. The Group will also provide to the ZEEKR Group operation services to support the daily operation of the ZEEKR Group.

In order to regulate these continuing connected transactions after completion of the Acquisitions and the Ningbo Viridi Subscription and to comply with the relevant requirements under the Listing Rules, the Company has entered into the following agreements:

(A) R&D Services and Technology Licensing Agreement

Reference is made to the Company's announcement dated 4 November 2020 regarding the 2020 R&D Services and Technology Licensing Agreement entered into among the Company, Geely Holding and LYNK & CO for a term from the effective date of the 2020 R&D Services and Technology Licensing Agreement to 31 December 2022.

CEVT has been providing such R&D services to the Geely Holding Group prior to the CEVT Acquisition. After completion of the CEVT Acquisition, the Group will through CEVT, provide R&D services to the Geely Holding Group in relation to automotive design, software systems development and modular development for use in the Geely Holding Brand Vehicles. The Group will also at the same time procure more R&D services from the Geely Holding Group for use in the ZEEKR Brand Vehicles. In view of the increasing demand for the R&D services to be provided by the Group and the Geely Holding Group to each other, the Directors expect that the annual caps under the 2020 R&D Services and Technology Licensing Agreement for the two years ending 31 December 2022 will not be sufficient.

In order to meet the increasing demand for the R&D services and technology licensing services, on 2 July 2021 (after trading hours), the Company, Geely Holding and LYNK & CO entered into the R&D Services and Technology Licensing Agreement.

The principal terms of the R&D Services and Technology Licensing Agreement are summarised below:

Date

2 July 2021 (after trading hours)

Parties

The Company, Geely Holding and LYNK & CO

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

Geely Holding is principally engaged in the sales of automobiles and related parts and components wholesale and retail business. As at the date of this announcement, Geely Holding is beneficially wholly owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial Shareholder holding approximately 41% of the issued share capital of the Company. Accordingly, Geely Holding is an associate of Mr. Li and a connected person of the Company for the purpose of the Listing Rules.

LYNK & CO is a Chinese-foreign equity joint venture of the Company established in the PRC and is owned as to 50% by Zhejiang Jirun, as to 20% by Zhejiang Haoqing and as to 30% by VCI as at the date of this announcement. Zhejiang Haoqing and VCI are owned as to 100% and 97.8%, respectively by Geely Holding. LYNK & CO is principally engaged in the manufacture and sale of LYNK & CO Brand Vehicles, and the provision of after-sales parts.

Subject matter

Pursuant to the R&D Services and Technology Licensing Agreement, it was conditionally agreed that: (i) the Group will provide to the Geely Holding Group and LYNK & CO Group R&D and related technological support services, including research and development of new technologies and new products, technical verification and testing, technical consultation services, technical support services and technology licensing, etc.; and (ii) the Group will procure from the Geely Holding Group R&D and related technological support services, including research and development of new technologies and new products, technical verification and testing, and technical consultation services, technical support services and technology licensing, etc..

As such, the 2020 R&D Services and Technology Licensing Agreement entered into among the Company, Geely Holding and LYNK & CO on 4 November 2020, will be terminated and superseded by the R&D Services and Technology Licensing Agreement upon it becoming effective.

Pricing basis

The services or licenses fees for the R&D services and technology licenses shall be determined based on (i) market rates for comparable R&D services or technology licensing services; or (ii) if there are no comparable market rates, (a) the costs of providing the relevant service plus a margin rate with reference to the cost-plus-margin rate of the comparable companies providing similar services as stated in the transfer pricing analysis report prepared by an independent certified public accountant or institution with the same qualification (the “**R&D Services Pricing Analysis Report**”), or (b) a percentage of revenue of each vehicle utilising the relevant vehicles platform technology sold based on a licenses fees percentage with reference to the licenses fees rate of the comparable companies providing similar services as stated in the transfer pricing analysis report prepared by an independent certified public accountant or institution with

the same qualification (the “**Licenses Fees Pricing Analysis Report**”). According to the aforementioned pricing basis, the R&D service fees and license fee will be determined based on the formula below respectively:

R&D service fees = Cost of providing the R&D services x (1 + margin rate)

License fee = Pre-tax revenue of each vehicle which adopts the platform technology x license fee rate x platform rate (representing the cost of the platform technology to the total manufacturing cost of the vehicle model).

The Company, Geely Holding and LYNK & CO (where applicable) will determine the margin rate and license fee rate of R&D services and technology licensing services with reference to the respective transfer pricing analysis reports prepared by an independent certified public accountant or institution with the same qualification. The Company and Geely Holding will review the scope of the R&D services and technology licensing services on yearly basis (or more frequently if it is determined necessary) to determine whether updated transfer pricing analysis reports should be obtained for the determination of the margin rate and license fee rate.

Term

From the effective date of the R&D Services and Technology Licensing Agreement to 31 December 2023.

Conditions precedent to the R&D Services and Technology Licensing Agreement

The R&D Services and Technology Licensing Agreement is subject to the Company having complied with the relevant requirements of the Listing Rules with regard to the continuing connected transactions contemplated under the R&D Services and Technology Licensing Agreement.

If the above condition has not been fulfilled on or before 30 September 2021 (or such later date as the parties may agree in writing), the R&D Services and Technology Licensing Agreement will lapse and all the obligations and liabilities of the parties thereto will cease and terminate.

Termination

The R&D Services and Technology Licensing Agreement may be terminated if:

- (i) a three-month prior written notice to terminate the R&D Services and Technology Licensing Agreement is served by any party;

- (ii) any party ceases business, is subject to attachment or is ordered to close down by the court or the relevant authorities in the relevant jurisdictions as resulted from material violation of the laws or regulations, declares bankruptcy, is unable to perform its obligations under the R&D Services and Technology Licensing Agreement due to force majeure; or
- (iii) Geely Holding, LYNK & CO or any of their respective associates cease to be a connected person of the Company.

Historical transaction amounts and proposed annual caps

The table below sets out (i) the historical transaction amounts for the year ended 31 December 2020; and (ii) the annual caps for the R&D service fees payable to and receivable from the Geely Holding Group and LYNK & CO Group pursuant to the 2020 R&D Services and Technology Licensing Agreement for the three years ending 31 December 2022.

	Historical transaction amount for the year ended 31 December 2020 <i>RMB million</i> (Audited)	Announced annual caps for the year ended/ending 31 December		
		2020 <i>RMB million</i>	2021 <i>RMB million</i>	2022 <i>RMB million</i>
Service fees receivable from the Geely Holding Group and LYNK & CO Group for the R&D services and technology licensing provided by the Group	886.5	1,475.7	3,711.6	4,046.5
Utilisation rate of annual caps	60.1%			
Service fees payable to the Geely Holding Group for the R&D services and technology licensing provided by the Geely Holding Group	320.6	437.5	676.3	528.8
Utilisation rate of annual caps	73.3%			

The table below sets out the proposed annual caps for the R&D service fees and technology license fees receivable and payable by the Group pursuant to the R&D Services and Technology Licensing Agreement for the period from the effective date of the R&D Services and Technology Licensing Agreement to 31 December 2021 and each of the two years ending 31 December 2023.

	Proposed annual cap for the period from the effective date of the R&D Services and Technology Licensing Agreement to 31 December		
	2021	Proposed annual caps for the year ending 31 December	
	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Service fees and license fees receivable from the Geely Holding Group and services fees receivable from the LYNK & CO Group for the R&D and technology licensing services provided by the Group	5,157.2	9,568.2	10,053.1
Service fees and license fees payable to the Geely Holding Group for the R&D and technology licensing services provided by the Geely Holding Group	2,032.9	4,027.9	4,364.0

Basis of determination of the proposed annual caps

The proposed annual caps for R&D services and technology licensing services have been determined by the Directors with reference to (i) projected total staff hours required for each R&D and technology support project; (ii) projected hourly cost for the R&D staff based on historical cost; (iii) other relevant costs incurred for the R&D and technology support projects; (iv) estimated stage of completion of the R&D and technology support projects for the period from the date of the R&D Services and Technology Licensing Agreement to 31 December 2021 and each of the two years ending 31 December 2023; (v) the margin rate of 7.78% as stated in the R&D Services Pricing Analysis Report issued on 26 November 2019 over the estimated cost; (vi) the expected increase in the R&D and technology support services in relation to the development of the ZEEKR Brand Vehicles and LYNK & CO Brand Vehicles; (vii) the projected unit sales of vehicles utilising relevant vehicles platform technologies licensed by the Geely Holding Group and the Group; (viii) the license fee rate of 3% as stated in the Licenses Fees Pricing Analysis Report issued on 9 October 2020 for relevant vehicles platform technologies licensed by

the Geely Holding Group and the Group; and (ix) the estimated average platform rate for relevant vehicles platform technologies licensed by the Geely Holding Group and the Group for the manufacturing of Geely Brand Vehicles. The aforementioned margin rate, license fee rate and the estimated platform rate are only for the purpose of calculating the proposed annual caps above and shall not be deemed as fixed rates for the transactions throughout the term of the R&D Services and Technology Licensing Agreement.

The significant increase in the proposed annual cap for service fees and license fees receivable from the Geely Holding Group and services fees receivable from the LYNK & CO Group for the years ending 31 December 2022 and 2023 is due to (i) the expected increase in R&D and technology support projects relating to the development of LYNK & CO Brand Vehicles in 2022, especially for the several new models that will be introduced to the market by LYNK & CO Group in 2022 and 2023; (ii) the expected increase in R&D and technology support projects relating to the development of ZEEKR Brand Vehicles in 2022; and (iii) increase in R&D services due to the acquisition of CEVT since CEVT has been providing R&D services to the Geely Holding Group before the CEVT Acquisition, and after the completion of CEVT Acquisition, the Group will provide R&D services to Geely Holding Group through CEVT.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the R&D Services and Technology Licensing Agreement is entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and the terms and the proposed annual caps of the R&D Services and Technology Licensing Agreement for the period from the date of the R&D Services and Technology Licensing Agreement to 31 December 2023 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons for and Benefits of Entering into the R&D Services and Technology Licensing Agreement

The R&D services provided by the Group to the Geely Holding Group and the LYNK & CO Group are mainly used for vehicle engines, transmissions and other automobile-related products to be used by the models under the brands of Proton, LYNK & CO and other brands owned by the Geely Holding Group. The technologies owned by the Group will enhance the R&D capabilities and core competitiveness of the Group. In addition, the technology licensing services provided by the Group to the Geely Holding Group will provide the Group with opportunities to export its technology and generate additional income for the Group. On the other hand, the R&D and licensing services provided by the Geely Holding Group to the Group will give the Group access to the global R&D resources and the vehicles platform technology of the Geely Holding Group.

After completion of the CEVT Acquisition, the Group will, through CEVT, provide R&D services to the Geely Holding Group in relation to automotive design, software systems development and modular development for use in the Geely Holding Brand Vehicles. The Group will also at the same time procure more R&D services from the Geely Holding Group for use in the ZEEKR Brand Vehicles. In view of the increasing demand for the R&D services to be provided by the Group and the Geely Holding Group to each other, the Directors expect that the annual caps under the 2020 R&D Services and Technology Licensing Agreement for the two years ending 31 December 2022 will not be sufficient to meet the demand. The entering into the R&D Services and Technology Licensing Agreement will allow the Group to meet the increase in demand for the R&D services and technology licensing services.

The Directors are of the view that the entering into of the R&D Services and Technology Licensing Agreement is beneficial to the Group as (i) it enhances synergy and co-sharing of technology among the parties, which reduces the overall R&D costs for the Group; (ii) it supports further technology upgrade for the Group's development which in turn improves the competitiveness of the Group's vehicles; and (iii) it allows the Group to meet the increasing demand for the R&D services and technology licensing services.

Internal Control Measures in Relation to the R&D Services and Technology Licensing Agreement

In terms of the R&D and technology licensing services provided by the Group to the Geely Holding Group and the LYNK & CO Group, the finance department of the Group will compare the scope of the services and rates with the existing similar services with Independent Third Parties (if any) to determine the market rates for the R&D services or technology licensing services. If there are no such market rates, the finance department of the Group will review the relevant cost items incurred by the Group for the relevant R&D services and technology licensing services performed on yearly basis (or more frequently if it is determined necessary) and ensure the existence and accuracy of such costs.

In terms of the R&D and technology licensing services provided by the Geely Holding Group to the Group, the finance department of the Group will compare the scope of the services and rates with the existing similar services with Independent Third Parties (if any) to determine the market rates for the R&D services or technology licensing services. If there are no such market rates, the finance department of the Group will review the relevant costs items provided by the Geely Holding Group in relation to the R&D and technology licensing services performed on yearly basis (or more frequently if it is determined necessary) and ensure the existence and accuracy of such costs.

For the licensing of the relevant vehicles platform technologies, the finance department of the Group will review the selling price of the vehicles utilising relevant vehicles platform technologies being licensed and the cost of the relevant vehicles platform technologies to

the total manufacturing cost of the respective vehicle models on yearly basis (or more frequently if it is determined necessary) to ensure existence and accuracy of the licenses fees.

The independent non-executive Directors will review the transactions contemplated under the continuing connected transactions and confirm in the annual report whether the transactions have been entered in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreement governing the transactions on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole. The independent auditor of the Group will also conduct an annual review on the pricing terms and annual caps thereof.

(B) Automobile Components Sales Agreement

On 2 July 2021 (after trading hours), the Company, Geely Holding and LYNK & CO entered into the Automobile Components Sales Agreement.

The principal terms of the Automobile Components Sales Agreement are summarised below:

Date

2 July 2021 (after trading hours)

Parties

Vendor: the Company

Purchasers: Geely Holding and LYNK & CO

Please refer to the paragraph headed "Continuing connected transactions upon completion of the Acquisitions and the Ningbo Viridi Subscription - (A) R&D Services and Technology Licensing Agreement – Parties" for further details regarding the Group, Geely Holding, and LYNK & CO.

Subject matter

Pursuant to the Automobile Components Sales Agreement, the Group conditionally agreed to sell automobile components (including batteries, motors, electronic control system products, headlights, car seats, components for charging stations, etc.) to the Geely Holding Group and LYNK & CO Group.

The sale of automobile components by the Group to the Geely Holding Group and LYNK & CO Group will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and on terms no less favourable to the Group than terms available to the Geely Holding Group and LYNK & CO Group from other Independent Third Party suppliers or terms available to the Group from other Independent Third Party customers.

Term

The Automobile Components Sales Agreement, has a term from the effective date of the Automobile Components Sales Agreement to 31 December 2023.

Conditions precedent to the Automobile Components Sales Agreement

The Automobile Components Sales Agreement is subject to the Company having complied with the relevant requirements of the Listing Rules with regard to the continuing connected transactions contemplated under the Automobile Components Sales Agreement.

If the above condition has not been fulfilled on or before 30 September 2021 (or such later date as the parties may agree in writing), the Automobile Components Sales Agreement will lapse and all the obligations and liabilities of the parties under the Automobile Components Sales Agreement will cease and terminate.

Termination

Either party may terminate the Automobile Components Sales Agreement (i) by giving the other three months prior written notice; or (ii) at any time if (a) either party ceases business, or is ordered to close down by the court or the relevant authorities in the relevant jurisdictions as a result of material violation of laws or regulations, declares bankrupt, or is unable to perform its obligations under the Automobile Components Sales Agreement due to force majeure; or (b) Geely Holding, LYNK & CO or any of their respective associates ceases to be a connected person of the Company.

Pricing basis and proposed annual caps

(a) Pricing basis

The selling price of the automobile components under the Automobile Components Sales Agreement will be determined on an arm's length basis and on normal commercial terms with reference to the prevailing market price for similar products, and will not be less favourable to the Group than terms available to the Geely Holding Group and LYNK & CO Group from other Independent Third Party suppliers or terms available to the Group from other Independent Third Party customers.

(b) *Proposed annual caps*

There were no historical figures for the transactions contemplated under the Automobile Components Sales Agreement.

The table below sets out the proposed annual caps for the sale of automobile components by the Group to the Geely Holding Group and LYNK & CO Group.

	Proposed annual caps for the year ending		
	31 December		
	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Sale of automobile components by the Group to the Geely Holding Group and LYNK & CO Group	1,398.2	13,750.9	24,644.7

(c) *Basis of determination of the proposed annual caps*

The proposed annual caps for the sale of automobile components by the Group to the Geely Holding Group and LYNK & CO Group were determined by the Directors with reference to:

- (i) the projected numbers of units of each model of automobile components for use in the ZEEKR Brand Vehicles, LYNK & CO Brand Vehicles and other vehicles under the Geely Holding Group for the three years ending 31 December 2023;
- (ii) the projected units sales of the ZEEKR Brand Vehicles, LYNK & Co Brand Vehicles and other vehicles under the Geely Holding Group which are manufactured with the aforesaid automobile components for the three years ending 31 December 2023;
- (iii) the projected procurement of automobile components in relation to the charging stations to be built by the Geely Holding Group in 2022 and 2023; and
- (iv) the projected unit selling price for each model of automobile components which are determined with reference to the prevailing selling price of similar automobile components obtained from independent suppliers to the Geely Holding Group and LYNK & CO Group for the three years ending 31 December 2023.

The significant increase in the proposed annual cap for each of the two years ending 31 December 2023 is primarily due to (i) the expected introduction of the one new model of ZEEKR Brand Vehicles in 2022 and three new models of ZEEKR Brand Vehicles in 2023; (ii) the expected introduction of three new model of Smart Brand Vehicles and one new model of Volvo Brand Vehicles in 2022; (iii) with the promulgation and implementation of the national new energy policy, the sales of new energy vehicles will gradually increase, and the demand for batteries will also increase significantly in 2022 and 2023; and (iv) procurement of components in relation to charging stations by the Geely Holding Group is expected to increase as the number of charging stations to be built by the Geely Holding Group is expected to increase significantly in 2022 and 2023.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the proposed annual caps under the Automobile Components Sales Agreement for the three years ending 31 December 2023 are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Internal Control Measures in Relation to Pricing for Automobile Components Sales Agreement

The Company will determine the selling price with reference to the prevailing market price with the Geely Holding Group and LYNK & CO Group respectively. In order to ensure that the aforesaid pricing basis for the Automobile Components Sales Agreement is adhered to, the Group will obtain price quotation of similar products from a number of Independent Third Party suppliers for comparison to ensure that the selling price of automobile components are determined properly. The Group, the Geely Holding Group and LYNK & CO Group will negotiate the terms of such transactions to ensure that prices are fair and reasonable, and properly reflect the level of market prices of the automobile components in such transactions. The Group and the Geely Holding Group will review the scope of automobile components (including batteries, motors, electronic control system products, headlights, car seats, components for charging stations, etc.) to be sold by the Group to the Geely Holding Group and LYNK & CO Group on yearly basis (or more frequently if it is determined necessary). In addition, the transactions under the Automobile Components Sales Agreement will be supervised and inspected by the Group to ensure that the transactions are carried out on normal commercial terms.

The independent non-executive Directors will review the transactions contemplated under the continuing connected transactions and confirm in the annual report whether the transactions have been entered in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreement governing the

transactions on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole. The independent auditor of the Group will also conduct an annual review on the pricing terms and annual caps thereof.

(C) Automobile Components Procurement Agreement

On 2 July 2021 (after trading hours), the Company and ZEEKR entered into the Automobile Components Procurement Agreement.

The principal terms of the Automobile Components Procurement Agreement are summarised below:

Date

2 July 2021 (after trading hours)

Parties

Vendor: ZEEKR

Purchaser: the Company

ZEEKR is a limited liability company established in the Cayman Islands and is indirectly owned as to 51% by the Company and as to 49% by Geely Holding. ZEEKR is principally engaged in the research and development, purchase and sale of the electric mobility related products such as the intelligent electric vehicles under the ZEEKR Brand and the provision of service relating thereto.

Please refer to the paragraph headed "Continuing connected transactions upon completion of the Acquisitions and the Ningbo Viridi Subscription – (A) R&D Services and Technology Licensing Agreement – Parties" for further details regarding the Group.

Subject matter

Pursuant to the Automobile Components Procurement Agreement, the Group conditionally agreed to procure, and the ZEEKR Group conditionally agreed to supply automobile components (including batteries, motors, electronic control system products, headlights, car seats, components for charging stations, etc.) to the Group.

The procurement of automobile components by the Group from the ZEEKR Group will be conducted in the ordinary and usual course of business of the Group, on normal commercial terms and on terms no less favourable to the Group than terms available from other Independent Third Party suppliers to the Group or terms available to ZEEKR Group from other Independent Third Party customers.

Term

The Automobile Components Procurement Agreement, has a term from the effective date of the Automobile Components Procurement Agreement to 31 December 2023.

Conditions precedent to the Automobile Components Procurement Agreement

The Automobile Components Procurement Agreement is subject to the Company having complied with the relevant requirements of the Listing Rules with regard to the continuing connected transactions contemplated under the Automobile Components Procurement Agreement.

If the above condition has not been fulfilled on or before 30 September 2021 (or such later date as the parties may agree in writing), the Automobile Components Procurement Agreement will lapse and all the obligations and liabilities of the parties under the Automobile Components Procurement Agreement will cease and terminate.

Termination

Either party may terminate the Automobile Components Procurement Agreement (i) by giving the other three months prior written notice; or (ii) at any time if (a) either party ceases business, or is ordered to close down by the court or the relevant authorities in the relevant jurisdictions as a result of material violation of laws or regulations, declares bankrupt, or is unable to perform its obligations under the Automobile Components Procurement Agreement due to force majeure; or (b) ZEEKR or its associates ceases to be a connected person of the Company.

Pricing basis and proposed annual caps

(a) Pricing basis

The selling price of the automobile components under the Automobile Components Procurement Agreement will be determined on an arm's length basis and on normal commercial terms with reference to the prevailing market price for similar products, and will not be less favourable to the Group than terms available from other Independent Third Party suppliers to the Group or terms available to ZEEKR Group from other Independent Third Party customers.

(b) Proposed annual caps

There were no historical figures for the transactions contemplated under the Automobile Components Procurement Agreement as the Group has not procured automobile components manufactured by ZEEKR Group previously. However, the historical transaction amounts for the procurement of automobile components by the

Group from Ningbo Viridi, which will become a connected subsidiary of the Company upon the completion of the Ningbo Viridi Subscription was approximately RMB708.8 million, RMB169.3 million and RMB230.3 million for the two years ended 31 December 2020 and the five months ended 31 May 2021, respectively.

The table below sets out the proposed annual caps for procurement of automobile components by the Group from the ZEEKR Group. After the commencement of the Automobile Components Procurement Agreement, the Group will purchase automobile components from the ZEEKR Group for the use in the Geely Brand Vehicles.

	Proposed annual caps for the year ending		
	31 December		
	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Purchase of automobile components by the Group from the ZEEKR Group	628.1	1,223.8	1,410.6

(c) *Basis of determination of the proposed annual caps*

The proposed annual caps for the procurement of automobile components by the Group from the ZEEKR Group were determined by the Directors with reference to:

- (i) the projected number of units of each model of automobile components for use in the Geely Brand Vehicles for the three years ending 31 December 2023;
- (ii) the projected units sales of the Geely Brand Vehicles which are manufactured with the aforesaid automobile components for the three years ending 31 December 2023; and
- (iii) the projected unit selling price for each model of automobile components which are determined with reference to the prevailing selling price of similar automobile components obtained from independent suppliers to the Group for the three years ending 31 December 2023.

The increase in the proposed annual cap for the procurement of automobile components by the Group from the ZEEKR Group for the year ending 31 December 2021 as compared to the historical transaction amount for the procurement of automobile components by the Group from Ningbo Viridi for the year ended 31 December 2020 is mainly due to (i) the decrease in demand of overall vehicle market in the PRC due to the outbreak of COVID-19 in 2020; (ii) the expected increase in marketing and sales of electric models of Geely Brand Vehicles in 2021

in response to the national policies on the development of the energy-saving and new energy automobile industry; and (iii) the expected increase in demand of Geely Brand Vehicles in the second half of 2021 due to seasonal factor.

The increase in the proposed annual cap for the procurement of automobile components by the Group from the ZEEKR Group for each of the two years ending 31 December 2023 is primarily due to (i) the expected increase in demand of batteries for KX11 model of the Geely Brand Vehicles in the second quarter of 2022; (ii) with the promulgation and implementation of the national new energy policy, the sales of new energy vehicles will gradually increase, and the demand for batteries will also increase significantly in 2022 and 2023.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the proposed annual caps of the Automobile Components Procurement Agreement for the three years ending 31 December 2023 are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Internal Control Measures in Relation to Pricing for Automobile Components Procurement Agreement

In order to ensure that the aforesaid pricing basis for the Automobile Components Procurement Agreement is adhered to, the Group will obtain price quotation from a number of Independent Third Party suppliers to ensure the selling price of the relevant automobile components to be supplied by the ZEEKR Group are determined properly. The Group and the ZEEKR Group will negotiate the terms of such transactions to ensure that prices are fair and reasonable. The Group and the ZEEKR Group will determine the selling price with reference to the prevailing market price. The Group and the ZEEKR Group will review the scope of automobile components (including batteries, motors, electronic control system products, headlights, car seats, components for charging stations, etc.) to be sold by the ZEEKR Group to the Group on yearly basis (or more frequently if it is determined necessary). In addition, the transactions under the Automobile Components Procurement Agreement will be supervised and inspected by the Group to ensure that the transactions are carried out on normal commercial terms.

The independent non-executive Directors will review the transactions contemplated under the continuing connected transactions and confirm in the annual report whether the transactions have been entered in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreement governing the transactions on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole. The independent auditor of the Group will also conduct an annual review on the pricing terms and annual caps thereof.

Reasons for and Benefits of Entering into the Automobile Components Sales Agreement and Automobile Components Procurement Agreement

Ningbo Viridi is principally engaged in the research, development, production and sale of automobile components including electric powertrain and battery systems and related products and provision of after-sales services. Prior to the Ningbo Viridi Subscription, the Company, LYNK & CO and Geely Holding entered into the continuing connected transactions with Ningbo Viridi in relation to the procurement of automobile components, which mainly include batteries, motors and electronic control system products from Ningbo Viridi. To ensure the smooth operation and reliable and stable supply of automobile components to the Group, the Group will continue the aforesaid continuing connected transactions by entering into the Automobile Components Sales Agreement and Automobile Components Procurement Agreement with Geely Holding, LYNK & CO and ZEEKR after completion of the Ningbo Viridi Subscription which will constitute continuing connected transactions of the Group.

In addition, under the Automobile Components Sales Agreement, the Group will sell to the Geely Holding Group the automobile components which will be further processed and assembled in CKD and related components for the use in ZEEKR Brand Vehicles. Since ZEEKR adopts an asset-light operation model, such arrangement would reduce the cost of production of ZEEKR Brand Vehicles by sharing the production plant of the Geely Holding Group and benefit the Group as a whole.

(D) ZEEKR Financing Arrangement

ZEEKR Financing Arrangement – ZEEKR Finance Cooperation Agreement

On 2 July 2021 (after trading hours), Genius AFC and ZEEKR entered into the ZEEKR Finance Cooperation Agreement. Details of the ZEEKR Finance Cooperation Agreement are set out below:

Date

2 July 2021 (after trading hours)

Parties

Genius AFC and ZEEKR

Genius AFC is a vehicle financing company established in the PRC, and is beneficially owned as to 80% and 20% by the Company and BNPP PF, respectively as at the date of this announcement. Genius AFC is principally engaged in the provision of vehicle financing services in the PRC. The exercise of call option by BNPP PF to acquire

additional equity interest in Genius AFC with reference to the announcement of the Company dated 12 August 2020 has not yet been completed as at the date of this announcement.

Please refer to the paragraph headed “Continuing connected transactions upon completion of the Acquisitions and the Ningbo Viridi Subscription – (C) The Automobile Components Procurement Agreement – Parties” for further details regarding the ZEEKR Group.

Subject matter

Genius AFC will provide vehicle financing services to the ZEEKR Retail Customers to assist them to buy ZEEKR Brand Vehicles from the ZEEKR Group or the ZEEKR Cooperation Partners.

Term

The ZEEKR Finance Cooperation Agreement will have an initial term of three years and will then continue unless and until terminated by either party by giving at least six months prior written notice. Such continuation/renewal will be subject to the approval of (i) the regulators of the Company (that is, the Stock Exchange), if required; and (ii) the Independent Shareholders.

Conditions precedent to the ZEEKR Finance Cooperation Agreement

The ZEEKR Finance Cooperation Agreement shall take effect upon:

- (i) the approval of the Independent Shareholders on the ZEEKR Financing Arrangement; and
- (ii) the approval of the Stock Exchange on the ZEEKR Financing Arrangement, if required.

Termination

ZEEKR may terminate the ZEEKR Finance Cooperation Agreement with immediate effect if (i) Genius AFC becomes insolvent; or (ii) Genius AFC materially breaches, or materially fails to comply with, the ZEEKR Finance Cooperation Agreement and such failure is not capable of remedy or is capable of remedy but is not remedied within 30 days of ZEEKR giving Genius AFC written notice of such breach subject to the remediation clause under the ZEEKR Finance Cooperation Agreement.

Genius AFC may terminate the ZEEKR Finance Cooperation Agreement with immediate effect if (i) ZEEKR becomes insolvent; or (ii) ZEEKR materially breaches, or materially fails to comply with, the ZEEKR Finance Cooperation Agreement or any other agreement

entered into or in connection with the ZEEKR Finance Cooperation Agreement and such failure is not capable of remedy or is capable of remedy but is not remedied within 30 days of Genius AFC giving ZEEKR written notice of such breach subject to the remediation clause under the ZEEKR Finance Cooperation Agreement.

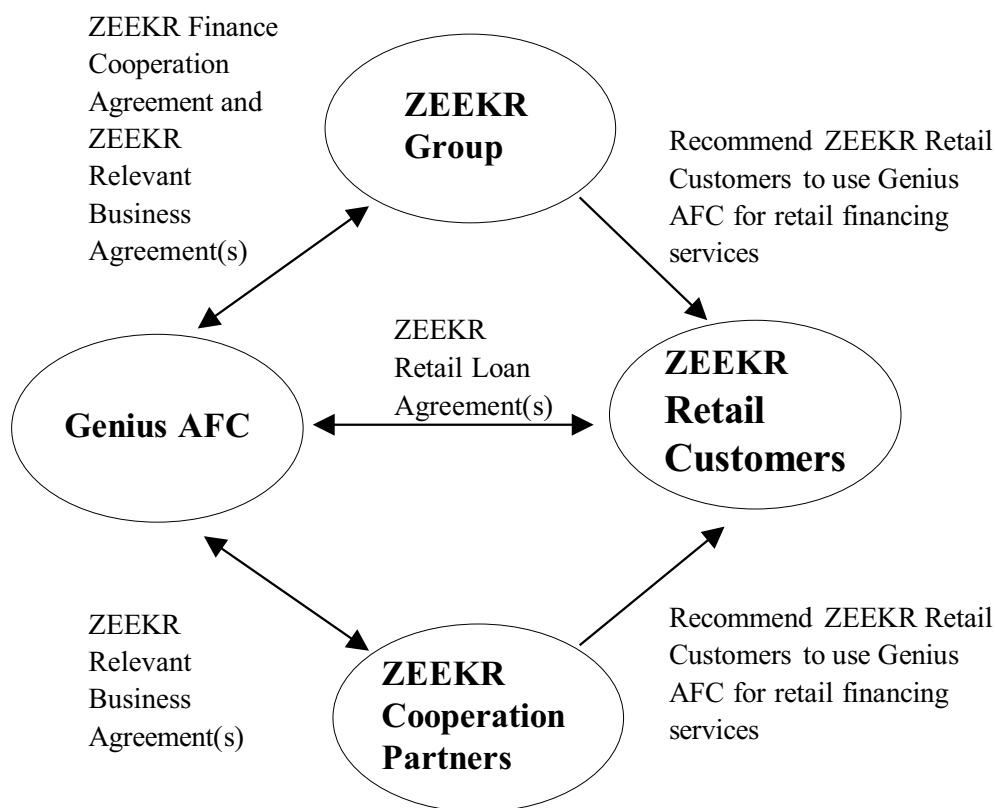
Principal terms regarding the mode of cooperation between Genius AFC and ZEEKR

(i) Cooperation

ZEEKR will (a) use its endeavours to facilitate Genius AFC in providing retail financing services to ZEEKR Retail Customers; (b) use its reasonable endeavours to procure the ZEEKR Cooperation Partners to recommend ZEEKR Retail Customers to use the retail financing services provided by Genius AFC; and (c) on the condition that ZEEKR and Genius AFC have reached an agreement on the policy of granting the subsidies, to use its reasonable endeavours to grant subsidies to those who are covered by the ZEEKR Retail Financing Business for the promotional campaigns in relation to the retail financing services offered by Genius AFC to the ZEEKR Retail Customers.

Genius AFC will not be the exclusive provider of vehicle loans as described in the ZEEKR Finance Cooperation Agreement to the ZEEKR Retail Customers. Notwithstanding the foregoing, should another independent vehicle financing company offer vehicle financing services under the same conditions, Genius AFC will be the preferred partner of ZEEKR for the provision of vehicle financing services.

The mode of cooperation between Genius AFC and ZEEKR for the ZEEKR Retail Financing Business are summarized as below:



(ii) Pricing policy

Genius AFC will enter into the ZEEKR Retail Loan Agreements with the ZEEKR Retail Customers for the ZEEKR Retail Financing Business. Genius AFC will ensure that the terms of the ZEEKR Retail Loan Agreements are competitive at all times during the term of the ZEEKR Finance Cooperation Agreement, and such terms will be in line with general auto finance market practice. Notwithstanding the foregoing, Genius AFC will have the sole discretion in determining the final pricing to be applied to the ZEEKR Retail Customers.

The ZEEKR Finance Cooperation Agreement provides guidance with respect to the interest rates charged by Genius AFC for the ZEEKR Retail Finance Business. The interest rates, at the time of each setting will be higher than the base lending rates published by the PBOC for similar types of loans under similar terms and conditions, provided that all relevant laws and regulations are complied with.

In practice, given that Genius AFC will not be the exclusive provider of financing services to the ZEEKR Retail Customers, which are independent third parties to Genius AFC, the sales and marketing department of Genius AFC will communicate with the ZEEKR Group or the ZEEKR Cooperation Partners on an ongoing basis to keep abreast of the market information.

(iii) Lending risk

Genius AFC is primarily regulated by the CBIRC. In addition, PBOC, the Ministry of Finance of the PRC also have regulatory oversight of the automotive financing industry. CBIRC and PBOC enacted the Measures for the Administration of Automotive Loans and the Measures for the Administration of Automobile Finance Companies, respectively to standardize the management of automotive loan business.

All lending risk assessments and decisions will be the sole responsibility of Genius AFC, and such decisions will conform to applicable regulatory requirements. The extension of financing in any form to any ZEEKR Retail Customer is subject to satisfactory credit risk assessment in accordance with the Genius AFC's credit risk management procedures and all other internal risk and management policies as from time to time determined by Genius AFC at its sole discretion.

In relation to the credit risk assessment procedures for the ZEEKR Retail Financing Business, Genius AFC has utilized a computerized internal risk assessment expert system, which enables Genius AFC to perform credit risk assessment procedures using big data analysis. For the purpose of risk assessment, the risk control department of Genius AFC will set specifications for the retail products to determine whether to accept the loan application from the retail applicants, based on the retail applicant's earnings, credit history and repayment capability. Sound credit history and proof of recurring income of a retail applicant are normally indications of enhanced repayment capability. The risk control committee of Genius AFC will then review and approve the specifications rules for the retail products. Based on the evaluation by the computerized internal risk assessment expert system which is configured and modified by the risk control department from time to time, the decisions on whether to grant the loans to the retail applicants would be made by the system and the retail underwriting team of the operation department of Genius AFC (the "Underwriting Team"). The general responsibilities of the Underwriting Team also include verifying the information and materials provided by the retail applicants and assessing the retail applicants' credibility in order to make final credit decisions on the applications. Upon granting of the vehicle loan to a retail borrower, the collection team of the operation department of Genius AFC would monitor the performance of such loan and would follow up on any delinquency and/or default in payment.

(iv) Term of the loan

The maximum term of a loan to a ZEEKR Retail Customer shall be 60 months.

(v) *Subsidies*

ZEEKR will provide subsidies for the benefits of the ZEEKR Retail Customers in the ZEEKR Retail Financing Business, subject to the final assessment of the market situation (such as sales performance of the ZEEKR Brand Vehicles) by ZEEKR. The terms and period of such subsidies will be determined by ZEEKR in its sales incentive policies.

(vi) *Security*

Under the ZEEKR Retail Loan Agreement, acceptable securities may include security over the ZEEKR Retail Customers' vehicles and/or different types of guarantees.

Principal terms to be applied to the ZEEKR Retail Loan Agreements

Genius AFC will enter into the ZEEKR Relevant Business Agreement with the ZEEKR Group or the ZEEKR Cooperation Partners, pursuant to which the ZEEKR Group or the ZEEKR Cooperation Partners will recommend ZEEKR Retail Customers to use Genius AFC for obtaining vehicle loans to finance their purchase of ZEEKR Brand Vehicles.

After the commencement of the ZEEKR Retail Financing Business, Genius AFC will further enter into the ZEEKR Retail Loan Agreements with the ZEEKR Retail Customers, pursuant to which Genius AFC will provide vehicle financing to such ZEEKR Retail Customers to facilitate their purchase of ZEEKR Brand Vehicles. The terms of the ZEEKR Retail Loan Agreements (including, among other things, pricing, loan term, credit limits, etc.) are expected to be consistent with the terms of the ZEEKR Finance Cooperation Agreement as disclosed above.

ZEEKR Financing Annual Caps

There were no historical transaction amounts for the ZEEKR Retail Financing Business as such financing business is only expected to commence in the third quarter of 2021. The table below sets out the proposed ZEEKR Financing Annual Caps for each of the three years ending 31 December 2023.

	Proposed annual caps for the year ending 31 December		
	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
New financing amounts to be provided by Genius AFC to the ZEEKR Retail Customers under the ZEEKR Retail Financing Business	144.0	4,977.0	12,715.9

Basis of determination of the ZEEKR Financing Annual Caps

When determining the proposed ZEEKR Financing Annual Caps, Genius AFC has taken into account (i) the projected sales volume of ZEEKR Brand Vehicles for the three years ending 31 December 2023 which are determined with reference to the estimated market share; (ii) the projected average retail selling price for each unit of ZEEKR Brand Vehicles for the three years ending 31 December 2023; and (iii) the estimated retail financing penetration rate of the ZEEKR Retail Financing Business of 8%, 35% and 42% for each of the three years ending 31 December 2023, respectively. The above retail financing penetration rate represents the estimated percentage of the ZEEKR Retail Customers' purchases which will be financed by loans provided by Genius AFC. It is expected that the provision of subsidies by ZEEKR which would be converted into purchase price discount of the ZEEKR Brand Vehicles would encourage ZEEKR Retail Customers to choose Genius AFC for the provision of vehicle financing services. The increase in estimated retail financing penetration of ZEEKR Brand Vehicles for the two years ending 31 December 2022 and 2023 is mainly due to (i) the expected introduction of new premium car model in 2023 which would increase the demand for vehicle financing services due to higher expected selling price; and (ii) the stimulation from the above-mentioned subsidies.

Reasons for and Benefits of the ZEEKR Financing Arrangement

Genius AFC is principally engaged in the provision of auto retail financing solutions to end customers, mainly supporting the key auto brands in the Group. Being a professional auto financing company, Genius AFC has been striving to improve the sales of the

different auto brands, increasing the purchasing power and customer loyalty through providing financing services to customers. By vigorously widening the customer base and service scope, Genius AFC has maintained rapid growth in its net profits since 2017.

In terms of provision of financing services, as of 31 December 2020, Genius AFC successfully launched nine asset-backed securities (“ABS”) issuances, with cumulative amount of approximately RMB33.5 billion. With the steady increase in funding sources and assets scale, Genius AFC has been striving for continuing business growth and expanding its wholesale and retail financing services by widening the customer base and service scope with priority of fulfilling the financing needs for Geely Brand Vehicles. At the same time to create greater profits for Genius AFC through cooperation with other vehicle manufacturers.

Being the first high-end pure electric vehicle brand of the Group, ZEEKR Brand Vehicles are expected to face strong market demands. The entering of the ZEEKR Financing Arrangement will increase the purchasing power and customer loyalty and in turn increasing the sales of ZEEKR Brand Vehicles through the cooperation with the ZEEKR Group on one hand. On the other hand, it will allow Genius AFC to expand into the financing services of new automobile brands which will enable Genius AFC to expand its market reputation and gain further market share in the PRC auto finance industry and benefit from the PRC’s fast growing auto finance business.

The Board (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the Independent Financial Adviser) is of the view that the terms of the ZEEKR Financing Arrangement were negotiated on an arm’s length basis and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Internal Control Measures in Relation to the ZEEKR Financing Arrangement

Internal control within Genius AFC

Based on customer requirements, all loan and product pricing proposals (including any subsequent modifications) are prepared by Genius AFC’s sales and marketing department. In order to ensure that the aforesaid pricing basis for the ZEEKR Finance Cooperation Agreement is adhered to, the finance department of Genius AFC will monitor the fluctuations of the interest rates in the market at least on a monthly basis (or more frequently if it is determined necessary), which include, among others, the PBOC lending base rates, so as to ensure that the interest rates offered for the loan proposals will be higher than the PBOC lending base rates for similar types of loans under similar terms and conditions. In addition, Genius AFC’s sales and marketing department communicates with the ZEEKR Group and the ZEEKR Cooperation Partners covered by the ZEEKR Finance Cooperation Agreement on an ongoing basis to ensure the terms of the retail loan agreement covered by ZEEKR Finance Cooperation Agreement is in line with the general

auto finance market practice. The finance department of Genius AFC will prepare reports on market interest rates and review these reports at least monthly (or more frequently if it is determined necessary). These reports are distributed to departments including the sales and marketing department, the operation department, the risk control department, the legal and compliance department and the information and technology department of Genius AFC for review whenever necessary. All loan and product pricing proposals prepared by Genius AFC's sales and marketing department must be validated by Genius AFC's finance department (which is responsible for keeping abreast of market interest rates, including but not limited to the PBOC lending base rates, Shanghai interbank offered rates, and interest rates of bank note, assets backed securities, financial bond and other financial instruments and ensuring product pricing proposals are in line with the overall financial planning and budget), operation department (which is responsible for ensuring the operational feasibility by assessing whether the existing manpower, software system, standard and procedures and other internal resources are comprehensive and sufficient enough for the product pricing proposals and considering whether training is required for staff of Genius AFC to understand any new product pricing proposals), risk control department (which is responsible for assessing whether the product pricing proposals are acceptable from risk perspective), legal and compliance department (which is responsible for ensuring whether the loan and product pricing proposals comply with applicable law and regulations) and information technology department (which is responsible for making any necessary changes or enhancement to the existing software systems in respect of the retail financing business covered by the ZEEKR Finance Cooperation Agreement to support any new product pricing proposals if the existing software system is insufficient to satisfy the operational requirements for the new product pricing proposal). The loan and product pricing proposals will then be submitted to the sales and marketing committee for final approval.

To ensure the actual new financing amounts will not exceed the annual caps covered by the ZEEKR Finance Cooperation Agreement, Genius AFC will prepare specific monthly reports to show the actual transaction volumes and amounts as compared to the annual caps covered by the ZEEKR Finance Cooperation Agreement. Once the actual transaction amounts reached certain levels (being 70% of the annual caps covered by the ZEEKR Finance Cooperation Agreement for the relevant year), it will trigger an alert to the management to either control the volume for the related business to ensure the retail annual caps covered by the ZEEKR Finance Cooperation Agreement would not be exceeded or to commence necessary process to revise the aforementioned annual caps in accordance with the relevant requirements under Chapter 14A of the Listing Rules.

The above internal control procedures are to ensure the pricing policy stipulated under the ZEEKR Finance Cooperation Agreement is strictly adhered to.

Internal control within the Group

The internal audit department of the Group will also conduct assessment on the internal control measures for all continuing connected transactions of the Company at least annually (or more frequently if it is determined necessary) to ensure such internal control measures have been adhered to and are effective. The independent non-executive Directors will also conduct review on all continuing connected transactions every year and confirm that the transactions have been entered into in the ordinary and usual course of business of the Group; on normal commercial terms or better; and according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Company also engages its independent auditor to report on all continuing connected transactions every year. The independent auditor reviews and confirms whether all continuing connected transactions have been approved by the Board; have been conducted in accordance with the pricing policies of the relevant agreement governing the transactions; and have not exceeded the relevant annual caps.

EXEMPTED CONTINUING CONNECTED TRANSACTION

(E) ZEEKR Operation Services Agreement

On 2 July 2021 (after trading hours), the Company and ZEEKR entered into the ZEEKR Operation Services Agreement.

The principal terms of the ZEEKR Operation Services Agreement are summarised below:

Date

2 July 2021 (after trading hours)

Parties

Vendor: the Company

Purchaser: ZEEKR

Please refer to the paragraph headed “Continuing connected transactions upon completion of the Acquisitions and the Ningbo Viridi Subscription – (A) R&D Services and Technology Licensing Agreement – Parties” for further details regarding the Group.

Please refer to the paragraph headed “Continuing connected transactions upon completion of the Acquisitions and the Ningbo Viridi Subscription – (C) The Automobile Components Procurement Agreement – Parties” for further details regarding the ZEEKR Group.

Subject matter

Pursuant to the ZEEKR Operation Services Agreement, the Group agreed to provide to the ZEEKR Group operation services that mainly include IT, logistics, procurement, finance, human resources and other administrative functions.

The provision of operation services by the Group under the ZEEKR Operation Services Agreement will be conducted on normal commercial terms and on terms no less favourable to the Group than terms available to or from (as applicable) other Independent Third Parties.

Term

The ZEEKR Operation Services Agreement has a term of three years from the date of the ZEEKR Operation Services Agreement to 31 December 2023.

Conditions precedent to the ZEEKR Operation Services Agreement

The ZEEKR Operation Services Agreement is subject to the Company having complied with the relevant requirements of the Listing Rules with regard to the continuing connected transactions contemplated under the ZEEKR Operation Services Agreement.

If the above condition has not been fulfilled on or before 30 September 2021 (or such later date as the parties may agree in writing), the ZEEKR Operation Services Agreement will lapse and all the obligations and liabilities of the parties under the ZEEKR Operation Services Agreement will cease and terminate.

Termination

Either party may terminate the ZEEKR Operation Services Agreement (i) by giving the other three months prior written notice; or (ii) at any time if (a) either party ceases business, or is ordered to close down by the court or the relevant authorities in the relevant jurisdictions as a result of material violation of laws or regulations, declares bankrupt, or is unable to perform its obligations under the ZEEKR Operation Services Agreement due to force majeure; or (b) ZEEKR or its associates ceases to be a connected person of the Company.

Pricing basis and proposed annual caps

(a) Pricing basis

Pursuant to the ZEEKR Operation Services Agreement, the service fee of the operation services will be determined on the basis of arm's length negotiation between the relevant parties. The parties will refer to the market price of similar

services, and if there is no such reference, the price will be determined based on the costs incurred for providing the relevant services plus a margin rate with reference to the cost-plus-margin rate of the comparable companies providing similar services as stated in the transfer pricing analysis reports prepared by an independent certified public accountant or institution with the same qualification (the “**Operation Services Transfer Pricing Reports**”). The margin rate will be revised and adjusted on a yearly or as-needed basis by the relevant parties taking into account the fact that the margin rate of comparable companies may change over time.

(b) *Proposed annual caps*

There was no historical figure for the transactions contemplated under the ZEEKR Operation Services Agreement. The table below sets out the proposed annual caps for the service fees receivable by the Group pursuant to the ZEEKR Operation Services Agreement for the three years ending 31 December 2023.

	Proposed annual caps for the year ending		
	31 December		
	2021	2022	2023
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Service fee receivable by the Group for the provision of operation services to the ZEEKR Group	14.8	116.6	248.2

(c) *Basis of determination of the proposed annual caps*

The proposed annual caps for the operation services to be provided by the Group have been determined by the Directors with reference to (i) the projected staff costs of the Group to perform functions of IT, procurement and logistic for each of the three years ending 31 December 2023; (ii) the estimated portion of the IT, procurement and logistic functions solely for the ZEEKR Group as compared to the Group’s overall IT, procurement and logistic functions based on the amounts of relevant historical costs incurred; (iii) the estimated costs (including but not limited to transportation, packaging and labour costs) for the transportation of each vehicle based on historical costs for logistic services; (iv) the estimated number of vehicles for which the Group will provide logistic services for each of the three years ending 31 December 2023; (v) the projected total staff hours required for procurement services for each of the three years ending 31 December 2023; (vi) the projected hourly cost for the staff of procurement function based on historical cost; and (vii) the margin rates of 6.26% for services in relation to IT, 5.39% for services in relation to logistics, 11% for services in relation to procurement, etc. over the estimated costs with reference to the Operation Services Transfer Pricing Analysis

Reports which are consistent with the margin rates adopted for the existing operation services under the operation services agreement dated 26 November 2019 and entered into among the Company, Geely Holding and LYNK & CO. The aforementioned margin rates are only for the purpose of calculating the proposed annual caps above and shall not be deemed as fixed for the transactions throughout the term of the ZEEKR Operation Services Agreement.

The increase in service fee receivable by the Group for the provision of operation services to the ZEEKR Group for the years ending 31 December 2022 and 2023 as compared to that for the year ending 31 December 2021 is mainly because (i) only logistic services are provided by the Group to the ZEEKR Group for the year ending 31 December 2021 while IT, logistics, procurement, finance, human resources and other administrative services will be provided by the Group for the years ending 31 December 2022 and 2023; and (ii) the expected increase in the logistic services to be provided by the Group for the expected increase in sales volume of ZEEKR Brand Vehicles in 2022 and 2023.

The Directors (including the independent non-executive Directors) are of the view that although the ZEEKR Operation Services Agreement is not entered into in the ordinary and usual course of business of the Group, the ZEEKR Operation Services Agreement is entered into on normal commercial terms, and the terms and the proposed annual caps of the ZEEKR Operation Services Agreement for the three years ending 31 December 2023 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons for and Benefits of the Zeekr Operation Services Agreement

With established history in the automobile industry, the Group already possesses the administrative resources and experience in the operation of IT, logistics, finance, human resources and other administrative functions.

The Directors are of the view that the entering into the ZEEKR Operation Services Agreement is beneficial to the Group as (i) the operation services to be provided by the Group to ZEEKR Group are charged with reasonable margin rates over the actual costs, which will bring in additional revenue and income to the Group; (ii) providing operation services to ZEEKR Group is beneficiary to the Group for integrating the Group's resources management, establishing an intensive and efficient operation system, which in turn achieving synergy effect and cost saving; and (iii) the operation services to be provided to ZEEKR Group will be on terms no less favourable than those offered to ZEEKR Group by other Independent Third Parties.

Internal Control Measures in Relation to the ZEEKR Operation Services Agreement

In terms of the operation services provided by the Group to ZEEKR Group, the finance department of the Group will compare with the existing similar operation services received from Independent Third Parties (if any) to determine the market rates for the operation services. If there are no such market rates, the finance department of the Group will review the relevant cost items as well as other necessary and reasonable expenses incurred by the Group for the operation services performed on yearly basis (or more frequently if it is determined necessary) and ensure the existence and accuracy of such costs.

The independent non-executive Directors will review the transactions contemplated under the continuing connected transactions and confirm in the annual report whether the transactions have been entered in the ordinary and usual course of business of the Group, on normal commercial terms or better, and according to the agreement governing the transactions on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole. The independent auditor of the Group will also conduct an annual review on the pricing terms and annual caps thereof.

IMPLICATIONS UNDER THE LISTING RULES

Geely Holding is a substantial shareholder of the Company and is wholly owned by Mr. Li and his associate. Geely Holding Automobile and Ningbo Viridi are ultimately wholly owned subsidiaries of Geely Holding. Mr. Li is an executive Director and a substantial shareholder of the Company. Each of Geely Holding, Geely Holding Automobile, Zhejiang Jichuang and Ningbo Viridi is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the CEVT Acquisition Agreement, the Haohan Energy Acquisition Agreement, the Ningbo Viridi Subscription Agreement, the R&D Services and Technology Licensing Agreement and the Automobile Components Sales Agreement constitute connected transaction or continuing connected transactions for the Company under the Listing Rules.

As at the date of this announcement, ZEEKR is owned as to 51% by the Company and as to 49% of Geely Holding and is therefore a connected subsidiary of the Company. As such, the transactions contemplated under the Automobile Components Procurement Agreement, the ZEEKR Financing Cooperation Agreement and ZEEKR Operation Services Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Under the ZEEKR Financing Arrangement, should Genius AFC provide financing services to the ZEEKR Retail Customers who will purchase ZEEKR Brand Vehicles from the ZEEKR Group or the ZEEKR Cooperation Partners during the term of the ZEEKR Finance Cooperation Agreement, their transactions with Genius AFC are deemed to be connected transactions of the Company under Rule 14A.23 of the Listing Rules for the reason that the ZEEKR Retail Customers will use the loans provided by Genius AFC to purchase ZEEKR Brand Vehicles, which is a connected person of the Company under the Listing Rules.

As the applicable percentage ratios in respect of the Acquisitions and the Ningbo Viridi Subscription exceeds 5% but less than 25% when aggregated with previous acquisition of ZEEKR Technology within the 12 months period prior the Acquisitions and the Ningbo Viridi Subscription, the entering into the CEVT Acquisition Agreement, the Haohan Energy Acquisition Agreement and the Ningbo Viridi Subscription Agreement are subject to the requirements of reporting, announcement and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of (i) the proposed annual caps for the R&D Services and Technology Licensing Agreement; (ii) the proposed annual caps aggregated under the Automobile Components Sales Agreement and the Automobile Components Procurement Agreement, and (iii) the proposed annual caps for the ZEEKR Financing Cooperation Agreement on an annual basis are more than 5% respectively, the entering into the R&D Services and Technology Licensing Agreement, the Automobile Components Sales Agreement, the Automobile Components Procurement Agreement and the ZEEKR Financing Cooperation Agreement are subject to the requirements of reporting, announcement and Independent Shareholders' approval under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the proposed annual caps for the ZEEKR Operation Services Agreement on an annual basis are more than 0.1% but less than 5%, the entering into the ZEEKR Operation Services Agreement is subject to the reporting and announcement requirements, but are exempt from Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Li, Mr. Yang Jian, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui, each an executive Director, are considered to be interested in the CEVT Acquisition Agreement, the Haohan Energy Acquisition Agreement, the Ningbo Viridi Subscription Agreement, the R&D Services and Technology Licensing Agreement, the Automobile Components Sales Agreement, the Automobile Components Procurement Agreement, the ZEEKR Financing Cooperation Agreement and the ZEEKR Operation Services Agreement by virtue of their interests and/or directorship in Geely Holding. As a result, each of Mr. Li, Mr. Yang Jian, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui has abstained from voting on the Board resolutions for approving the CEVT Acquisition Agreement, the Haohan Energy Acquisition Agreement, the Ningbo Viridi Subscription Agreement, the R&D Services and Technology Licensing Agreement, the Automobile Components Sales Agreement, the Automobile Components Procurement Agreement, the ZEEKR Financing Cooperation Agreement and the ZEEKR Operation Services Agreement.

GENERAL

The Independent Board Committee has been formed to advise the Independent Shareholders with respect to the Acquisitions, the Ningbo Viridi Subscription and the Non-Exempt Continuing Connected Transactions, and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on whether the terms of the CEVT Acquisition Agreement, the Haohan Energy Acquisition Agreement, the Ningbo Viridi Subscription

Agreement, the Automobile Components Sales Agreement, the Automobile Components Procurement Agreement and the ZEEKR Financing Cooperation Agreement are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

A circular containing, among other things, (i) further information about the Acquisitions, the Ningbo Viridi Subscription and the Non-Exempt Continuing Connected Transactions; (ii) the recommendation of the Independent Board Committee in respect of the Acquisitions, the Ningbo Viridi Subscription and the Non-Exempt Continuing Connected Transactions; (iii) the advice of the Independent Financial Adviser on the Acquisitions, the Ningbo Viridi Subscription and the Non-Exempt Continuing Connected Transactions; and (iv) other information as required under the Listing Rules together with the notice of the EGM, will be despatched to the Shareholders on or before 5 August 2021 (which is more than 15 business days after the publication of this announcement) after taking into account the time required for preparing and gathering the relevant information to be contained in the circular.

DEFINITIONS

In this announcement, the following terms shall have the meanings set out below unless the context requires otherwise:

“2020 R&D Services and Technology Licensing Agreement”	the agreement dated 4 November 2020 entered into among the Company, Geely Holding and LYNK & CO for the (i) provision of R&D and related technological support services by the Group to the LYNK & CO Group and the Geely Holding Group; and (ii) procurement of R&D and related technological support services from Geely Holding Group for a term from the effective date of the 2020 R&D Services and Technology Licensing Agreement to 31 December 2022
“Acquisitions”	the Haohan Energy Acquisition and the CEVT Acquisition
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Automobile Components Procurement Agreement”	the agreement entered into between the Company and ZEEKR on 2 July 2021 pursuant to which the Group conditionally agreed to procure, and ZEEKR conditionally agreed to supply, automobile components (including batteries, motors, electronic control system products, headlights, car seats, components for charging stations, etc.) for a period from the effective date of the Automobile Components Procurement Agreement to 31 December 2023

“Automobile Components Sales Agreement”	the agreement entered into among the Company, Geely Holding and LYNK & CO on 2 July 2021 pursuant to which the Group conditionally agreed to sell, and the Geely Holding Group and LYNK & CO Group conditionally agreed to procure, automobile components (including batteries, motors, electronic control system products, headlights, car seats, components for charging stations, etc.) for a period from the effective date of the Automobile Components Sales Agreement to 31 December 2023
“Ballas Capital” or “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 Acquisitions, the Ningbo Viridi Subscription and the Non-Exempt Continuing Connected Transactions
“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
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in Hong Kong, the PRC and Sweden
“CBIRC”	China Banking and Insurance Regulatory Commission
“CEVT”	a limited liability company established in Sweden and is owned as to approximately 71% by Geely Holding as at the date of this announcement
“CEVT Acquisition”	the acquisition of the entire registered capital in CEVT by ZEEKR from Zhejiang Geely pursuant to the CEVT Acquisition Agreement
“CEVT Acquisition Agreement”	the conditional sale and purchase agreement dated 2 July 2021 entered into between ZEEKR and Zhejiang Geely in relation to the CEVT Acquisition
“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(s)”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	novel coronavirus, a coronavirus identified as the cause of an outbreak of respiratory illness
“Directors”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Acquisitions, the Ningbo Viridi Subscription and Non-Exempt Continuing Connected Transactions
“Exempted Continuing Connected Transaction”	the ZEEKR Operation Services Agreement and the transactions contemplated thereunder
“Geely Brand Vehicle”	vehicles of automobile brand of the Group
“Geely Holding”	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited*), a private limited liability company incorporated in Zhejiang Province, the PRC, and is beneficially wholly owned by Mr. Li and his associate
“Geely Holding Automobile”	吉利汽車集團有限公司 (Geely Automobile Group Company Limited*), a private limited liability company incorporated in the PRC, and is wholly owned by Geely Holding
“Geely Holding Brand Vehicles”	vehicles of automobile brands of the Geely Holding Group for the purpose of this announcement
“Geely Holding Group”	Geely Holding and its subsidiaries
“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 is owned as to 80% by the Company and as to 20% by BNPP PF. 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
“Group”	the Company and its subsidiaries

“Haohan Energy”	浙江浩瀚能源科技有限公司 (Zhejiang Haohan Energy Technology Company Limited*), a limited liability company established in the PRC and is wholly owned by Geely Holding Automobile as at the date of this announcement
“Haohan Energy Acquisition”	the acquisition of the 30% equity interests in Haohan Energy by ZEEKR from Geely Holding Automobile pursuant to the Haohan Energy Acquisition Agreement
“Haohan Energy Acquisition Agreement”	the conditional sale and purchase agreement dated 2 July 2021 entered into between ZEEKR and Geely Holding Automobile in relation to the Haohan Energy Acquisition
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 Acquisitions, the Ningbo Viridi Subscription and Non-Exempt Continuing Connected Transactions
“Independent Shareholders”	Shareholder(s) other than Mr. Li, Mr. Yang Jian, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui and their respective associates
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maple Guorun”	上海華普國潤汽車有限公司(Shanghai Maple Guorun Automobile Company Ltd.*) a limited liability company incorporated in the PRC and will be a wholly owned subsidiary of ZEEKR upon completion of the Maple Guorun Disposal
“Maple Guorun Disposal”	the disposal of the entire registered capital of Maple Guorun by Value Century, Zhejiang Fulin and Shanghai Maple to ZEEKR pursuant to the conditional sale and purchase agreement dated 28 April 2021

“LYNK & CO”	領克投資有限公司 (LYNK & CO Investment Co., Ltd.*), a Chinese-foreign equity joint venture of the Company established in the PRC and owned as to 50%, 20% and 30% by Zhejiang Jirun, Zhejiang Haoqing and VCI as at the date of this announcement
“LYNK & CO Brand Vehicles”	vehicles of automobile brands of the LYNK & CO Group
“LYNK & CO Group”	LYNK & CO and its subsidiaries
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial Shareholder holding approximately 41% interests in the total issued share capital of the Company as at the date of this announcement
“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 established in the PRC and is an indirect wholly owned subsidiary of Geely Holding
“Ningbo Viridi Subscription”	the subscription for additional capital of Ningbo Viridi pursuant to the Ningbo Viridi Subscription Agreement
“Ningbo Viridi Subscription Agreement”	the subscription agreement dated 2 July 2021 entered into among ZEEKR, Zhejiang Jichuang and Ningbo Viridi and in relation to the Ningbo Viridi Subscription
“Non-Exempt Continuing Connected Transactions”	the R&D Services and Technology Licensing Agreement, the Automobile Components Sales Agreement, the Automobile Components Procurement Agreement and the ZEEKR Financing Arrangement and the transactions contemplated thereunder
“PBOC”	the People’s Bank of China (中國人民銀行)
“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“R&D”	research and development

“R&D Services and Technology Licensing Agreement”	the agreement entered into among the Company, Geely Holding and LYNK & CO on 2 July 2021 pursuant to which (i) the Group conditionally agreed to provide to the Geely Holding Group and LYNK & CO Group R&D and related technological support services, including research and development of new technologies and new products, technical verification and testing, technical consultation services, technical support services, technology licensing, etc.; and (ii) the Group conditionally agreed to procure from the Geely Holding Group R&D and related technological support services, including research and development of new technologies and new products, technical verification and testing, technical consultation, technical support services, technology licensing, etc. for a term from the date of the R&D Services and Technology Licensing Agreement to 31 December 2023
“RMB”	Renminbi, the lawful currency of the PRC
“SEK”	Swedish Krona, the lawful currency of Sweden
“Shanghai Maple”	上海華普汽車有限公司 (Shanghai Maple Automobile Company Limited*), a private limited liability company incorporated in the PRC and is 90% owned by Geely Holding as at the date of this announcement
“Smart Brand Vehicles”	smart vehicle brand under the joint venture formed by Geely Holding Group and another third party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Value Century”	Value Century Group Limited, a limited company incorporated in the British Virgin Islands and is wholly owned by the Company as an investment holding company as at the date of this announcement
“VCI”	沃爾沃汽車(中國)投資有限公司(Volvo Car (China) Investment Company Limited*), a limited liability company established in the PRC and is a subsidiary of Volvo as at the date of this announcement
“Volvo”	Volvo Car Corporation, a limited liability company incorporated under the laws of Sweden and is an indirect 97.8% owned subsidiary of Geely Holding as at the date of this announcement

“Volvo Brand Vehicles”	vehicles of automobile brand of Volvo
“ZEEKR”	ZEEKR Intelligent Technology Holding Limited, a limited liability company established in the Cayman Islands and is indirectly owned as to 51% by the Company and as to 49% by Geely Holding as at the date of this announcement
“ZEEKR Brand”	a vehicle brand under the ZEEKR Group
“ZEEKR Brand Vehicles”	electric vehicles of automobile brand under ZEEKR Group
“ZEEKR Cooperation Partners”	the third parties involved in the sales of ZEEKR Brand Vehicles and related business
“ZEEKR Finance Cooperation Agreement”	the cooperation agreement entered into between Genius AFC and ZEEKR on 2 July 2021, pursuant to which Genius AFC will provide vehicle financing services to the ZEEKR Retail Customers to assist them to buy ZEEKR Brand Vehicles
“ZEEKR Financing Annual Caps”	the proposed annual caps (representing the annual financing amounts to be provided by Genius AFC to the ZEEKR Retail Customers) under the ZEEKR Retail Financing Business for each of the financial years ending 31 December 2021, 2022 and 2023 as set out under the paragraph headed “ZEEKR Financing Annual Caps”
“ZEEKR Financing Arrangement”	the parcel of arrangements which includes (i) the cooperation arrangements as stipulated in the ZEEKR Finance Cooperation Agreement; and (ii) the ZEEKR Retail Financing Business
“ZEEKR Group”	ZEEKR together with its subsidiaries
“ZEEKR Operation Services Agreement”	the agreement entered into between the Company and ZEEKR on 2 July 2021 pursuant to which the Group agreed to provide to the ZEEKR Group operation services that mainly include IT, logistics, procurement, finance, human resources and other administrative functions for a term commencing on the effective date of the ZEEKR Operation Services Agreement and ending on 31 December 2023

“ZEEKR Relevant Business Agreement”	the cooperation agreements to be entered into between Genius AFC and the ZEEKR Group or ZEEKR Cooperation Partners, pursuant to which the ZEEKR Group or ZEEKR Cooperation Partners will recommend ZEEKR Retail Customers to use Genius AFC for obtaining vehicle loans to finance their purchase of ZEEKR Brand Vehicles
“ZEEKR Retail Customer(s)”	retail customers who purchase ZEEKR Brand Vehicles from the ZEEKR Group or ZEEKR Cooperation Partners
“ZEEKR Retail Financing Business”	the provision by Genius AFC of vehicle loans and other financing to the ZEEKR Retail Customers to assist them to buy ZEEKR Brand Vehicles from the ZEEKR Group or ZEEKR Cooperation Partners
“ZEEKR Retail Loan Agreements”	financing agreements to be entered into between Genius AFC and the ZEEKR Retail Customers which set out the terms of the loans to be provided by Genius AFC to the ZEEKR Retail Customers for their purchase of ZEEKR Brand Vehicles
“ZEEKR Technology”	寧波極氫智能科技有限公司(Ningbo ZEEKR Intelligent Technology Company Limited*) a private limited liability company incorporated in the PRC on 11 September 2020 and is an indirect wholly owned subsidiary of ZEEKR upon completion of ZEEKR Technology Acquisition Agreement
“ZEEKR Technology Acquisition Agreement”	the conditional sale and purchase agreement dated 28 April 2021 entered into between Geely Holding Automobile and Maple Guorun in relation to the acquisition of the entire registered capital in ZEEKR Technology by Maple Guorun from Geely Holding Automobile
“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 company incorporated in the PRC and is indirectly wholly owned by the Company as at the date of this announcement
“Zhejiang Geely”	浙江吉利汽車有限公司(Zhejiang Geely Automobile Company Limited*), a limited liability company established in the PRC and is a direct approximately 71% owned subsidiary of Geely Holding as at the date of this announcement

“Zhejiang Haoqing”	浙江豪情汽車製造有限公司(Zhejiang Haoqing Automobile Manufacturing Company Limited*), a private company incorporated in the PRC and is a wholly owned subsidiary of Geely Holding as at the date of this announcement
“Zhejiang Jichuang”	浙江吉創汽車零部件有限公司 (Zhejiang Jichuang Automobile Parts Company Limited*), a limited liability company established in the PRC and is wholly owned by Geely Holding as at the date of this announcement
“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 and is an indirect 99% owned subsidiary of the Company as at the date of this announcement
“%”	per cent

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

Hong Kong, 2 July 2021

As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Yang Jian (Vice Chairman), Mr. Li Dong Hui, Daniel (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Mr. An Cong Hui, Mr. Ang Siu Lun, Lawrence and Ms. Wei Mei, and the independent non-executive directors of the Company are Mr. Lee Cheuk Yin, Dannis, Mr. Yeung Sau Hung, Alex, Mr. An Qing Heng and Mr. Wang Yang.

* *For identification purposes only*