

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

ADOPTION OF ZEEKR SHARE AWARD SCHEME

ADOPTION OF ZEEKR SHARE AWARD SCHEME

On 20 August 2021, the Board resolved to adopt the Zeekr Share Award Scheme in which Selected Participants will be entitled to participate. The purposes of the Zeekr Share Award Scheme are to encourage the Selected Participants to continuously make greater contributions to the long-term growth of the Zeekr Group and thereby enhancing the value of the Company for the benefit of the Shareholders, and to attract and retain high calibre employees whose contributions will be beneficial to the growth and development of the Zeekr Group.

The Zeekr Share Award Scheme will be subject to the administration of the Administrator in accordance with the Zeekr Share Award Scheme Rules.

LISTING RULES IMPLICATIONS

The Zeekr Share Award Scheme does not constitute a share option scheme under Chapter 17 of the Listing Rules and is a discretionary share award scheme of the Company. No Shareholders' approval is required for the adoption of the Zeekr Share Award Scheme.

The allocation and future issuance of the Zeekr Shares under the Zeekr Share Award Scheme will constitute a deemed disposal by the Company of its interests in Zeekr. As all of the applicable percentage ratios under Rule 14.07 are below 5%, the allocation and future issuance of the Zeekr Shares under the Zeekr Share Award Scheme does not constitute a notifiable transaction for the Company and this announcement is made by the Company on a voluntary basis for the information of the shareholders and investors.

ADOPTION OF ZEEKR SHARE AWARD SCHEME

On 20 August 2021, the Board resolved to adopt the Zeekr Share Award Scheme in which Selected Participants will be entitled to participate. A summary of the Zeekr Share Award Scheme Rules is set out below:

Summary of the Zeekr Share Award Scheme Rules

Purpose

The purpose of the Zeekr Share Award Scheme is to promote the success of Zeekr and the interests of its shareholders by providing a mean through which Zeekr may grant equity-based incentives to attract, motivate and reward the Selected Participants and to further link the interests of the Selected Participants with those of Zeekr's shareholders generally.

Administration

The Zeekr Share Award Scheme will be subject to the administration of the Administrator in accordance with the Zeekr Share Award Scheme Rules. The Zeekr Board may by resolutions amend the Zeekr Share Award Scheme Rules from time to time.

The Administrator may from time to time appoint a Trustee to assist with the administration and vesting of Awards granted pursuant to the Zeekr Share Award Scheme.

The administration and amendment of the Zeekr Share Award Scheme will be subject to compliance with the Zeekr's articles of association, and all applicable laws, regulations and rules (including but not limited to the Listing Rules).

Operation of the scheme

The Administrator may, subject always to the Zeekr Share Award Scheme Rules, from time to time determine the number of Zeekr Shares to be granted and at its absolute discretion select any participant to be a Selected Participant under the Zeekr Share Award Scheme.

The Administrator is entitled at its absolute discretion to impose any conditions (including, without limitation, the exercise price, the vesting period and conditions, performance targets) as it deems appropriate with respect to the entitlement of the Selected Participant to the Grant Shares.

Vesting of Grant Shares

The applicable award agreement will set forth the vesting conditions of an Award, which may include, among others, a vesting period, specified performance targets or other factors.

Lapse

Subject to other provisions of the Zeekr Share Award Scheme Rules, the Administrator may specify the terms under which the Grant Shares may lapse, including when the employment of the Selected Participant is terminated.

Restrictions

Prior to the vesting of the relevant Grant Shares, (i) an Award made pursuant to the Zeekr Share Award Scheme Rules will be personal to the Selected Participant to whom it is made and will not be assignable, and no Selected Participant may in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Grant Shares referable to him/her pursuant to such Award; and (ii) a Selected Participant is not entitled to any rights attaching to the unvested Grant Shares (including but not limited to any voting rights and rights to dividends or distributions). Further, a Selected Participant will have no rights in any cash or non-cash income in respect of the Grant Shares, and any cash remaining in the trust fund of the trust under the Zeekr Share Award Scheme prior to the vesting of the relevant Grant Shares.

Scheme limit

The maximum number of Zeekr Shares that may be granted under the Zeekr Share Award Scheme is 150,000,000 Zeekr Shares, representing approximately 6.98% of the total number of Zeekr Shares in issue as at the Adoption Date (on a fully-diluted basis).

On the assumption that the maximum limit of 150,000,000 Zeekr Shares under the Zeekr Share Award Scheme are granted in full, the Group's equity interests in Zeekr will be reduced from the current 51% to approximately 47.4%. Notwithstanding that the Group's equity interests in Zeekr would fall below 50%, for the reasons that the Group will remain as the single largest shareholder in Zeekr with approximately 47.4% interests, and that the Group can still control the Zeekr Board, the Group will continue to be able to control Zeekr and consolidate its financial results into the consolidated financial statements of the Group. As such, Zeekr will continue to be accounted as a subsidiary of the Company. As the Grant Shares by Zeekr will not lead to the loss of the Group's control over Zeekr, therefore the Grant Shares by Zeekr will not result in the recognition of any gain or loss in the consolidated income statement of the Group.

Duration and termination

The Zeekr Share Award Scheme will be valid and effective from the Adoption Date and will terminate on the earlier of (i) the tenth (10th) anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Zeekr Board provided that such termination will not affect any subsisting rights of any Selected Participant under the Zeekr Share Award Scheme.

Initial grant of the Awards

On 20 August 2021, upon the adoption of the Zeekr Share Award Scheme, Zeekr granted Awards representing 56,560,400 Zeekr Shares to 3,393 Selected Participants under the Zeekr Share Award Scheme by way of reservation and future issuance of new Zeekr Shares. Subject to the fulfilment of other applicable conditions, these Grant Shares may commence vesting on 15 April 2022 and complete vesting on 15 April 2025.

To the best knowledge, information and belief of the Directors, the Selected Participants are not connected persons of the Company.

The grant of these Awards does not require approval from the shareholders of the Company. These awards will be administered by the Administrator, who may appoint a Trustee to assist with such administration. The number of Grant Shares under each Award is determined by the applicable Selected Participant's position, experience, service period, performance, and contribution towards Zeekr and its affiliates.

These Awards are subject to various vesting conditions, including but not limited to evaluation of company-level performance and individual-level performance. Subject to the fulfilment of other applicable conditions, the annual vesting percentage of Grant Shares with respect to a certain Selected Participant will be determined by evaluating the foregoing vesting conditions.

Among these vesting conditions, the company-level performance evaluation metrics include (but not limited to) sales metrics exemplified by sales volume, market position metrics exemplified by market share, and profitability metrics exemplified by EBITDA. The sales metrics are the core strategic metrics guiding Zeekr, and introducing such metrics serves to inform Zeekr's employees, and to incentivize them with endeavor to achieve the future sales targets. Market position metrics are final indicators of Zeekr's position in the industry, and pursuing a leading position in the industry is the requisite goal for Zeekr. Profitability metrics are indicators of Zeekr's self-sustainability, and form the basis for the company's survival and development. The specific company-level performance evaluation metrics will be determined by consideration of various factors within the applicable vesting period. Specifically, considering Zeekr's positioning and middle- to long-term development plan, it has been determined that the annual sales volume evaluation target for 2025 shall be not less than 650,000 vehicles. In 2025, Zeekr has to rank top 3 in terms of market share in high-end intelligent electric vehicle industry globally on the market position metrics front.

The Administrator may from time to time grant additional Awards to eligible Selected Participants.

Information on Zeekr

Zeekr is a limited liability company established in the Cayman Islands and is indirectly owned as to 51% by the Company as at the date of this announcement. The 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.

Reasons for the Zeekr Share Award Scheme

The Zeekr Share Award Scheme forms part of the incentive schemes of the Group. The Board considers that the Zeekr Share Award Scheme and the award of the Grant Shares to the Selected Participants will serve to recognize the contributions of the Selected Participants to the Group, and provide them with rewards and incentives to allow the Group to retain talents for the continual operation and development of the Group.

Listing Rules implications

The Zeekr Share Award Scheme does not constitute a share option scheme under Chapter 17 of the Listing Rules and is a discretionary share award scheme of the Company. No Shareholders' approval is required for the adoption of the Zeekr Share Award Scheme.

The allocation and future issuance of the Zeekr Shares under the Zeekr Share Award Scheme will constitute a deemed disposal by the Company of its interests in Zeekr. As all of the applicable percentage ratios under Rule 14.07 are below 5%, the allocation and future issuance of the Zeekr Shares under the Zeekr Share Award Scheme does not constitute a notifiable transaction for the Company and this announcement is made by the Company on a voluntary basis for the information of the shareholders and investors.

DEFINITIONS

“Adoption Date”	20 August 2021, being the date on which the Zeekr Share Award Scheme was adopted;
“Administrator”	the chief executive officer of Zeekr, or any other person(s) whom the Zeekr Board has delegated its authority to act as the administrator of the Zeekr Share Award Scheme;
“Award”	an award of Grant Shares by the Administrator to a Selected Participant pursuant to the Zeekr Share Award Scheme Rules on such terms and conditions as the Administrator may from time to time determine;
“Board”	the board of Directors of the Company;
“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the Main Board of the Stock Exchange (Stock Code: 0175);
“connected person”	has the meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“EBITDA”	earnings before interest, taxes, depreciation and amortisation, calculated by adding taxes, depreciation and amortisation, and finance cost, excluding other income other than government subsidies to profit.
“Grant Shares”	in respect of a Selected Participant, such number of Zeekr Shares determined by the Administrator under an Award;
“Group”	the Company and its subsidiaries;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Selected Participant(s)”	means any officer, employee or consultant of Zeekr or its affiliates or directors of Zeekr in which the Administrator may determine at his discretion to have or will contribute to the development of the Zeekr Group;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Zeekr”	Zeekr Intelligent Technology Holding Limited, a company incorporated in the Cayman Islands and is a 51% owned subsidiary of the Company as at the date of this announcement;
“Zeekr Board”	the board of directors of Zeekr;
“Zeekr Group”	Zeekr and its subsidiaries;
“Zeekr Share Award Scheme”	the restricted share award scheme adopted by Zeekr and adopted by the Company on the Adoption Date;
“Zeekr Share Award Scheme Rules”	the rules of the Zeekr Share Award Scheme, as amended from time to time;
“Zeekr Shares”	ordinary shares of Zeekr;

“Trustee” the trustee as may be appointed to assist in the administration of the Zeekr Share Award Scheme and any additional or replacement trustees; and

“%” per cent.

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

Hong Kong, 20 August 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.