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# GEELY

吉利汽車控股有限公司

## GEELY AUTOMOBILE HOLDINGS LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

Stock codes: 175 (HKD counter) and 80175 (RMB counter)

### EXEMPTED CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE CBUs PROCUREMENT AGREEMENT AND THE OPERATION SERVICES AGREEMENT

Financial Adviser to Geely Automobile Holdings Limited



#### (A) CBUs PROCUREMENT AGREEMENT

In order to introduce the ZEEKR brand NEVs to the Mexican market, the Company and ZEEKR, on 7 February 2024 (after trading hours), entered into the CBUs Procurement Agreement, pursuant to which the Group conditionally agreed to purchase CBUs and related after-sales parts and accessories from the ZEEKR Group for the onward sale to Mexico. The proposed annual caps under the CBUs Procurement Agreement for the three financial years ending 31 December 2026 will be approximately RMB674.3 million, RMB1,564.4 million and RMB3,128.8 million, respectively.

#### (B) OPERATION SERVICES AGREEMENT

Reference is made to Company's announcement dated 9 June 2023 in relation to the 2023 Operation Services Agreement entered into among the Company, Geely Holding, LYNK & CO and ZEEKR, pursuant to which the Group conditionally agreed to (i) provide to the Geely Holding Group, the LYNK & CO Group and the ZEEKR Group operation services that mainly include but not limited to IT, logistics, supplier quality engineering services, manufacturing engineering services, procurement services, human resources and other administrative services; and (ii) procure from the Geely Holding Group and the LYNK & CO Group operation services that mainly include but not limited to business travel services, IT, human resources, marketing services, charging services for NEVs, construction management services and after-sales services for a term from 9 June 2023 to 31 December 2025.

As at the date of this announcement, the Geely Holding Group no longer offers business travel services to the Group. Instead, these services will be provided by the Geely Technology Group. On 7 February 2024 (after trading hours), the Company, Geely Holding, LYNK & CO, ZEEKR and Geely Technology entered into the Operation Services Agreement, which covers the provision of operation services. The agreement is valid for a term from the completion date of the condition precedent under the Operation Services Agreement to 31 December 2025. This new agreement will supersede the 2023 Operation Services Agreement.

Pursuant to the Operation Services Agreement, the Group conditionally agreed to (i) provide to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the Geely Technology Group operation services that mainly include but not limited to IT, logistics, supplier quality engineering services, manufacturing engineering services, procurement services, human resources and other administrative services; and (ii) procure from the Geely Holding Group, the LYNK & CO Group and the Geely Technology Group operation services that mainly include but not limited to business travel services, IT, human resources, marketing services, charging services for NEVs, construction management services and after-sales services.

The proposed annual caps for the operation services to be provided by the Group under the Operation Services Agreement for the two years ending 31 December 2025 will be approximately RMB1,769.9 million and RMB2,260.9 million, respectively. The proposed annual caps for the operation services to be received by the Group under the Operation Services Agreement for the two years ending 31 December 2025 will be approximately RMB1,613.6 million and RMB1,136.9 million, respectively.

## **LISTING RULES IMPLICATION**

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 41.19% of the issued share capital of the Company as at the date of this announcement, and is a connected person of the Company. Accordingly, Geely Holding is an associate of Mr. Li and connected person of the Company for the purpose of the Listing Rules. Geely Technology is indirectly owned as to more than 85% by Mr. Li and his associate as at the date of this announcement. As such, Geely Technology is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

As at the date of this announcement, ZEEKR is owned as to (i) approximately 54.7% (on an as-converted basis) and approximately 51.3% (on a fully-diluted and as-converted basis) by the Company and (ii) approximately 13.2% (on an as-converted basis) and approximately 12.4% (on a fully-diluted and as-converted basis) by Geely Holding. ZEEKR is a connected subsidiary of the Company and therefore a connected person of the Company for the purpose of the Listing Rules.

Therefore, the transactions contemplated under the CBUs Procurement Agreement and the Operation Services Agreement constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the applicable percentage ratios of the proposed annual caps under the CBUs Procurement Agreement and the Operation Services Agreement exceed 0.1% but less than 5% on an annual basis, the transactions contemplated under the CBUs Procurement Agreement and the Operation Services Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, respectively.

## **EXEMPTED CONTINUING CONNECTED TRANSACTIONS**

### **(A) CBUs Procurement Agreement**

In order to introduce the ZEEKR brand NEVs to the Mexican market, the Company and ZEEKR, on 7 February 2024 (after trading hours), entered into the CBUs Procurement Agreement, pursuant to which the Group conditionally agreed to purchase CBUs and related after-sales parts and accessories from the ZEEKR Group for the onward sale to Mexico.

The principal terms of the CBUs Procurement Agreement are summarized below:

#### **Date**

7 February 2024 (after trading hours)

#### **Parties**

The Company and ZEEKR

#### **Subject matter**

Pursuant to the CBUs Procurement Agreement, the Group conditionally agreed to purchase CBUs and related after-sales parts and accessories from the ZEEKR Group for the onward sale to Mexico.

The afore-said procurement 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 those offered by the ZEEKR Group to the independent third party dealers or those offered to the Group by the independent third party dealers.

## **Pricing basis**

The purchase price of the CBUs and related after-sales parts and accessories under the CBUs Procurement Agreement will be determined on an arm's length basis and on normal commercial terms with reference to the prevailing market price for the same or similar products. Such prevailing market price will be determined based on the following:

- (i) the selling price of the same or similar automobile products agreed by the independent third parties in the same or proximate regions on normal commercial terms and in the ordinary course of business; or
- (ii) if (i) is not applicable, the selling price of the same or similar automobile products available from the independent third parties in the PRC agreed on normal commercial terms and in the ordinary course of business.

It shall be noted that, in any event, the purchase price of the CBUs and related after-sales parts and accessories shall not be higher than the selling price of the CBUs and related after-sales parts and accessories sold to the independent third party dealers (if any) by the Group.

## **Term**

From the completion date of the condition precedent under the CBUs Procurement Agreement to 31 December 2026.

## **Condition precedent**

The CBUs Procurement Agreement is subject to the Company having complied with the relevant requirements of the Listing Rules of the continuing connected transactions.

If the above condition has not been fulfilled on or before 31 March 2024 (or such later date as the parties may agree in writing), the CBUs Procurement Agreement will lapse and all the obligations and liabilities of the parties thereto will cease and terminate.

## Proposed annual caps

There is no historical transaction conducted under the CBUs Procurement Agreement. The table below sets out the proposed annual caps for the procurement of CBUs and related after-sales parts and accessories by the Group from the ZEEKR Group under the CBUs Procurement Agreement for each of the three years ending 31 December 2026.

	Proposed annual caps for the years ending		
	31 December		
	2024	2025	2026
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Procurement of CBUs and related after-sales parts and accessories by the Group from the ZEEKR Group	674.3	1,564.4	3,128.8

## Basis of determination of the proposed annual caps

The above proposed annual caps have been determined with reference to (i) the projected units of ZEEKR brand vehicles and related after-sales parts and accessories to be purchased from the ZEEKR Group based on the projected sales volume of the ZEEKR brand vehicles and related after-sales parts and accessories in Mexico for the three years ending 31 December 2026; and (ii) the projected average purchase price of the ZEEKR brand vehicles and related after-sales parts and accessories for the three years ending 31 December 2026.

The Directors (including the independent non-executive Directors) are of the view that the CBUs Procurement 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 CBUs Procurement Agreement for the three years ending 31 December 2026 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 CBUs PROCUREMENT AGREEMENT

Amidst soaring fossil fuel costs and the growing prominence of sustainable development, Latin American consumers are expecting more eco-friendly automobiles. In pursuit of a greener future, Colombia has set a target to equip more electric vehicles by 2030. Similarly, Chile has committed to exclusively selling electric vehicles by 2035, with the goal of achieving a fully electric public transportation system in the long term. Mexico, on the other hand, has set a target for hybrid or electric vehicles to comprise 50% of the domestic market by 2040, progressing towards a 100% electrified fleet in the long term. Meanwhile, major dealerships in Latin America have actively intensified their efforts to promote and popularize NEVs. The Group believes that Latin America will become a highly valued NEVs market in 2024. Swiftly entering into Mexico presents a valuable

opportunity for the Group to establish an initial foothold in the region at an early stage. The strategic move to introduce ZEEKR brand NEVs holds immense importance as it sets a crucial precedent for future business expansion into other Latin American countries, offering valuable insights.

The Directors are of the view that the entering into of the CBUs Procurement Agreement is beneficial to the Group as (i) the Group has already set up its subsidiary in Mexico, by entering into the CBUs Procurement Agreement, ZEEKR brand NEVs would help the Group to expand its NEV business to Mexico, which would also bring in additional revenue to the Group; (ii) the CBUs and related after-sales parts and accessories will be purchased at the prevailing market price since the Group will ensure that the terms and pricing policy for the transactions contemplated under the CBUs Procurement Agreement will be consistent with the practices between the Group and the independent third parties; and (iii) the Group will be assured that the purchase price of the CBUs and related after-sales parts and accessories will not be higher than the selling price of the respective CBUs and related after-sales parts and accessories being resold to the independent third party dealers according to the pricing policy under the CBUs Procurement Agreement.

## **INTERNAL CONTROL MEASURES IN RELATION TO PRICING FOR THE CBUs PROCUREMENT AGREEMENT**

The Group will monitor the purchase price of the CBUs and related after-sales parts and accessories to ensure the fairness of the purchase price of the CBUs and related after-sales parts and accessories. The sales team and the finance department of the Group will monitor the terms and pricing policy for each transaction between the Group and the ZEEKR Group and ensure that the terms and pricing policy for the transactions contemplated under the CBUs Procurement Agreement are consistent with the practices between the Group and the independent third parties. The finance department of the Group will monitor the purchase price of the CBUs and related after-sales parts and accessories to ensure the purchase price shall not be higher than the selling price of the CBUs and related after-sales parts and accessories sold to the independent third party dealers (if any) by the Group. The finance department of the Group will also ensure the continuing connected transactions are conducted on normal commercial terms, in the ordinary and usual course of business and will not be prejudicial to the interests of the Company and the Shareholders as a whole.

### **(B) Operation Services Agreement**

Reference is made to Company's announcement dated 9 June 2023 in relation to the 2023 Operation Services Agreement entered into among the Company, Geely Holding, LYNK & CO and ZEEKR, pursuant to which the Group conditionally agreed to (i) provide to the Geely Holding Group, the LYNK & CO Group and the ZEEKR Group operation services that mainly include but not limited to IT, logistics, supplier quality engineering services, manufacturing engineering services, procurement services, human resources and other administrative services; and (ii) procure from the Geely Holding Group and the LYNK & CO Group operation services that mainly include but not limited to business travel services, IT, human resources, marketing services, charging services for NEVs, construction management services and after-sales services for a term from 9 June 2023 to 31 December 2025.

As at the date of this announcement, the Geely Holding Group no longer offers business travel services to the Group. Instead, these services will be provided by the Geely Technology Group. On 7 February 2024 (after trading hours), the Company, Geely Holding, LYNK & CO, ZEEKR and Geely Technology entered into the Operation Services Agreement, which covers the provision of operation services. The agreement is valid for a term from the completion date of the condition precedent under the Operation Services Agreement to 31 December 2025. This new agreement will supersede the 2023 Operation Services Agreement.

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

**Date**

7 February 2024 (after trading hours)

**Parties**

The Company, Geely Holding, LYNK & CO, ZEEKR and Geely Technology

**Subject matter**

Pursuant to the Operation Services Agreement, the Group conditionally agreed to (i) provide to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the Geely Technology Group operation services that mainly include but not limited to IT, logistics, supplier quality engineering services, manufacturing engineering services, procurement services, human resources and other administrative services; and (ii) procure from the Geely Holding Group, the LYNK & CO Group and the Geely Technology Group operation services that mainly include but not limited to business travel services, IT, human resources, marketing services, charging services for NEVs, construction management services and after-sales services.

The provision of operation services by the Group, the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group or the Geely Technology Group under the Operation Services Agreement 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 or from (as applicable) the independent third parties.

## **Pricing Basis**

Pursuant to the Operation Services Agreement, the operation services fee will be determined on the arm's length negotiations 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 (i) the costs incurred for providing the relevant services (excluding outsourcing costs (if applicable)) plus a margin rate with reference to the range between the lower quartile and the upper quartile of the three-year weighted average 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 firm (the "**Operation Services Transfer Pricing Analysis Reports**"); and (ii) the actual outsourcing costs (if applicable). The margin rates will be reviewed and adjusted on an annual or as-needed basis by the relevant parties after taking into account the fact that the margin rates of comparable companies may change over time.

## **Term**

From the completion date of the condition precedent under the Operation Services Agreement to 31 December 2025.

## **Condition precedent**

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

If the above condition has not been fulfilled on or before 31 March 2024 (or such later date as the parties may agree in writing), the Operation Services Agreement will lapse and all the obligations and liabilities of the parties thereto will cease and terminate.



## Proposed annual caps

The table below sets out the 2023 Operation Services Annual Caps and the New Operation Services Annual Caps:

	For the financial years ended/ending		
	31 December		
	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
<b>2023 Operation Services Annual Caps</b>			
– Service fees receivable by the Group for the provision of operation services to the Geely Holding Group, the LYNK & CO Group and the ZEEKR Group	1,550.6	2,280.6	2,908.2
– Service fees payable to the Geely Holding Group and the LYNK & CO Group for the provision of operation services to the Group	1,581.4	1,613.6	1,136.9
Historical transaction amount for the year ended 31 December 2023 (Unaudited)			
– Service fees receivable by the Group for the provision of operation services to the Geely Holding Group, the LYNK & CO Group and the ZEEKR Group	1,104.5		
Utilisation rate of annual cap	71.2%		
– Service fees payable to the Geely Holding Group and the LYNK & CO Group for the provision of operation services to the Group	1,455.6		
Utilisation rate of annual cap	92.0%		
<b>New Operation Services Annual Caps</b>			
– Service fees receivable by the Group for the provision of operation services to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the Geely Technology Group	–	1,769.9	2,260.9
– Service fees payable to the Geely Holding Group, the LYNK & CO Group and the Geely Technology Group for the provision of operation services to the Group	–	1,613.6	1,136.9

## **Basis of determination of the New Operation Services Annual Caps**

The proposed annual caps for operation services to be provided by the Group were determined with reference to (i) the projected staff costs of the Group to perform IT and other administrative functions for each of the two years ending 31 December 2025; (ii) the estimated portion of the IT and other administrative functions solely for the Geely Holding Group, the LYNK & CO Group, the Geely Technology Group and the ZEEKR Group, compared with the Group's overall IT and administrative functions, based on historical costs incurred by each party; (iii) the estimated costs (including but not limited to transportation, packaging, and labour costs) for the transportation of each vehicle, based on projected costs for logistic services; (iv) the estimated number of vehicles for which the Group will provide logistic services for each of the two years ending 31 December 2025; (v) the projected total staff working hours required for supplier quality engineering services, manufacturing engineering and procurement functions for each of the two years ending 31 December 2025; (vi) the projected hourly cost for staff in supplier quality engineering services, manufacturing engineering and procurement functions, based on historical costs; and (vii) the margin rates for services in relation to IT, logistics, supplier quality engineering services, manufacturing engineering, procurement services and other administrative functions, relative to estimated costs, with reference to the Operation Services Transfer Pricing Analysis Reports.

The proposed annual caps for operation services to be provided by the Geely Holding Group, the LYNK & CO Group and the Geely Technology Group to the Group were determined with reference to (i) the projected total costs required for after-sales services for each of the two years ending 31 December 2025; (ii) the estimated number of domestic and international business travels, exhibitions and conferences required by the Group, determined based on the projected business volumes of the Group for each of the two years ending 31 December 2025; (iii) the estimated average price for air tickets, accommodations and other transportation, as well as exhibition and conference-related services; (iv) the market price of software and development services; (v) the projected hourly cost for the staff in relation to IT services; (vi) the average unit price of electricity and the estimated number of NEVs requiring charging services for each of the two years ending 31 December 2025; (vii) the projected total staff working hours required for construction management services for each of the two years ending 31 December 2025; and (viii) the margin rates for the respective operation services relative to estimated costs with reference to the Operation Services Transfer Pricing Analysis Reports.

The Directors (including the independent non-executive Directors) are of the view that (i) the transactions contemplated under the Operation Services Agreement are entered into in the ordinary and usual course of business of the Group; and (ii) the Operation Services Agreement is entered into on normal commercial terms, and the terms and the proposed annual caps of the Operation Services Agreement for the two years ending 31 December 2025 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 OPERATION SERVICES AGREEMENT**

To cope with increasing competition in the NEVs industry, the Group has been actively expanding its cooperation with suppliers of power supplies and charging services. The collaboration with the Geely Holding Group in procuring charging services for NEVs will enhance the Group's bargaining power and result in cost reduction.

It is expected that the demand for domestic and international business travels, as well as exhibitions and conferences, will significantly rise in anticipation of the economic recovery from COVID-19. By collaborating with the Geely Technology Group in marketing and business travel services, the Group aims to achieve cost reductions.

Further, the Group has streamlined its production process by utilising advanced software and information systems shared by the Geely Holding Group and the LYNK & CO Group. To support the digital transformation of the operating system, the Group is hiring additional IT and research staff through the human resources services provided by the Geely Holding Group, sharing the associated costs on a pro-rata basis. The sharing of resources among the Group, Geely Holding Group, the LYNK & CO Group and the ZEEKR Group will improve operating efficiency and reduce technological costs for the Group.

The Directors believe that entering into the Operation Services Agreement is beneficial to the Group as (i) the terms of the operation services provided by the Group will not be less favourable than those offered to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the Geely Technology Group by the independent third parties; (ii) for the operation services to be provided by the Group to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the Geely Technology Group which are charged with reasonable margin rates relative to the actual costs (excluding outsourcing costs), such operation services will generate additional revenue and income for the Group; (iii) the operation services to be provided by the Geely Holding Group, the LYNK & CO Group and the Geely Technology Group to the Group will be on terms no less favourable than those offered to the Group by the independent third parties; and (iv) the operation services to be provided by the Geely Holding Group, the LYNK & CO Group and the Geely Technology Group to the Group are expected to be more suitable for the Group's needs based on the long-standing cooperation and relationship among the Group, the Geely Holding Group, the LYNK & CO Group and the Geely Technology Group. This will also help the Group save on additional human resources.

## **INTERNAL CONTROL MEASURES IN RELATION TO PRICING FOR THE OPERATION SERVICES AGREEMENT**

The finance department of the Group will compare the operation service fees with the similar existing 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 monitor the relevant cost items, as well as other necessary and reasonable expenses on an annual basis (or more frequently if it is determined necessary) for each type of operation services provided

by the Group to the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the Geely Technology Group and ensure that the service fees charged for such operation services are determined properly.

The finance department of the Group will negotiate with the Geely Holding Group, the LYNK & CO Group, the ZEEKR Group and the Geely Technology Group the terms of such transactions on an annual basis (or more frequently if it is determined necessary) to ensure that prices are fair and reasonable, and properly reflect the level of costs incurred by the Group in such transactions.

In relation to the aforesaid internal control measures, the internal audit department of the Group will conduct assessment on the internal control measures for all continuing connected transactions to ensure that 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. 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.

## **INFORMATION REGARDING THE PARTIES**

### **The Company**

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

### **Geely 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 41.19% 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.

### **ZEEKR**

ZEEKR is a limited liability company established in the Cayman Islands and as at the date of this announcement, ZEEKR is owned as to (i) approximately 54.7% (on an as-converted basis) and approximately 51.3% (on a fully-diluted and as-converted basis) by the Company, and (ii) approximately 13.2% (on an as-converted basis) and approximately 12.4% (on a fully-diluted and

as-converted basis) by Geely Holding. ZEEKR is principally engaged in the research and development, purchase and sale of the electric mobility related products such as the premium intelligent electric vehicles under the ZEEKR brand and the provision of service relating thereto.

## **LYNK & CO**

LYNK & CO is a Chinese-foreign equity joint venture company established in the PRC and is owned as to 50% by Ningbo Geely, as to 20% by Geely Holding and as to 30% by VCI as at the date of this announcement. VCI is an indirect non wholly-owned subsidiary of Geely Holding. LYNK & CO is principally engaged in the manufacture and sale of LYNK & CO-branded vehicles, and the provision of after-sales parts.

## **Geely Technology**

Geely Technology is a limited liability company established in the PRC. As at the date of this announcement, Geely Technology is indirectly owned as to more than 85% by Mr. Li and his associate. Geely Technology core businesses include new materials, new energy, and motorcycle travel culture. It also makes strategic investments in low-altitude travel, commercial aerospace, and innovation incubation businesses.

## **IMPLICATIONS UNDER THE LISTING RULES**

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 41.19% of the issued share capital of the Company as at the date of this announcement, and is a connected person of the Company. Accordingly, Geely Holding is an associate of Mr. Li and connected person of the Company for the purpose of the Listing Rules. Geely Technology is indirectly owned as to more than 85% by Mr. Li and his associate as at the date of this announcement. As such, Geely Technology is an associate of Mr. Li and a connected person of the Company under the Listing Rules.

As at the date of this announcement, ZEEKR is owned as to (i) approximately 54.7% (on an as-converted basis) and approximately 51.3% (on a fully-diluted and as-converted basis) by the Company and (ii) approximately 13.2% (on an as-converted basis) and approximately 12.4% (on a fully-diluted and as-converted basis) by Geely Holding. ZEEKR is a connected subsidiary of the Company and therefore a connected person of the Company for the purpose of the Listing Rules.

Therefore, the transactions contemplated under the CBUs Procurement Agreement and the Operation Services Agreement constitute continuing connected transactions for the Company pursuant to Chapter 14A of the Listing Rules.

As the applicable percentage ratios of the proposed annual caps under the CBUs Procurement Agreement and the Operation Services Agreement exceed 0.1% but less than 5% on an annual basis, the transactions contemplated under the CBUs Procurement Agreement and the Operation Services

Agreement are subject to the reporting, annual review and announcement requirements, but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules, respectively.

## **GENERAL**

Mr. Li and Mr. Li Dong Hui, Daniel, each an executive Director, are considered to be interested in the transactions contemplated under the CBUs Procurement Agreement and the Operation Services Agreement by virtue of their interests and/or directorships in Geely Holding. As a result, each of Mr. Li and Mr. Li Dong Hui, Daniel has abstained from voting on the Board resolutions for approving the CBUs Procurement Agreement and the Operation Services Agreement.

In addition, Mr. Gui Sheng Yue, Mr. An Cong Hui, Ms. Wei Mei and Mr. Gan Jia Yue, each an executive Director, are considered to be interested in the CBUs Procurement Agreement and Operation Services Agreement by virtue of their interests and/or directorships in ZEEKR. As a result, each of Mr. Gui Sheng Yue, Mr. An Cong Hui, Ms. Wei Mei and Mr. Gan Jia Yue has abstained from voting on the Board resolutions for approving the CBUs Procurement Agreement and Operation Services Agreement.

## **DEFINITIONS**

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

“2023 Operation Services Agreement”	the master agreement dated 9 June 2023 entered into among the Company, Geely Holding, LYNK & CO and ZEEKR for the operation services
“2023 Operation Services Annual Caps”	the existing annual caps for the financial year ended 31 December 2023 and financial years ending 31 December 2024 and 31 December 2025, respectively as stated in the section headed “(B) Operation Services Agreement – Proposed annual caps” in this announcement
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“CBU(s)”	fully functional vehicles that meet relevant corporate standards, industry requirements and regulatory requirements and can be sold directly to customers

“CBUs Procurement Agreement”	the master agreement dated 7 February 2024 entered into between the Company and ZEEKR for the procurement of CBUs and related after-sales parts and accessories from the ZEEKR Group for the onward sale to Mexico
“Company”	Geely Automobile Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed in the main board of the Stock Exchange (stock codes: 175 (HKD counter) and 80175 (RMB counter))
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transactions”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Geely Holding”	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited*), a limited liability company established in the PRC, and is ultimately wholly-owned by Mr. Li and his associate as at the date of this announcement
“Geely Holding Group”	Geely Holding and its subsidiaries
“Geely Technology”	Geely Technology is a limited liability company established in the PRC. As at the date of this announcement, Geely Technology is indirectly owned as to more than 85% by Mr. Li and his associate
“Geely Technology Group”	Geely Technology and its subsidiaries
“Group”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholder(s) other than Mr. Li, Mr. Li Dong Hui, Daniel, Mr. Gui Sheng Yue, Mr. An Cong Hui, Ms. Wei Mei, Mr. Gan Jia Yue, and their respective associates
“IT”	Information technology
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“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 Ningbo Geely, Geely Holding and VCI as at the date of this announcement
“LYNK & CO Group”	LYNK & CO and its subsidiaries
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial shareholder holding approximately 41.19% of the total issued share capital of the Company as at the date of this announcement
“NEV(s)”	New energy vehicle(s)
“New Operation Services Annual Caps”	the new annual caps for the two financial years ending 31 December 2025 respectively as stated in the section headed “(B) Operation Services Agreement – Proposed annual caps” in this announcement
“Ningbo Geely”	寧波吉利汽車實業有限公司 (Ningbo Geely Auto Industry Company Limited*), a limited liability company established in the PRC, which is an indirectly wholly-owned subsidiary of the Company as at the date of this announcement
“Operation Services Agreement”	the master agreement dated 7 February 2024 entered into among the Company, Geely Holding, LYNK & CO, ZEEKR and Geely Technology for the operation services
“percentage ratio(s)”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and for the purposes of this announcement excluding Hong Kong, the Macau Special Administrative Region, and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholders”	the holder(s) of the Share(s)
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



“VCI”	沃爾沃汽車(中國)投資有限公司 (Volvo Car (China) Investment Co., Ltd.*), a limited liability company established in the PRC, which is a wholly-owned subsidiary of Volvo as at the date of this announcement
“Volvo”	Volvo Car Corporation, a limited liability company incorporated under the laws of Sweden, which is an indirect non wholly-owned subsidiary of Geely Holding as at the date of this announcement
“ZEEKR”	ZEEKR Intelligent Technology Holding Limited, a limited liability company established in the Cayman Islands and is an indirect subsidiary of the Company as at the date of this announcement
“ZEEKR Group”	ZEEKR together with its subsidiaries
“%”	per cent

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

Hong Kong, 7 February 2024

*As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Li Dong Hui, Daniel (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Mr. An Cong Hui, Mr. Ang Siu Lun, Lawrence, Ms. Wei Mei and Mr. Gan Jia Yue, and the independent non-executive directors of the Company are Mr. An Qing Heng, Mr. Wang Yang, Ms. Gao Jie, Ms. Yu Li Ping, Jennifer and Mr. Zhu Han Song.*

\* *For identification purposes only*