LEAPMOTOR

ZHEJIANG LEAPMOTOR TECHNOLOGY CO., LTD.
浙江零跑科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 9863)

CONTINUING CONNECTED TRANSACTION
ELECTRIC DRIVE PROJECT COOPERATION AGREEMENT

On 29 April 2025, Lingsheng Powertech, a subsidiary of the Company, and Peugeot Citroën entered into the Electric Drive Project Cooperation Agreement, pursuant to which, Lingsheng Powertech will provide the electric drive assembly development and factory prototype finished products and corresponding special testing services under the product specifications and special testing requirements defined by Peugeot Citroën.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Peugeot Citroën is a wholly-owned subsidiary of Stellantis N.V. ("**Stellantis**"), which in turn holds 21.26% of the total number of issued shares of the Company, and therefore both Peugeot Citroën and Stellantis are connected persons of the Company. Pursuant to Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the Electric Drive Project Cooperation Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios in respect of the highest proposed annual caps under the Electric Drive Project Cooperation Agreement is more than 0.1% but less than 5%, the Electric Drive Project Cooperation Agreement and the transactions contemplated thereunder are subject to reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

On 29 April 2025, Zhejiang Lingsheng Powertech Co., Ltd. (浙江淩昇動力科技有限公司) ("**Lingsheng Powertech**"), a subsidiary of Zhejiang Leapmotor Technology Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") and Peugeot Citroën (China) Automotive Trade Co., Ltd. (標緻雪鐵龍(中國)汽車貿易有限公司) ("**Peugeot Citroën**") entered into a cooperation agreement in relation to electric drive project (the "**Electric Drive Project Cooperation Agreement**"), pursuant to which, Lingsheng Powertech will provide the electric drive assembly development and factory prototype finished products and corresponding special testing services under the product specifications and special testing requirements defined by Peugeot Citroën.

The principal terms of the Electric Drive Project Cooperation Agreement are set out below:

Electric Drive Project Cooperation Agreement

Date:	29 April 2025
Parties:	Lingsheng Powertech, a subsidiary of the Company; and Peugeot Citroën
Term:	From 29 April 2025 to 30 June 2027 (both days inclusive)
Principal terms:	Pursuant to the Electric Drive Project Cooperation Agreement, Lingsheng Powertech will provide the electric drive assembly development and factory prototype and corresponding special testing services under the product specifications and special testing requirements defined by Peugeot Citroën.
Pricing policy:	The fees for providing electric drive assembly development and prototype services to Peugeot Citroën shall be determined through arm's length negotiation between the parties based on (i) special testing cost; (ii) human resource cost of research and development; (iii) the purchase and/or design costs of molds used for research and development; (iv) the cost of the trial manufacture of prototype; (v) specialized development costs; and (vi) other expenses, such as research and development and travel, and other expenses. At the same time, the Company has made reference to the prices of at least two transactions for services/projects of similar nature provided to independent third party customers to ensure that the fees for development and special testing services are in line with the prevailing market rates and are not lower than the service fees charged by the Company from other independent third party customers.
Payment arrangement:	Pursuant to the Electric Drive Project Cooperation Agreement, the specific payments thereunder are based on the project progress and will be completed after passing the acceptance inspection.

Historical amount

The provision of the relevant development and corresponding special testing services by Lingsheng Powertech to Peugeot Citroën is a new transaction contemplated between the parties. No historical transaction amount is available.

Annual Caps and Annual Caps Basis

	For the year ended December 31		
	2025	**2026**	**2027**
		(RMB million)	
Fees for development and special testing services received by Lingsheng Powertech from Peugeot Citroën	67.11	77.99	4.90

The proposed annual caps on the fees for the development and special testing services to be provided by Lingsheng Powertech to Peugeot Citroën were determined with reference to the following considerations:

(1) Special testing fee (including but not limited to testing on efficiency Map, peak performance, durability performance, torque fatigue) is the largest cost component of fees for development and special testing services. Based on the general development progress of research and development projects and the duration of Electric Drive Project Cooperation Agreement, special testing fee will mainly incur in the first two years of the project and reaches its peak in 2026;

(2) Human resource cost of research and development (such as costs of various hardware engineers and system technology engineers) is the second largest cost component of fees for development and special testing services. Based on the general development progress of research and development project and the duration of Electric Drive Project Cooperation Agreement, human resource cost of research and development will mainly incur in the first two years of the project and decline year by year; and

(3) Estimation on other miscellaneous expenses, including the cost of the trial-manufacture of prototype (including but not limited to cost of the manufacture of the A/B/C-sample, prototypes of controller assembly, reduction drive assembly, single drive motor), specialized development costs (including but not limited to sharing of software expenses and testing expenses), research and development and travel expenses, transportation expenses and other expenses, and it is expected that such costs will decline year by year during the period of project.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ELECTRIC DRIVE PROJECT COOPERATION AGREEMENT AND THE TRANSACTIONS THEREUNDER

As a high-tech enterprise specializing in whole vehicle R&D and production, Lingsheng Powertech is committed to promoting the development of the industry through technological innovation. In the field of core components, it has achieved remarkable results by virtue of its profound technical accumulation and strong R&D capability. Based on respect for and protection of existing intellectual property rights and core technology secrets, Lingsheng Powertech and Peugeot Citroën have reached a cooperation agreement with the aim of complementing each other's strengths to jointly create internationally competitive parts and components. Meanwhile, Peugeot Citroën has rich experience in the field of whole vehicle production and sales, and is a trustworthy partner.

In view of the above, the Directors (including the independent non-executive Directors) consider that the terms under the Electric Drive Project Cooperation Agreement are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Mr. Grégoire Olivier is the head of strategy for Chinese market of Stellantis, and Mr. Douglas Ostermann is a member of interim executive committee and chief financial officer of Stellantis. Therefore, Mr. Grégoire Olivier and Mr. Douglas Ostermann, the directors of the Company, who are deemed to have material interests in the Electric Drive Project Cooperation Agreement and the transactions contemplated thereunder, have abstained from voting on the relevant Board resolutions. Save as aforesaid, none of the other Directors have a material interest in the Electric Drive Project Cooperation Agreement and is required to abstain from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

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As one or more of the applicable percentage ratios in respect of the highest proposed annual caps under the Electric Drive Project Cooperation Agreement is more than 0.1% but less than 5%, the Electric Drive Project Cooperation Agreement and the transactions contemplated thereunder are subject to reporting, annual review and announcement requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTERNAL CONTROL MEASURES

As a general principle, the prices and terms in respect of the above transactions will be determined in the ordinary course of business, on normal commercial terms or better, negotiated on arm's length basis, on similar basis as the Group transacts business with other independent third parties and shall be on terms which are no less favourable to the Group than those offered to other Independent Third Parties.

In order to ensure that the continuing connected transactions are conducted on normal commercial terms or better and in accordance with the Group's pricing policy and will not be detrimental to the interests of the Company and the Shareholders as a whole, the terms of the individual agreements will be on normal commercial terms and on terms no less favorable to that offered to the independent third party pursuant to the aforesaid Electric Drive Project Cooperation Agreement, and the proposed annual caps under the Electric Drive Project Cooperation Agreement will not exceed the proposed annual caps, the Group has adopted the following internal control measures:

(i) the Company will regularly conduct market pricing research of relevant services and benchmark pricing analysis in accordance with the pricing policy occasionally;

(ii) the Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for the Company to commence the necessary additional assessment and approval procedures and ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules;

(iii) the Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by the Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing trading on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap; and

(iv) when considering any renewal of or revisions to the Electric Drive Project Cooperation Agreement, the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' general meetings (as the case may be). If the independent Directors' or independent Shareholders' approvals cannot be obtained, the Company will not continue the transactions under the above Electric Drive Project Cooperation Agreement to the extent that they constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules. Accordingly, the Directors are of the view that the internal control mechanism is effective in ensuring that the transactions contemplated under the continuing connected transactions have been and will be carried out on normal commercial terms or on better terms and will not be detrimental to the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

The Company is a NEV company based in China that possesses full-suite R&D capabilities in NEV's core technologies. The Company designs, develops, manufactures and sells NEVs, and at the same time develops and manufactures EIC core components and provides vehicle internet solutions based on cloud computing. With an aim to maximize user value, it strives to provide products and services which deliver superior experience beyond expectation.

Lingsheng Powertech is a limited liability company established under the laws of the PRC on 20 December 2021 and specializes in technology promotion and application services, including intelligent control system integration, software development and Internet of Things technology services. As at the date of this announcement, Lingsheng Powertech is a wholly-owned subsidiary of the Company.

Stellantis is one of the world's leading automakers and a mobility provider. Its storied and iconic brands embody the passion of their visionary founders and today's customers in their innovative products and services. Powered by diversity, lead the way the world moves – aspiring to become the greatest sustainable mobility tech company, not the biggest, while creating added value for all stakeholders as well as the communities in which it operates. As at the date of this announcement, Stellantis holds 21.26% of the total number of issued shares of the Company.

Peugeot Citroën is a limited liability company established under the laws of the PRC on 10 March 2006 and specializes in the development and testing services of whole vehicles and components, including technical assistance, training and after-sales services. As at the date of this announcement, Peugeot Citroën is a wholly-owned subsidiary of Stellantis.

By order of the Board
Zhejiang Leapmotor Technology Co., Ltd.
Mr. Zhu Jiangming
Founder, Chairperson of the Board and
Chief Executive Officer

Hong Kong, 29 April 2025

As at the date of this announcement, the Board comprises Mr. Zhu Jiangming, Mr. Cao Li and Mr. Zhou Hongtao as executive Directors; Mr. Grégoire Olivier, Mr. Douglas Ostermann and Mr. Jin Yufeng as non-executive Directors; and Mr. Fu Yuwu, Ms. Drina C Yue, and Mr. Shen Linhua as independent non-executive Directors.