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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)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announces that the Group had subscribed for certain wealth management products offered by SPD Bank, Industrial Bank and CITIC Bank, respectively, the key terms of which are set out below.

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS WITH SPD BANK

The Board announces that on the relevant dates during the year ended 31 December 2024, the Company subscribed for certain structured deposits offered by SPD Bank, the principal terms of which are set out below:

No.	Subscription date	Product name	Subscription amount *(RMB million)*	Estimated annualised yield	Maturity date	Product type	Outstanding principal amount as at the subscription date *(RMB million)*
1	2 September 2024	Liduoduo Wenli RMB Corporate Structured Deposit (Tranches 24JG3447 and 24JG3448) (利多多公司穩利人民幣對公結構性存款 24JG3447 期及 24JG3448 期)	700	2.70%-2.80%	30 September 2024	principal guaranteed with floating return	1,293
2	1 November 2024	Liduoduo Wenli RMB Corporate Structured Deposit (Tranche 24JG3537) (利多多公司穩利人民幣對公結構性存款 24JG3537 期)	550	2.25%	29 November 2024	principal guaranteed with floating return	1,320
3	2 December 2024	Liduoduo Wenli RMB Corporate Structured Deposit (Tranche 24JG3582) (利多多公司穩利人民幣對公結構性存款 24JG3582 期)	550	2.35%	31 December 2024	principal guaranteed with floating return	1,320
4	11 December 2024	Liduoduo Wenli RMB Corporate Structured Deposit (Tranche 24JG3605) (利多多公司穩利人民幣對公結構性存款 24JG3605 期)	100	2.26%	31 December 2024	principal guaranteed with floating return	1,320
5	30 December 2024	Liduoduo Wenli RMB Corporate Structured Deposit (Tranche 24JG3645) (利多多公司穩利人民幣對公結構性存款 24JG3645 期)	100	2.45%	1 April 2025	principal guaranteed with floating return	1,320

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS WITH INDUSTRIAL BANK

The Board announces that on the relevant dates during the year ended 31 December 2024, the Company subscribed for certain wealth management products offered by Industrial Bank, the principal terms of which are set out below:

No.	Subscription date	Product name	Subscription amount *(RMB million)*	Estimated annualised yield	Maturity date	Product type	Outstanding principal amount as at the subscription date *(RMB million)*
1	22 July 2024	Industrial Bank Corporate Finance RMB Structured Deposit Products (興業銀行企業金融人民幣結構性存款產品)	360	2.35%	22 November 2024 – 22 January 2025	principal guaranteed with floating return	1,460
2	1 August 2024	Industrial Bank Corporate Finance RMB Structured Deposit Products (興業銀行企業金融人民幣結構性存款產品)	1,100	2.23% -2.35%	30 August 2024	principal guaranteed with floating return	1,460
3	4 November 2024	Industrial Bank Corporate Finance RMB Structured Deposit Products (興業銀行企業金融人民幣結構性存款產品)	300	2.20%	8 May 2025	principal guaranteed with floating return	1,380
4	4 December 2024	Industrial Bank Corporate Finance RMB Structured Deposit Products (興業銀行企業金融人民幣結構性存款產品)	300	2.19%	31 December 2024 – 4 June 2025	principal guaranteed with floating return	1,330

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS WITH CITIC BANK

The Board announces that on the relevant dates during the year ended 31 December 2024, the Company subscribed for certain wealth management products offered by CITIC Bank, the principal terms of which are set out below:

No.	Subscription date	Product name	Subscription amount *(RMB million)*	Estimated annualised yield	Maturity date	Product type	Outstanding principal amount as at the subscription date *(RMB million)*
1	12 October 2024	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits (Tranche 18078) (共贏智信匯率掛鈎人民幣結構性存款 18078 期)	200	2.30%	11 November 2024	principal guaranteed with floating return	1,400

No.	Subscription date	Product name	Subscription amount *(RMB million)*	Estimated annualised yield	Maturity date	Product type	Outstanding principal amount as at the subscription date *(RMB million)*
2	16 October 2024	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits (Tranche 18155) (共赢智信匯率掛鈎人民幣結構性存款 18155 期)	400	2.30%	15 November 2024	principal guaranteed with floating return	1,400
3	22 October 2024	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits (Tranches 18211 and 18209) (共赢智信匯率掛鈎人民幣結構性存款 18211 期及 18209 期)	300	2.30%	20 January 2025	principal guaranteed with floating return	1,400
4	26 October 2024	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits (Tranche 06196) (共赢智信匯率掛鈎人民幣結構性存款 06196 期)	100	2.23%	25 April 2025	principal guaranteed with floating return	1,500
5	1 November 2024	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits (Tranche 18359) (共赢智信匯率掛鈎人民幣結構性存款 18359 期)	400	2.15%	29 November 2024	principal guaranteed with floating return	1,400
6	13 November 2024	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits (Tranche 18701) (共赢智信匯率掛鈎人民幣結構性存款 18701 期)	200	2.15%	13 December 2024	principal guaranteed with floating return	1,400
7	16 November 2024	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits (Tranche 18753) (共赢智信匯率掛鈎人民幣結構性存款 18753 期)	400	2.15%	14 February 2025	principal guaranteed with floating return	1,400
8	1 December 2024	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits (Tranche 19083) (共赢智信匯率掛鈎人民幣結構性存款 19083 期)	400	2.18%	3 March 2025	principal guaranteed with floating return	1,400
9	14 December 2024	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits (Tranche 19223) (共赢智信匯率掛鈎人民幣結構性存款 19223 期)	200	2.00%	26 December 2024	principal guaranteed with floating return	1,400
10	31 December 2024	Gongying Zhixin Exchange Rate Linked RMB Structured Deposits (Tranche 19508) (共赢智信匯率掛鈎人民幣結構性存款 19508 期)	200	2.15%	1 April 2025	principal guaranteed with floating return	1,400

BASIS OF CONSIDERATION

The Board confirmed that the consideration for each of the Subscriptions was determined on commercial terms after arm's length negotiations between the Company and SPD Bank, Industrial Bank and CITIC Bank, respectively, taking into account (i) the cash surplus available to the Company for treasury management at the time of the respective subscription; (ii) the expected investment income and terms of each of the Subscriptions; and (iii) prevailing market interest rates and practices.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

Each of the Subscriptions was carried out by the Group for treasury management purposes in order to maximize the utilization of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining high liquidity and a low level of risks. Taking into account, among others, the low level of risks and the expected rates of return of the wealth management products, the Group considers that each of the Subscriptions would provide the Group with better returns than the returns on deposits generally offered by commercial banks and increase the Company's overall earnings. The Company has monitored and managed the Subscriptions closely and effectively and will continue to do so.

Having considered that each of the Subscriptions had been classified as relatively low risk after careful assessment, and with reference to similar products in the market and their general rates of return, the Board was of the view that the terms of the Subscriptions are fair and reasonable and in the best interests of the Company and its shareholders as a whole. The Group has implemented adequate and appropriate internal control procedures to ensure the Subscriptions would not affect the working capital or the operations of the Group, and that such investments would be conducted on the principle of protecting the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio for each subscription of the wealth management products during the relevant period made by the Group on a standalone basis was less than 5% and therefore did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

However, pursuant to Rule 14.22 of the Listing Rule, each of the subscriptions of the wealth management products made during the relevant period was made with the same counterparty and is of a similar nature within a 12-month period, the transactions are therefore aggregated. As the highest applicable percentage ratio in respect of the subscription of the wealth management products made during the relevant period on an aggregate basis exceeds 5% but is less than 25%, such subscription of the wealth management products constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules but exempt from the shareholders' approval requirement.

INFORMATION ON THE PARTIES

The Company is an 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 produces 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 that deliver superior experience beyond expectation.

SPD Bank is a licensed bank incorporated under the laws of the PRC and listed on the Shanghai Stock Exchange (stock code: 600000), principally engaged in financial and trust investment businesses in the PRC.

Industrial Bank is a licensed bank established under the laws of the PRC and listed on the Shanghai Stock Exchange (stock code: 601166) and is principally engaged in the provision of corporate and personal banking and other financial services in the PRC.

CITIC Bank is a licensed bank incorporated under the laws of the PRC and listed on the Stock Exchange (stock code: 00998) and the Shanghai Stock Exchange (stock code: 601998) and is principally engaged in, among other things, corporate finance, retail finance, financial markets and other businesses in the PRC.

REMEDIAL ACTIONS

The Company should have complied with the relevant notification and announcement requirements under Rule 14.34 of the Listing Rules in respect of the subscription of the wealth managements products as and when such obligation arose. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to oversight in monitoring the aggregate balance of wealth management products with one single counterparty. Recently, relevant internal departments of the Company revisited the relevant transactions and sought advice from the Board and professional advisers on the Listing Rules implications. Accordingly, the Company hereby publishes this announcement as soon as practicable to inform the shareholders of the subscription of the wealth management products. To prevent the re-occurrence of similar incidents in the future, the Company has implemented the following internal control procedures with immediate effect:

1. the Company has circulated specific guidelines on notifiable and connected transactions under the Listing Rules. The legal adviser of the Company has provided training on notifiable and connected transactions to the Company on 3 April 2025, and subsequent training will be provided on a quarterly basis to remind its senior management and Directors to enhance and consolidate their current understanding of notifiable and connected transactions, highlight the importance of complying with the Listing Rules and their ability to identify potential issues at an early stage;

2. Before conducting any similar transactions, the Company's management team has prepared a control list on the wealth management products monitoring their balances on both standalone and aggregation basis on 18 March 2025, and will continue to update such list going forward. Since its listing on the Stock Exchange, the Company has been consulting its legal advisers and auditor on transactions proposed to be conducted by the Company. The Company will continue to assess the Group's existing and future wealth management transactions together with the Company's auditors, compliance adviser and legal adviser prior to the entry of any similar transactions to ensure the Company's compliance with the Listing Rules;

3. The Company will consult with professional advisers as appropriate and necessary before entering into any potential notifiable transaction, and if necessary, the Company may also consult with the Stock Exchange on the obligations of the proposed transaction; and

4. Since its listing on the Stock Exchange, the executive Directors of the Company and members of the senior management team of the Company have been continuously monitoring the internal control measures of the Group. They will continue such practice and will report the findings and make appropriate recommendations to the Board on a regular basis.

DEFINITIONS

"Board"	the board of Directors of the Company
"CITIC Bank"	China CITIC Bank Corporation Limited, a company listed on the Stock Exchange (stock code: 00998) and Shanghai Stock Exchange (stock code: 601998)
"Company"	Zhejiang Leapmotor Technology Co., Ltd. (浙江零跑科技股份有限公司), a limited liability company established under the laws of the PRC on December 24, 2015 and converted into a joint stock limited liability company in the PRC on April 30, 2021 (stock code: 9863)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries (or the Company and any one or more of its subsidiaries, as the context may require)
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Industrial Bank"	Industrial Bank Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 601166)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, and for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"SPD Bank"	Shanghai Pudong Development Bank Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600000)
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subscriptions"	the subscriptions of wealth management products by the Company with SPD Bank, Industrial Bank and CITIC Bank, the principal terms of which are set in this announcement

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

Hong Kong, 23 May 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.