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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)

**EXEMPTED CONTINUING CONNECTED TRANSACTIONS IN RELATION
TO THE SUPPLEMENTAL CBU_s SALES AGREEMENT AND THE
OPERATION SERVICES AGREEMENT**

Financial Adviser to Geely Automobile Holdings Limited



(A) SUPPLEMENTAL CBU_s SALES AGREEMENT

Reference is made to the Company's announcement dated 15 October 2021 in relation to the 2021 CBU_s Sales Agreement, pursuant to which the Group agreed to sell, and the Geely Holding Group agreed to purchase, CBU_s and related after-sales parts and accessories manufactured by the Group from 1 January 2022 to 31 December 2024.

In view of the growing market demand for NEVs driven by the online car-hailing industry, the Board envisages that the Existing CBU_s Sales Annual Caps in respect of the financial years ending 31 December 2023 and 31 December 2024 will not be sufficient. The Company, therefore, on 9 June 2023, entered into the Supplemental CBU_s Sales Agreement with Geely Holding, pursuant to which the parties agreed to increase the Existing CBU_s Sales Annual Caps for the financial years ending 31 December 2023 and 31 December 2024 to the Revised CBU_s Sales Annual Caps, which amount to approximately RMB3,991.9 million and RMB3,991.9 million, respectively.

(B) OPERATION SERVICES AGREEMENT

Reference is made to the Company's announcement dated 15 October 2021 in relation to the 2021 Operation Services Agreement entered into among the Company, Geely Holding and LYNK & CO, pursuant to which (i) the Group agreed to provide to the Geely Holding Group and LYNK & CO Group operation services that mainly include but not limited to IT,

logistics, supplier quality engineering services, construction management services, manufacturing engineering services, procurement services and other administrative services; and (ii) the Group agreed to procure from the Geely Holding Group and LYNK & CO Group operation services that mainly include but not limited to business travel services and after-sales services for a term from 1 January 2022 to 31 December 2024.

References are also made to the Company's announcement dated 2 July 2021 in relation to the 2021 ZEEKR Operation Services Agreement and the Company's announcement dated 29 March 2022 in relation to the Supplemental ZEEKR Operation Services Agreement entered into between the Company and ZEEKR, 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 from 2 July 2021 to 31 December 2023.

Taking into consideration (i) the increasing demand for operation services, particularly the business travel services, IT, human resources and marketing services; (ii) the increase in demand of charging services for NEVs; and (iii) the similar nature of operation expenses incurred by the Group under the 2021 Operation Services Agreement, 2021 ZEEKR Operation Services Agreement and the Supplemental ZEEKR Operation Services Agreement, on 9 June 2023 (after trading hours), the Company, Geely Holding, LYNK & CO and ZEEKR entered into the Operation Services Agreement to streamline the continuing connected transactions in relation to the provision of operation services for a term of three years from the effective date of the Operation Services Agreement to 31 December 2025.

Pursuant to the Operation Services Agreement, (i) the Group agreed to provide to the Geely Holding Group, LYNK & CO Group and 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) the Group agreed to procure from the Geely Holding Group and 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.

The proposed annual caps for the operation services to be provided by the Group under the Operation Services Agreement for the three years ending 31 December 2025 will be approximately RMB1,550.6 million, RMB2,280.6 million and RMB2,908.2 million, respectively. The proposed annual caps for the operation services to be received by the Group under the Operation Services Agreement for the three years ending 31 December 2025 will be approximately RMB1,581.4 million, RMB1,613.6 million and RMB1,136.9 million, respectively.

IMPLICATIONS UNDER THE LISTING RULES

Exempted continuing connected transactions in relation to the Supplemental CBU Sales Agreement and the Operation Services Agreement

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 42.15% 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 a connected person of the Company for the purpose of the Listing Rules.

As at the date of this announcement, ZEEKR is owned as to approximately 58.26% (on an as-converted basis) and approximately 54.43% (on a fully diluted and as-converted basis) by the Company, and is owned as to approximately 14.10% (on an as-converted basis) and approximately 13.17% (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.

As a result of the foregoing, the transactions contemplated under the Supplemental CBU Sales 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 Supplemental CBU Sales Agreement and the Operation Services Agreement exceed 0.1% but less than 5% on an annual basis, the transactions contemplated under the Supplemental CBU Sales 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) Supplemental CBU Sales Agreement

Reference is made to the Company's announcement dated 15 October 2021 in relation to the 2021 CBU Sales Agreement, pursuant to which the Group agreed to sell, and the Geely Holding Group agreed to purchase, CBUs and related after-sales parts and accessories manufactured by the Group from 1 January 2022 to 31 December 2024.

In view of the growing market demand for NEVs driven by the online car-hailing industry, on 9 June 2023 (after trading hours), the Company and Geely Holding entered into the Supplemental CBU Sales Agreement.

Principal terms of the Supplemental CBU Sales Agreement are set out below:

Date

9 June 2023 (after trading hours)

Parties

The Company and Geely Holding

Term

From the effective date of the Supplemental CBU Sales Agreement to 31 December 2024

Condition precedent

The Supplemental CBU 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 Supplemental CBU Sales Agreement.

If the above condition has not been fulfilled on or before 31 December 2023 (or such later date as the parties may agree in writing), the Supplemental CBU Sales Agreement will lapse and all the obligations and liabilities of the parties thereto will cease and terminate.

Subject matter

Save for the Revised CBU Sales Annual Caps, other terms in the 2021 CBU Sales Agreement and the pricing basis which were disclosed in the section headed "Exempted Continuing Connected Transactions - (A) CBU Sales Agreement" in the Company's announcement dated 15 October 2021, remain unchanged.

Existing CBUs Sales Annual Caps and Revised CBUs Sales Annual Caps

Set out below are the Existing CBUs Sales Annual Caps and the Revised CBUs Sales Annual Caps for the sales of CBUs and related after-sales parts and accessories by the Group to the Geely Holding Group for the two years ending 31 December 2024:

	For the financial years ending	
	31 December	
	2023	2024
	<i>RMB million</i>	<i>RMB million</i>
Existing CBUs Sales Annual Caps	3,593.2	4,244.3
Historical transaction amount for the four months ended 30 April 2023	538.8	
Utilisation rate of the Existing CBUs Sales Annual Cap as at 30 April 2023	15.0%	
Revised CBUs Sales Annual Caps	3,991.9	3,991.9

Note: Utilisation rate of the annual caps for the year ending 31 December 2023 was calculated by dividing the historical transaction amount for the four months ended 30 April 2023 by the announced annual cap for the full financial year ending 31 December 2023.

The unaudited transaction amount for the four months ended 30 April 2023 under the 2021 CBUs Sales Agreement was RMB538.8 million, which represents approximately 15.0% of the Existing CBUs Sales Annual Cap for the financial year ending 31 December 2023.

The low utilisation rate of the Existing CBUs Sales Annual Cap for the four months ended 30 April 2023 was mainly attributable to the fact that the sales of CBUs in the first four months of 2023 was relatively lower due to seasonal factors. It is expected that the sales of CBUs will speed up in the remaining months of the year. In addition, the Group began selling the NEVs for online car-hailing service in late 2022 and it is expected that the sales of NEVs for online car-hailing service will rapidly increase in the second half of 2023.

The Revised CBUs Sales Annual Caps were determined with reference to:

- 1) the projected units of Geely-branded vehicles and automobile products to be sold to the Geely Holding Group based on the projected number of dealerships of the Geely Holding Group and the projected average unit sales of the Geely-branded vehicles and automobile products per distributor for the two years ending 31 December 2024; and
- 2) the projected average selling price of the Geely-branded vehicles and automobile products with reference to the price offered to the independent third-party distributors of the Group for the two years ending 31 December 2024.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL CBU_s SALES AGREEMENT

The Group has been exploring different opportunities to enhance the sales-channel layout for NEVs. It is expected that the accelerated electrification of the online car-hailing industry will provide a valuable opportunity for the Group to accelerate the sales of NEVs in the PRC, which also aligns with the Group's business plan in relation to the new energy development strategy.

The Board has been carefully monitoring the historical sales transaction amounts under the 2021 CBU_s Sales Agreement. In view of the expected increasing demand for NEVs for online car-hailing service, the Board envisages that the Existing CBU_s Sales Annual Caps will not be sufficient. The Board therefore proposed to increase the Existing CBU_s Sales Annual Caps for the financial years ending 31 December 2023 and 31 December 2024, to the Revised CBU_s Sales Annual Caps.

Having considered the above reasons and benefits of the entering into the Supplemental CBU_s Sales Agreement, the Board (including the independent non-executive Directors) considers that (i) the transactions contemplated under the Supplemental CBU_s Sales Agreement are in the ordinary and usual course of business of the Group; and (ii) the Supplemental CBU_s Sales Agreement is entered into on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES IN RELATION TO PRICING FOR THE SUPPLEMENTAL CBU_s SALES AGREEMENT

The finance department of Group will continue to monitor the expected selling price of the CBU_s and related after-sales parts and accessories on an annual basis (or more frequently if it is determined necessary) to ensure the fairness of the selling price of the CBU_s and related after-sales parts and accessories pursuant to the 2021 CBU_s Sales Agreement. The sales team and the finance department of Group will ensure that the pricing policies for the CBU_s and related after-sales parts and accessories will be circulated to all of the Group's distributors including those owned by the Geely Holding Group and there will not be different pricing policies separately circulated to the distributors owned by the Geely Holding Group. The finance department of the Group will monitor the terms and pricing policy for each transaction between the Group and the Geely Holding Group and ensure that the terms and pricing policy for the transactions contemplated under the Supplemental CBU_s Sales Agreement are consistent with the practices between the Group and the independent third-party distributors. 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 the Company's announcement dated 15 October 2021 in relation to the 2021 Operation Services Agreement entered into among the Company, Geely Holding and LYNK & CO, pursuant to which (i) the Group agreed to provide to the Geely Holding Group

and LYNK & CO Group operation services that mainly include but not limited to IT, logistics, supplier quality engineering services, construction management services, manufacturing engineering services, procurement services and other administrative services; and (ii) the Group agreed to procure from the Geely Holding Group and LYNK & CO Group operation services that mainly include but not limited to business travel services and after-sales services for a term from 1 January 2022 to 31 December 2024.

References are also made to the Company's announcement dated 2 July 2021 in relation to the 2021 ZEEKR Operation Services Agreement and the Company's announcement dated 29 March 2022 in relation to the Supplemental ZEEKR Operation Services Agreement entered into between the Company and ZEEKR, 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 from 2 July 2021 to 31 December 2023.

Taking into consideration (i) the increasing demand for operation services, particularly the business travel services, IT, human resources and marketing services; (ii) the increase in demand of charging services for NEVs; and (iii) the similar nature of operation expenses incurred by the Group under the 2021 Operation Services Agreement, 2021 ZEEKR Operation Services Agreement and the Supplemental ZEEKR Operation Services Agreement, on 9 June 2023 (after trading hours), the Company, Geely Holding, LYNK & CO and ZEEKR entered into the Operation Services Agreement to streamline the continuing connected transactions in relation to the provision of operation services for a term of three years from the effective date of the Operation Services Agreement to 31 December 2025.

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

Date

9 June 2023 (after trading hours)

Parties

The Company, Geely Holding, LYNK & CO and ZEEKR

Subject matter

Pursuant to the Operation Services Agreement, (i) the Group agreed to provide to the Geely Holding Group, LYNK & CO Group and 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) the Group agreed to procure from the Geely Holding Group and 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.

The provision of operation services by the Group, the Geely Holding Group, LYNK & CO Group or ZEEKR Group under the 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.

Pricing basis

Pursuant to the Operation Services Agreement, the operation services fee will be determined on the basis of 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 a yearly 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 effective date of 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 with regard to the continuing connected transactions contemplated under the Operation Services Agreement.

If the above condition has not been fulfilled on or before 31 December 2023 (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.

Termination

The Operation Services Agreement may be terminated if:

- (i) any party serves a three-month prior written notice to the other parties to terminate the Operation Services Agreement;
- (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 resulting from material violation of the laws or regulations, declares bankruptcy, or is unable to perform its obligations under the Operation Services Agreement due to force majeure; or

- (iii) Geely Holding, ZEEKR and LYNK & CO or their respective associates ceases to be a connected person of the Company.

Proposed annual caps

The table below sets out the 2021 Operation Services Annual Caps, the 2021 ZEEKR Operation Services Annual Caps and the New Operation Services Annual Caps:

	For the financial years ending 31 December		
	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
2021 Operation Services			
Annual Caps			
- Service fees receivable by the Group for the provision of operation services to the Geely Holding Group and LYNK & CO Group	2,258.7	2,708.3	–
- Service fees payable to the Geely Holding Group and LYNK & CO Group for the provision of operation services to the Group	426.9	484.6	–
Historical transaction amount for the four months ended 30 April 2023			
- Service fees receivable by the Group for the provision of operation services to the Geely Holding Group and LYNK & CO Group	170.8		
Utilisation rate of annual cap	7.6%		
- Service fees payable to the Geely Holding Group and LYNK & CO Group for the provision of operation services to the Group	290.7		
Utilisation rate of annual cap	68.1%		
2021 ZEEKR Operation Services			
Annual Caps			
Historical transaction amount for the four months ended 30 April 2023	931.0	–	–
	57.0		

	For the financial years ending 31 December		
	2023	2024	2025
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>

Utilisation rate of annual cap	6.1%		
New Operation Services			
Annual Caps			
- Service fees receivable by the Group for the provision of operation services to the Geely Holding Group, LYNK & CO Group and ZEEKR Group	1,550.6	2,280.6	2,908.2
- Service fees payable to the Geely Holding Group and LYNK & CO Group for the provision of operation services to the Group	1,581.4	1,613.6	1,136.9

Note: Utilisation rate of the annual caps for the year ending 31 December 2023 was calculated by dividing the historical transaction amount for the four months ended 30 April 2023 by the announced annual cap for the full financial year ending 31 December 2023.

The low utilisation rate of 7.6% of the service fees receivable by the Group for the provision of operation services to the Geely Holding Group and LYNK & CO Group under the 2021 Operation Services Annual Cap for the four months ended 30 April 2023 was mainly because the Geely Holding Group shifted some of the logistics business to other service providers offering better terms. Given the low utilisation rate, the Group has decreased the annual caps for service fees receivable by the Group for the provision of operation services to the Geely Holding Group, LYNK & CO Group and ZEEKR Group for the New Operation Services Annual Caps.

The low utilisation rate of 6.1% under the 2021 ZEEKR Operation Services Annual Cap for the four months ended 30 April 2023 was primarily due to lower sales of ZEEKR-branded vehicles in the first four months, influenced by seasonal factors. It is expected that the demand for operation services provided by the Group to ZEEKR Group would gradually increase in the remaining months of the year.

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 by the Directors with reference to (i) the projected staff costs of the Group to perform IT and other administrative functions for each of the three years ending 31 December 2025; (ii) the estimated portion of the IT and other administrative functions solely for the Geely Holding Group, LYNK & CO Group and ZEEKR Group, compared to 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 three years ending 31 December 2025; (v) the projected total staff hours required for supplier quality engineering services, manufacturing engineering and procurement functions for each of the three 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 and LYNK & CO Group to the Group were determined by the Directors with reference to (i) the projected total costs required for after-sales services for each of the three 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 three 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 three years ending 31 December 2025; (vii) the projected total staff hours required for construction management services for each of the three 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 three 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.

To increase the market exposure of Geely-branded vehicles, the Group will sponsor the 19th Asian Games scheduled to be held in Hangzhou, the PRC from September to October 2023 through its partnership with the Geely Holding Group. 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 Geely Holding Group in marketing and business travel services, the Group will achieve cost reduction.

Further, the Group has been streamlining its production process by utilising advanced software and information systems shared by the Geely Holding Group and 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 Geely Holding Group, sharing the associated costs on a pro-rata basis. The sharing of resources among the Group, Geely Holding Group, LYNK & CO Group and ZEEKR Group will improve operating efficiency and reduce technological costs for the Group.

The IT services provided by the Group and the IT services received by the Group under the Operation Services Agreement are of different nature. The IT services provided by the Group mainly involve central procurement, operation and maintenance of IT equipment and IT project management. The IT services received from the Group mainly consist of software and information systems development services to support the digital transformation of the operating system and the development of NEV charging.

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, LYNK & CO Group and ZEEKR Group by other independent third parties; (ii) for the operation services to be provided by the Group to the Geely Holding Group, LYNK & CO Group and ZEEKR 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 and LYNK & CO Group to the Group will be on terms no less favourable than those offered to the Group by other independent third parties; and (iv) the operation services to be provided by the Geely Holding Group and LYNK & CO 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, Geely Holding Group and LYNK & CO 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, LYNK & CO Group and ZEEKR Group and ensure that the service fees charged for such operation services are determined properly.

The Group will negotiate with the Geely Holding Group, LYNK & CO Group and ZEEKR 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 42.15% 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 approximately 58.26% (on an as-converted basis) and approximately 54.43% (on a fully diluted and as-converted basis) by the Company, and is owned as to approximately 14.10% (on an as-converted basis) and approximately 13.17% (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.

IMPLICATIONS UNDER THE LISTING RULES

Exempted continuing connected transactions in relation to the Supplemental CBU Sales Agreement and the Operation Services Agreement

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 42.15% 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 a connected person of the Company for the purpose of the Listing Rules.

As at the date of this announcement, ZEEKR is owned as to approximately 58.26% (on an as-converted basis) and approximately 54.43% (on a fully diluted and as-converted basis) by the Company, and is owned as to approximately 14.10% (on an as-converted basis) and approximately 13.17% (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.

As a result of the foregoing, the transactions contemplated under the Supplemental CBU Sales 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 Supplemental CBU Sales Agreement and the Operation Services Agreement exceed 0.1% but less than 5% on an annual basis, the transactions contemplated under the Supplemental CBU Sales 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, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui, each an executive Director, are considered to be interested in the transactions contemplated under the Supplemental CBUs Sales Agreement and the Operation Services Agreement by virtue of their interests and/or directorships in Geely Holding. As a result, each of Mr. Li, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui has abstained from voting on the Board resolutions for approving the Supplemental CBUs Sales Agreement and the Operation Services Agreement.

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

DEFINITIONS

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

“2021 CBUs Sales Agreement”	the master agreement dated 15 October 2021 entered into between the Company and Geely Holding for the sale of CBUs and the related after-sales parts and accessories by the Group to the Geely Holding Group
“2021 Operation Services Agreement”	the master agreement dated 15 October 2021 entered into among the Company, Geely Holding and LYNK & CO for the operation services
“2021 Operation Services Annual Cap(s)”	the existing annual caps for the transactions under the 2021 Operation Services Agreement as disclosed in the Company’s announcement dated 15 October 2021
“2021 ZEEKR Operation Services Agreement”	the master 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 from 2 July 2021 to 31 December 2023
“2021 ZEEKR Operation Services Annual Cap(s)”	the existing annual caps for the transactions under the Supplemental ZEEKR Operation Services Agreement as disclosed in the Company’s announcement dated 29 March 2022
“associate(s)”	has the meaning ascribed to it under the Listing Rules

“Board”	the board of Directors
“CBU(s)”	complete buildup unit(s) (整車), a complete vehicle after the final assembly
“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
“continuing connected transactions”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	a type of virus which has caused a worldwide pandemic respiratory illness
“Director(s)”	the director(s) of the Company
“Existing CBU Sales Annual Cap(s)”	the existing annual caps for the financial years ending 31 December 2023 and 31 December 2024, respectively as stated in the section headed “EXEMPTED CONTINUING CONNECTED TRANSACTIONS – (A) Supplemental CBU Sales Agreement – Existing CBU Sales Annual Caps and Revised CBU Sales Annual Caps” in this announcement
“Geely Holding Group”	Geely Holding and its subsidiaries
“Geely Holding”	浙江吉利控股集團有限公司 (Zhejiang Geely Holding Group Company Limited*), a limited liability company incorporated in the PRC, and is ultimately wholly-owned by Mr. Li and his associate as at the date of this announcement
“Geely-branded”	automobile brands of the Group
“Group”	the Company and its subsidiaries
“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 (as the case maybe) and their respective associates
“IT”	information technology

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LYNK & CO Group”	LYNK & CO and its subsidiaries
“LYNK & CO”	領克投資有限公司 (LYNK & CO Investment Co., Ltd.*), a Chinese-foreign equity joint venture company established in the PRC and is owned as to 50%, 20% and 30% by Ningbo Geely, Geely Holding and VCI as at the date of this announcement
“LYNK & CO-branded”	an automobile brand of the LYNK & CO Group
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial shareholder holding approximately 42.15% 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 Cap(s)”	the new annual cap amounts for the three financial years ending 31 December 2025 respectively as stated in the section headed “EXEMPTED CONTINUING CONNECTED TRANSACTIONS – (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 incorporated in the PRC and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“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
“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

“Revised CBU Sales Annual Cap(s)”	the revised annual caps for the financial years ending 31 December 2023 and 31 December 2024, respectively as stated in the section headed “EXEMPTED CONTINUING CONNECTED TRANSACTIONS – (A) Supplemental CBU Sales Agreement – Existing CBU Sales Annual Caps and Revised CBU Sales Annual Caps” in this announcement
“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)
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Supplemental CBU Sales Agreement”	the supplemental agreement to the 2021 CBU Sales Agreement dated 9 June 2023 entered into between the Company and Geely Holding for the Revised CBU Sales Annual Caps
“Supplemental ZEEKR Operation Services Agreement”	the supplemental agreement to the 2021 ZEEKR Operation Services Agreement dated 29 March 2022 entered into between the Company and ZEEKR for the 2021 ZEEKR Operation Services Annual Caps
“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 and 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 and 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-branded”	an automobile brand of the ZEEKR Group
“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, 9 June 2023

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. Lam Yin Shan, Jocelyn and Ms. Gao Jie.

* *For identification purposes only*