

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

GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 175)

CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SERIES B PREFERENCE SHARES OF ECARX

Financial Adviser to Geely Automobile Holdings Limited



The Board is pleased to announce that on 7 September 2021 (after trading hours), the Company entered into the Subscription Agreement with ECARX and ECARX Stakeholders. Pursuant to the Subscription Agreement, the Company agreed to subscribe for (directly or through its designated affiliate), and ECARX agreed to issue and allot 4,321,521 Series B Preference Shares at the Subscription Price of USD11.57 per Series B Preference Share for a cash consideration of approximately USD50 million. After entering into the Subscription Agreement, the Company will enter into the Investors Rights Agreement with, among others, ECARX, ECARX Stakeholders and Preference Shareholders, which sets forth certain rights to be granted to Preference Shareholders and the Company.

Upon Completion of the Subscription, the Series B Preference Shares will represent approximately 1.51% of the total outstanding shares of ECARX on an As-Converted Basis.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, ECARX is ultimately and beneficially owned as to 49.51%, 0.77% and 1.12% of the total outstanding shares of ECARX on an As-Converted Basis by Mr. Li, Mr. Li Dong Hui, Daniel, and Mr. An Cong Hui, respectively. Each of Mr. Li Dong Hui, Daniel and Mr. An Cong Hui is an executive Director and a connected person of the Company. Mr. Li is an executive Director and a Controlling Shareholder holding approximately 41.16% of the total issued share capital of the Company as at the date of this announcement. As such, ECARX is an

associate of Mr. Li and a connected person of the Company for the purpose of the Listing Rules and therefore the Subscription constitutes a connected transaction of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Subscription exceed 0.1% but less than 5%, the Subscription is subject to the reporting and announcement requirements, but is exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Li, Mr. Li Dong Hui, Daniel, and Mr. An Cong Hui, each an executive Director, are considered to be interested in the Subscription by virtue of their interests in ECARX. 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 Subscription.

Completion of the Subscription is subject to the satisfaction of the conditions precedent under the Subscription Agreement, and therefore, may or may not proceed to Completion. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE SUBSCRIPTION

The Board is pleased to announce that on 7 September 2021 (after trading hours), the Company entered into the Subscription Agreement with ECARX and ECARX Stakeholders. Pursuant to the Subscription Agreement, the Company agreed to subscribe for (directly or through its designated affiliate), and ECARX agreed to issue and allot 4,321,521 Series B Preference Shares) at the Subscription Price of USD11.57 per Series B Preference Share for a cash consideration of approximately USD50 million.

Upon Completion of the Subscription, the Series B Preference Shares will represent approximately 1.51% of the total outstanding shares of ECARX on an As-Converted Basis.

Principal terms of the Subscription Agreement are set out below:

Date

7 September 2021 (after trading hours)

Parties

- (i) ECARX (as the issuer);
- (ii) ECARX Stakeholders; and

(iii) the Company (as the subscriber).

Subscription of Series B Preference Shares

Pursuant to the Subscription Agreement, the Company agreed to subscribe for (directly or through its designated affiliate), and ECARX agreed to issue and allot 4,321,521 Series B Preference Shares at the Subscription Price of USD11.57 per Series B Preference Share for a cash consideration of approximately USD50 million. The Series B Preference Shares will represent approximately 1.51% of the total outstanding shares of ECARX on an As-Converted Basis.

Subscription consideration

The cash consideration for the Series B Preference Shares payable by the Company is approximately USD50 million, which is determined with reference to the appraised value of ECARX as at 18 June 2021 based on market approach according to the Business Valuation Report prepared by an independent valuer. The cash consideration for the Subscription will be payable by the Company upon Completion and funded by the Group's internal financial resources.

Conditions Precedent

Completion of the Subscription will be subject to and conditional upon the fulfillment or waiver served by written notice on any (as the case may be) of, among others, the following conditions:

- (i) the representations and warranties made by ECARX in the Subscription Agreement remaining true, accurate, complete and not misleading in all material respects on the signing date of the Subscription Agreement and Completion of the Subscription;
- (ii) each of the parties to the Subscription Agreement having performed fully with its obligations and complied with all commitments under the Subscription Agreement in all material respects on or before Completion of the Subscription;
- (iii) the obtaining of all approvals, consents, notices, filings and/or registration from the relevant government authorities or third parties for the Subscription Agreement and the transaction contemplated thereunder, and all existing shareholders of ECARX have waived their first right of refusal and anti-dilution rights in respect of the Subscription;
- (iv) each key company within the ECARX Group has obtained its valid internal approval for the Subscription Agreement, relevant transactional documents and the transaction contemplated thereunder;
- (v) (a) there being no material adverse change of the ECARX Group; (b) no movement to the equity shares of the ECARX Group as at the date of Completion; and (c) nor does it exist and there are no events, facts, conditions, changes or other circumstances that have happened or could be reasonably foreseen which would have material adverse effects on the ECARX Group,

including but not limited to restrictions, prohibition or cancellation of the applicable laws or actions of government agencies (such as Chinese law, courts, arbitration institutions or relevant government agencies' judgments, rulings, injunctions) having been promulgated, put into effect, commenced, granted or issued that is subsisting or pending as at the date of the Completion that would or could reasonably be expected to prohibit or restrict the consummation of the transactions contemplated under the Subscription Agreement; and

(vi) the Company having obtained its valid internal approval for the Subscription.

The parties to the Subscription Agreement shall use their best endeavors to procure the fulfilment of the conditions precedent.

Completion

ECARX shall notify the Company in writing after all the conditions precedent to the Subscription Agreement have been fulfilled or waived (as the case may be). Completion of the Subscription will take place on the tenth Business Day after such notification or such date as the parties may agree in writing.

If all of the conditions set out in the conditions precedent above have not been fulfilled or waived within 30 days from the date of the Subscription Agreement, the Company may terminate the Subscription Agreement by written notice to other parties to the Subscription Agreement.

Rights granted to the Company

After entering into the Subscription Agreement, the Company will enter into the Investors Rights Agreement with, among others, ECARX, ECARX Stakeholders and Preference Shareholders, which sets forth certain rights to be granted to Preference Shareholders and the Company.

Below sets out certain rights offered or to be offered to the Company pursuant to the Subscription Agreement, the Investors Rights Agreement, and ECARX's constitutive document:

Redemption

Preference Shareholders and the Company shall be entitled to request ECARX to redeem all or portion of the outstanding Preference Shares or Series B Preference Shares held by such Preference Shareholders and the Company, respectively, and ECARX shall redeem such Preference Shares and Series B Preference Shares as requested upon the occurrence of certain events. The redemption price shall be the subscription price of Preference Shares or Subscription Price plus interest on subscription price of Preference Shares or Subscription Price at a simple rate of eight percent (8%) per annum plus any declared but unpaid distributions calculated pursuant to formula set out in ECARX's constitutive document.

Preemptive Rights, Rights of First Refusal or Co-sale

Except for shares of ECARX Options reserved or newly issued under any employee incentive plan, the Company, along with other holders of the Preference Shares, generally enjoy (i) preemptive rights to purchase all or their pro rata portion of new shares being issued by ECARX; and (ii) right of first refusal or co-sale in the event that Ordinary Shareholders propose to sell all or some of their shares and the Company and other Preference Shareholders will have a first right to purchase or sell all or their pro rata portion of such shares at the same price.

Liquidation Preference

In the event of any liquidation, dissolution or winding up of ECARX, whether voluntary or involuntary, or upon the occurrence of the Deemed Liquidation Events, ECARX shall allocate its assets among its then shareholders after paying the relevant expenses prescribed by law. The Company shall have priority over all Ordinary Shareholders to receive (i) the principal paid by the Company for the Series B Preference Shares held in ECARX at that time; and (ii) any declared but unpaid distributions.

Anti-dilution

If ECARX dilutes the interests of the Company by issuing shares at a price lower than the Subscription Price, ECARX shall adopt the generalised weighted average method to adjust the conversion prices of investors in each round of capital increase to ensure that the interests of investors in each round is not unduly diluted (except for shares of ECARX Options reserved or newly issued under any employee incentive plan).

Conversion right and voting right

The Ordinary Shareholders shall have one vote for each outstanding ordinary share held. The Preference Shareholders and the Company shall have one vote for each ordinary share into which each outstanding Preference Share and the Series B Preference Shares held could then be converted. Subject to the applicable laws, the Preference Shareholders and the Company shall vote together with the Ordinary Shareholders, and not as a separate class or series, on all matters put forward before the then shareholders of ECARX.

FINANCIAL INFORMATION OF ECARX

Set out below is the unaudited financial information of ECARX for the years as indicated below prepared under the US GAAP:

	For the year ended 31 December	
	2019	2020
	Unaudited	Unaudited
	<i>RMB million</i>	<i>RMB million</i>
Revenue	2,258.1	2,241.1
Loss before taxation	674.0	478.0
Loss after taxation	674.0	478.2

As at 30 June 2021, the unaudited total assets and net assets of ECARX were approximately RMB3,661.9 million and RMB211.4 million, respectively.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

ECARX is an automotive intelligence technology company. The Company believes that automotive intelligence will become one of the main trends in the development of the global automobile industry. As a vehicle intelligence full-spectrum solution provider, ECARX has the capabilities of SoCs, computing systems, cockpit operating system, software and autonomous driving, and it provides automotive intelligence related products and services including vehicle chip-sets, end-to-end automotive smart cockpit solutions, vehicle intelligent software, ecological products, etc.. The Company expects ECARX will turn around from loss making in the future by benefiting from the strong demand of automotive intelligence services in China.

At present, there are only a few intelligent solution providers in the market that also cover full-spectrum of automotive intelligence products and services. The Company believes that the Subscription would provide the Company a valuable opportunity to set foot in the field of automotive intelligence services which also align with the Company's long-term strategy in relation to the creation of an intelligent technology ecology.

Although the Subscription is not entered in the ordinary and usual course of business of the Company, the Directors (including the independent non-executive Directors) consider that the Subscription is on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES TO THE SUBSCRIPTION AGREEMENT

Information of ECARX

ECARX is an automotive intelligence technology company founded in 2016. ECARX's core products include intelligent cockpit system, high-end autonomous driving system, vehicle central computing systems, and related core chip-sets, operating system and full-stack software capabilities, in addition ECARX is continuously developing a full stack computer platform with SoC and operating system capabilities that empowers automotive companies to create a more intelligent and safer mobility experience.

As at the date of this announcement, the shareholders of ECARX include (i) investment holding companies of Mr Li, Mr. Li Dong Hui, Daniel and Mr. An Cong Hui, being Minghao Group Limited, Orient Sunrise Ltd., and Datian Holding Ltd., respectively, holding approximately 49.51%, 0.77% and 1.12% of the total outstanding shares of ECARX on an As-Converted Basis, respectively (ii) Jie&Hao Holding Limited, the investment holding company of Mr. Shen Ziyu (one of the co-founders of ECARX), holding approximately 7.18% of the total outstanding shares of ECARX on an As-Converted Basis; (iii) Shine Link Venture Limited, a company set up for employee share ownership purpose, holding approximately 13.57% of the total outstanding shares of ECARX on an As-Converted Basis; and (iv) holders of Preference Shares which include other institutional investors, investment funds, technology corporates, and investment companies owned by independent investors.

Information of ECARX Stakeholders

ECARX Stakeholders include nine of the signing parties to the Subscription Agreement, being (i) ECARX Group Limited; (ii) ECARX Technology Limited; (iii) ECARX (Wuhan); (iv) Hubei ECARX; (v) two co-founders of the ECARX Group, being Mr. Li and Mr. Shen Ziyu; (vi) two limited companies set up for investment holding by Mr. Li and Mr. Shen Ziyu, being Minghao Group Limited and Jie&Hao Holding Limited; and (vii) Shine Link Venture Limited.

ECARX Group Limited is a limited liability company incorporated in BVI and is a wholly owned subsidiary of ECARX. ECARX Group Limited is principally engaged in investment holding.

ECARX Technology Limited is a limited liability company incorporated in Hong Kong and is an ultimate wholly owned subsidiary of ECARX. ECARX Technology Limited is principally engaged in investment holding.

ECARX (Wuhan) is a limited liability company incorporated in the PRC and is a wholly foreign-owned enterprise and the entire share equity of which is owned by ECARX. ECARX (Wuhan) has not carried out actual business as at the date of this announcement.

Hubei ECARX is a limited liability company incorporated in the PRC. Mr. Li and Mr Shen Ziyu are the registered shareholders of Hubei ECARX, holding 70% and 30% equity interests respectively. Pursuant to the VIE contracts, Hubei ECARX is controlled by and is a consolidated affiliated entity of the ECARX Group. Hubei ECARX is principally engaged in research and development, manufacturing and sale of automotive intelligence products.

Mr. Li is one of the co-founders of the ECARX Group. ECARX is ultimately and beneficially owned as to 49.51% of the total outstanding shares of ECARX on an As-Converted Basis by Mr. Li through Minghao Group Limited as at the date of this announcement. Mr. Li is also an executive Director and a Controlling Shareholder holding approximately 41.16% of the total issued share capital of the Company as at the date of this announcement.

Mr. Shen Ziyu is one of the co-founders and chief executive officer of the ECARX Group. ECARX is ultimately and beneficially owned as to 7.18% of the total outstanding shares of ECARX on an As-Converted Basis by Mr. Shen Ziyu through Jie&Hao Holding Limited as at the date of this announcement.

Minghao Group Limited is a limited liability company incorporated in BVI and is ultimately wholly owned by Mr. Li. Minghao Group Limited is principally engaged in investment holding and is holding 49.51% of the total outstanding shares of ECARX on an As-Converted Basis as at the date of this announcement.

Jie&Hao Holding Limited is a limited liability company incorporated in BVI and is ultimately wholly owned by Mr. Shen Ziyu. Jie&Hao Holding Limited is principally engaged in investment holding and is holding 7.18% of the total outstanding shares of ECARX on an As-Converted Basis as at the date of this announcement.

Shine Link Venture Limited is a limited liability company incorporated in BVI and was set up for employee share ownership purpose. Shine Link Venture Limited is holding approximately 13.57% of the total outstanding shares of ECARX on an As-Converted Basis as at the date of this announcement.

Information of the Company

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

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, ECARX is ultimately and beneficially owned as to 49.51%, 0.77% and 1.12% of the total outstanding shares of ECARX on an As-Converted Basis by Mr. Li, Mr. Li Dong Hui, Daniel, and Mr. An Cong Hui, respectively. Each of Mr. Li Dong Hui, Daniel and Mr. An Cong Hui is an executive Director and a connected person of the Company. Mr. Li is an executive Director and a Controlling Shareholder holding approximately 41.16% of the total issued share capital

of the Company as at the date of this announcement. As such, ECARX is an associate of Mr. Li and a connected person of the Company for the purpose of the Listing Rules and therefore the Subscription constitutes a connected transaction of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Subscription exceed 0.1% but less than 5%, the Subscription is subject to the reporting and announcement requirements, but is exempt from the circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Li, Mr. Li Dong Hui, Daniel, and Mr. An Cong Hui, each an executive Director, are considered to be interested in the Subscription by virtue of their interests in ECARX. 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 Subscription.

Completion of the Subscription is subject to the satisfaction of the conditions precedent under the Subscription Agreement, and therefore, may or may not proceed to Completion. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless the context otherwise requires, the following terms in this announcement shall have the meanings set out below: –

“As-Converted Basis”	assuming all Preference Shares, Series B Preference Shares and ECARX Options and Warrants are converted into ECARX Common Shares and there is no other change to the share capital of ECARX immediately before Completion
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in the PRC
“Business Valuation Report”	the valuation report on ECARX as at 18 June 2021 prepared by an independent valuer based on the market approach
“BVI”	the British Virgin Islands
“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)

“Completion”	completion of the Subscription
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Deemed Liquidation Events”	including: (i) sales of over 50% of equity interests in ECARX; (ii) disposal of more than 50% of ECARX’s assets (including intangible assets and intellectual properties), or any sale or exclusive licensing of all or substantially all of the ECARX’s intellectual properties to a third party; (iii) ECARX fails to perform its obligation of repurchase; and (iv) ECARX loses or is unable to renew the approval or business license which is indispensable to the operation of main business, or the main business of ECARX is prohibited or materially restricted by laws and regulations
“ECARX”	ECARX Holdings Inc., a limited liability company incorporated in the Cayman Islands and is ultimately and beneficially owned as to 49.51%, 0.77% and 1.12% of the total outstanding shares of ECARX on an As-Converted Basis by Mr. Li, Mr. Li Dong Hui, Daniel, and Mr. An Cong Hui, respectively, as at the date of this announcement
“ECARX Common Shares”	share(s) of common stock of ECARX
“ECARX Group”	ECARX, its subsidiaries and consolidated affiliated entities
“ECARX Options”	being options issued and/or issuable under share options scheme adopted by ECARX to certain employees
“ECARX Options and Warrants”	being (i) ECARX Options; and (ii) 7,164,480 unlisted warrants to be issued by ECARX to certain Preference Shareholders
“ECARX Stakeholders”	nine of the signing parties to the Subscription Agreement including (i) ECARX Group Limited; (ii) ECARX Technology Limited; (iii) ECARX (Wuhan); (iv) Hubei ECARX; (v) two co-founders of ECARX Group, being Mr. Li and Mr. Shen Ziyu; (vi) two limited companies set up for investment holding by Mr. Li and Mr. Shen Ziyu, being Minghao Group Limited and Jie&Hao Holding Limited, respectively; and (vii) the Shine Link Venture Limited

“ECARX (Wuhan)”	ECARX (Wuhan) Technology Company Limited* (億咖通(武漢) 科技有限公司) is a limited liability company incorporated in the PRC and is a wholly foreign-owned enterprise with its entire share equity owned by ECARX
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hubei ECARX”	Hubei ECARX Technology Company Limited* (湖北億咖通科技 有限公司) is a limited liability company incorporated in the PRC and is held by Mr. Li and Mr. Shen Ziyu as to 70% and 30% respectively
“Independent Shareholder(s)”	Shareholder(s) other than Mr. Li, Mr. Li Dong Hui, Daniel, Mr. An Cong Hui and their respective associates
“Investors Rights Agreement”	being the agreement that the Company will enter into with, among others, ECARX, ECARX Stakeholders and Preference Shareholders, which sets forth certain rights to be granted to Preference Shareholders and the Company
“IoV”	internet of vehicles, a network of connected transport devices and their monitoring systems
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a Controlling Shareholder holding approximately 41.16% interests in the total issued share capital of the Company as at the date of this announcement
“Ordinary Shareholders”	shareholders of ECARX which hold the ECARX Common Shares
“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
“Preference Share(s)”	preference share(s) issued by ECARX other than Series B Preference Shares
“Preference Shareholder(s)”	the holder(s) of the Preference Share(s)

“RMB”	Renminbi, the lawful currency of the PRC
“Series B Preference Share(s)”	the 4,321,521 new preference shares in Series B of ECARX subscribed by the Company under the Subscription Agreement, and each a “Series B Preference Share”
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.02 each in the share capital of the Company
“SoC”	System on Chip
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Series B Preference Shares at the Subscription Price of USD11.57 per Series B Preference Share under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 7 September 2021 (after trading hours) entered into among the Company, ECARX and ECARX Stakeholders in relation to the subscription of the Series B Preference Shares
“Subscription Price”	being USD11.57 per Series B Preference Share under the Subscription Agreement
“US GAAP”	Generally Accepted Accounting Principles in the United States of America
“USD”	United States dollars, the lawful currency of the United States of America
“VIE Contracts”	a series of agreements, including but not limited to the exclusive call option agreement, the exclusive business cooperation agreement, the share pledge agreement, the shareholders’ voting right entrustment agreement and the spousal consent letter which are entered into among Hubei ECARX, ECARX (Wuhan), Mr. Li and Mr. Shen Ziyu and shall take effect from the date of registration
“%”	per cent

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

Hong Kong, 7 September 2021

As at the date of this announcement, the executive directors of the Company are Mr. Li Shu Fu (Chairman), Mr. Yang Jian (Vice Chairman), Mr. Li Dong Hui, Daniel (Vice Chairman), Mr. Gui Sheng Yue (Chief Executive Officer), Mr. An Cong Hui, Mr. Ang Siu Lun, Lawrence and Ms. Wei Mei, and the independent non-executive directors of the Company are Mr. Lee Cheuk Yin, Dannis, Mr. Yeung Sau Hung, Alex, Mr. An Qing Heng and Mr. Wang Yang.

** For identification purposes only*