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GEELY

吉利汽車控股有限公司

GEELY AUTOMOBILE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

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

**(1) UPDATE IN RELATION TO THE PROPOSED SPIN-OFF; AND
(2) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION**

UPDATE IN RELATION TO THE PROPOSED SPIN-OFF

The Board is pleased to announce that the pricing of the ADSs was fixed on 9 May 2024 (New York time) and the trading in the ADSs on the New York Stock Exchange commenced on 10 May 2024 (New York time).

The Offer Price was fixed at US\$21 (equivalent to approximately HK\$164.43) per ADS. Pursuant to the ZEEKR Offering, 21,000,000 ADSs were issued and sold by ZEEKR, representing approximately 8.0% of the issued share capital of ZEEKR (on a fully-diluted basis), before any exercise of the Over-allotment Option. Each ADS represents 10 ZEEKR Shares.

The Underwriters have an option to purchase up to an additional 3,150,000 ADSs pursuant to the Over-allotment Option. Assuming the Over-allotment Option is exercised in full, the total number of ADSs to be sold under the ZEEKR Offering will be 24,150,000 ADSs, representing approximately 9.1% of the issued share capital of ZEEKR (on a fully-diluted basis).

The net proceeds to be received by ZEEKR from the ZEEKR Offering are approximately US\$420.3 million (equivalent to approximately HK\$3,290.9 million), or approximately US\$481.8 million (equivalent to approximately HK\$3,772.5 million) if the Over-allotment Option is exercised in full, after deducting underwriting discounts and commissions and the estimated offering expenses payable by ZEEKR.

THE SUBSCRIPTION

On 10 May 2024 (New York time), the Company subscribed for, and was allocated by the Underwriters 12,900,952 ADSs in the ZEEKR Offering at the Offer Price and on the same terms as the other ADSs being offered, representing approximately 61.4% of the ADSs being offered in the ZEEKR Offering, assuming the Over-allotment Option is not exercised. The consideration paid by the Company for the Subscription was approximately US\$270.9 million (equivalent to approximately HK\$2,121.3 million).

LISTING RULES IMPLICATION

The Proposed Spin-off

As at the date of this announcement, ZEEKR is a non-wholly owned Subsidiary of the Company. Following completion of the ZEEKR Offering, ZEEKR will continue being a non-wholly owned Subsidiary of the Company. The Proposed Spin-off, without taking into account the Subscription, constitutes a deemed disposal of the interest in a Subsidiary under Rule 14.29 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Spin-off is less than 5%, the Proposed Spin-off does not constitute a notifiable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

The Subscription

ZEEKR is owned as to approximately 52.1% (on a fully-diluted basis and assuming the Over-allotment Option is not exercised) by the Company, and is owned as to approximately 11.4% (on a fully-diluted basis and assuming the Over-allotment Option is not exercised) by Geely Holding as at the date of this announcement. Geely Holding is beneficially wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial Shareholder holding approximately 41.19% of the issued share capital of the Company as at the date of this announcement. Accordingly, Geely Holding is an associate of Mr. Li and a connected person of the Company. ZEEKR is hence a connected Subsidiary of the Company. As such, the Subscription constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Subscription exceeds 0.1% but less than 5%, the Subscription is subject to the reporting and announcement requirements, but exempt from the circular and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

ASSURED ENTITLEMENT

A meeting of the Board is expected to be held on 16 May 2024 for the purposes of considering the Assured Entitlement. Details relating to the terms of the proposed Assured Entitlement have not been finalised as at the date of this announcement. The Company will announce the declaration and detailed terms of the proposed Assured Entitlement immediately after it is declared, in accordance with the requirements under Rule 13.45 of the Listing Rules.

This announcement is not, and does not form part of, an offer to sell or solicitation of an offer to purchase or subscribe for any securities of ZEEKR in Hong Kong, the U.S. or any other jurisdiction, and neither this announcement, nor any part of it, shall form the basis of, or be relied on in connection with, any investment decision relating to securities of ZEEKR. No securities of ZEEKR may be sold in the U.S. without registration with the SEC unless pursuant to an available exemption from the registration requirement of the Securities Act of 1933, as amended from time to time. Any offering of the securities of ZEEKR to be made in the U.S. will be made solely on the basis of the information contained in the statutory prospectus included in the registration statement filed with the SEC.

References are made to the announcements of the Company dated 31 October 2022, 13 December 2022, 25 August 2023, 10 November 2023, 26 November 2023, 21 March 2024, 5 May 2024 and 10 May 2024 (collectively, the “**Announcements**”) in relation to the Proposed Spin-off, the Proposed Subscription and the resignation of an executive Director. Capitalised terms used herein shall have the same meanings as defined in the Announcements, unless otherwise stated.

UPDATE IN RELATION TO THE PROPOSED SPIN-OFF

The Board is pleased to announce that the pricing of the ADSs was fixed on 9 May 2024 (New York time) and the trading in the ADSs on the New York Stock Exchange commenced on 10 May 2024 (New York time).

The Offer Price was fixed at US\$21 (equivalent to approximately HK\$164.43) per ADS. Pursuant to the ZEEKR Offering, 21,000,000 ADSs were issued and sold by ZEEKR, representing approximately 8.0% of the issued share capital of ZEEKR (on a fully-diluted basis), before any exercise of the Over-allotment Option. Each ADS represents 10 ZEEKR Shares.

The Underwriters have an option to purchase up to an additional 3,150,000 ADSs pursuant to the Over-allotment Option. Assuming the Over-allotment Option is exercised in full, the total number of ADSs to be sold under the ZEEKR Offering will be 24,150,000 ADSs, representing approximately 9.1% of the issued share capital of ZEEKR (on a fully-diluted basis).

The net proceeds to be received by ZEEKR from the ZEEKR Offering are approximately US\$420.3 million (equivalent to approximately HK\$3,290.9 million), or approximately US\$481.8 million (equivalent to approximately HK\$3,772.5 million) if the Over-allotment Option is exercised in full, after deducting underwriting discounts and commissions and the estimated offering expenses payable by ZEEKR.

THE SUBSCRIPTION

On 10 May 2024 (New York time), the Company subscribed for, and was allocated by the Underwriters, 12,900,952 ADSs, in the ZEEKR Offering at the Offer Price and on the same terms as the other ADSs being offered, representing approximately 61.4% of the ADSs being offered in the ZEEKR Offering, assuming the Over-allotment Option is not exercised. The consideration paid by the Company for the Subscription was approximately US\$270.9 million (equivalent to approximately HK\$2,121.3 million).

The Company has funded the Subscription by its internal resources. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no connected persons of the Company have subscribed the ADSs.

Lock-up Undertaking

The Company entered into a lock-up undertaking ("**Lock-up Undertaking**") on 10 May 2024 (New York time) in favour of the Underwriters, pursuant to which the Company agreed that, among others, without the prior written consent of the Underwriters, it will not dispose of, or engage in transactions related to, (i) its ZEEKR Shares acquired before the ZEEKR Offering; and (ii) the ADSs being offered in the ZEEKR Offering which the Company subscribed for. For the ZEEKR Shares acquired by the Company before the ZEEKR Offering, the restriction applies from the date of the Lock-up Undertaking and lasts for 360 days following the release of the final prospectus relating to the ZEEKR Offering (the "**Prospectus**"). For the ADSs being offered in the ZEEKR Offering which the Company subscribed for, the restriction applies from the date of the Lock-up Undertaking and ending 180 days after the Prospectus date.

The restrictions set forth in the Lock-up Undertaking shall not apply to distribution of any ADSs or ZEEKR Shares by the Company to its Shareholders in connection with the Assured Entitlement or any ADSs or ZEEKR Shares acquired by the Company with a view to satisfying its obligations pursuant to such Assured Entitlement.

The Board (including the independent non-executive Directors) considers that the Lock-up Undertaking provided by the Company is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS AND BENEFITS OF THE PROPOSED SPIN-OFF AND THE SUBSCRIPTION

The Proposed Spin-off

The Company considers that the Proposed Spin-off is in the interests of the Shareholders as a whole. The Proposed Spin-off would, among other things, enable investors to better value the Group with its focus on the principal business operated by the Group (excluding the ZEEKR Group), while providing ZEEKR with continuing direct and independent access to the equity and debt capital markets in the future should the need arise. In light of the industry trend and based on assessment of the business and operations of the Group and the ZEEKR Group, the Proposed Spin-off would enhance the value of ZEEKR and enable ZEEKR to develop independently and unleash its full potential, thereby benefiting the Shareholders.

The Subscription

The Subscription allows the Company to increase its investment in ZEEKR during a market correction and strengthens the Company's controlling interest in ZEEKR, ensuring the continued influence of the Company over the operation of ZEEKR.

The Board (including the independent non-executive Directors) is of the view that although the Subscription is not in the ordinary and usual course of business of the Group, the Subscription is on normal commercial terms, which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES TO THE SUBSCRIPTION

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, battery packs and related parts and investment holding.

ZEEKR

ZEEKR is a limited liability company incorporated in the Cayman Islands and 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.

Prior to the completion of the Proposed Spin-off and the Subscription, ZEEKR was owned as to 51.3% (on a fully-diluted and as-converted basis) by the Company. Upon completion of the Proposed Spin-off and the Subscription, the shareholding of the Company in ZEEKR will increase to: (i) 52.1% (on a fully-diluted basis and assuming the Over-allotment Option is not exercised); and (ii) 51.5% (on a fully-diluted basis and assuming the Over-allotment Option is fully exercised). Upon completion of the ZEEKR Offering, ZEEKR will continue being a non-wholly owned Subsidiary of the Company and the financial results of ZEEKR will continue being consolidated into the financial results of the Group.

Set out below is the financial information of ZEEKR Group prepared in accordance with U.S. GAAP for the two financial years ended 31 December 2023 based on the Red Herring Prospectus:

	For the year ended 31 December 2022	For the year ended 31 December 2023
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Loss before income tax and share of losses in equity method investments	7,355,091	8,288,920
Net loss	7,655,146	8,264,191

As at 31 December 2023, the net liabilities of ZEEKR Group was approximately RMB8,678,600,000.

LISTING RULES IMPLICATION

The Proposed Spin-off

As at the date of this announcement, ZEEKR is a non-wholly owned Subsidiary of the Company. Following completion of the ZEEKR Offering, ZEEKR will continue being a non-wholly owned Subsidiary of the Company. The Proposed Spin-off, without taking into account the Subscription, constitutes a deemed disposal of the interest in a Subsidiary under Rule 14.29 of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Spin-off is less than 5%, the Proposed Spin-off does not constitute a notifiable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

The Subscription

ZEEKR is owned as to approximately 52.1% (on a fully-diluted basis and assuming the Over-allotment Option is not exercised) by the Company, and is owned as to approximately 11.4% (on a fully-diluted basis and assuming the Over-allotment Option is not exercised) by Geely Holding as at the date of this announcement. Geely Holding is beneficially wholly-owned by Mr. Li and his associate. Mr. Li is an executive Director and a substantial Shareholder holding approximately 41.19% of the issued share capital of the Company as at the date of this announcement. Accordingly,

Geely Holding is an associate of Mr. Li and a connected person of the Company. ZEEKR is hence a connected Subsidiary of the Company. As such, the Subscription constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Subscription exceeds 0.1% but less than 5%, the Subscription is subject to the reporting and announcement requirements, but exempt from the circular and the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

GENERAL

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

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 Subscription 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 Subscription.

ASSURED ENTITLEMENT

A meeting of the Board is expected to be held on 16 May 2024 for the purposes of considering the Assured Entitlement. Details relating to the terms of the proposed Assured Entitlement have not been finalised as at the date of this announcement. The Company will announce the declaration and detailed terms of the proposed Assured Entitlement immediately after it is declared, in accordance with the requirements under Rule 13.45 of the Listing Rules.

This announcement is not, and does not form part of, an offer to sell or solicitation of an offer to purchase or subscribe for any securities of ZEEKR in Hong Kong, the U.S. or any other jurisdiction, and neither this announcement, nor any part of it, shall form the basis of, or be relied on in connection with, any investment decision relating to securities of ZEEKR. No securities of ZEEKR may be sold in the U.S. without registration with the SEC unless pursuant to an available exemption from the registration requirement of the Securities Act of 1933, as amended from time to time. Any offering of the securities of ZEEKR to be made in the U.S. will be made solely on the basis of the information contained in the statutory prospectus included in the registration statement filed with the SEC.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“ADS(s)”	the American Depositary Share(s) issued pursuant to a deposit agreement between ZEEKR and a depositary, each representing 10 ZEEKR Shares, which are listed on the New York Stock Exchange;
“Assured Entitlement”	the proposed provision of a distribution in specie of ADSs to the Shareholders (or cash alternative for those Shareholders who are entitled to fractional ADSs, who elect to receive cash in lieu of ADSs, who are located in the U.S. or are U.S. persons (as defined in Regulation S), or are otherwise ineligible holders of ADSs) by the Company to be considered by the Board pursuant to paragraph 3(f) of PN15;
“Board”	the board of Directors of the Company;
“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 codes: 175 (HKD counter) and 80175 (RMB counter));
“Director(s)”	the director(s) of the Company;
“Geely Holding”	Zhejiang Geely Holding Group Company Limited* (浙江吉利控股集團有限公司), a limited liability company established in the PRC, and is ultimately wholly-owned by Mr. Li and his associate as at the date of this announcement;
“Group”	the Company and its Subsidiaries;
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“independent third party(ies)”	individual(s) or company(ies) who or which is (or are) not a connected person of the Company, any of its Subsidiaries or any of their respective associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Li”	Mr. Li Shu Fu, an executive Director and a substantial Shareholder holding approximately 41.19% interests in the total issued share capital of the Company as at the date of this announcement;

“Offer Price”	US\$21, the initial public offering price per ADS under the ZEEKR Offering;
“Over-allotment Option”	an over-allotment option that may be exercised by the Underwriters, of up to 3,150,000 additional ADSs, granted by ZEEKR to the Underwriters;
“PN15”	Practice Note 15 to the Listing Rules;
“PRC”	the People’s Republic of China, and for the purposes of this announcement for geographical reference only (unless otherwise indicated), excluding Taiwan, the Macau Special Administrative Region of the PRC and Hong Kong;
“Proposed Spin-off”	the proposed spin-off of ZEEKR, involving the ZEEKR Offering and the proposed separate listing of the ADSs on the New York Stock Exchange;
“Regulation S”	Regulation S under the United States Securities Act of 1933, as amended from time to time;
“RMB”	Renminbi, the lawful currency of the PRC;
“SEC”	the Securities and Exchange Commission of the U.S.;
“Share(s)”	the ordinary share(s) of nominal value of HK\$0.02 each in the share capital of the Company;
“Shareholder(s)”	the holders of Shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of 12,900,952 ADSs at the Offer Price in the total consideration of approximately US\$270.9 million (equivalent to approximately HK\$2,121.3 million) by the Company;
“Subsidiary(ies)”	has the meaning as ascribed thereto in the Listing Rules;
“Underwriters”	the underwriters to the ZEEKR Offering. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, all Underwriters are the independent third parties;
“US\$”	United States Dollar, the lawful currency of the U.S.;

“U.S.”	the United States of America;
“U.S. GAAP”	Generally Accepted Accounting Principles in the U.S.;
“ZEEKR”	ZEEKR Intelligent Technology Holding Limited, a non-wholly owned Subsidiary of the Company;
“ZEEKR Group”	ZEEKR and its Subsidiaries;
“ZEEKR Offering”	an offering of shares in ZEEKR represented by ADSs in the U.S. to be registered with the SEC;
“ZEEKR Shares”	ordinary shares of par value US\$0.0002 each in the capital of ZEEKR; and
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of US\$1.00 = HK\$7.83 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date.

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

Hong Kong, 10 May 2024

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

* *For identification purposes only*