Upon **[REDACTED]**, certain transactions between us and our connected persons, which are entered into in our ordinary course of business, will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

## OUR CONNECTED PERSONS

Upon **[REDACTED]**, we expect we will enter into transactions with the following connected person:

| | |
|---|---|
| Baidu, Inc., its subsidiaries and associates (collectively, "**Baidu Group**") | Baidu Group is an associate of Baidu Online Network Technology (Beijing) Co., Ltd. (百度在線網絡技術(北京)有限公司), which is one of our substantial Shareholders holding approximately **[REDACTED]**% of our share capital upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised) |

## SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

| Nature of transactions | Connected Person | Applicable Listing Rules | Waiver sought |
|---|---|---|---|
| **(A) Fully-exempt continuing connected transactions** | | | |
| *Exempt from the reporting, annual review, announcement, and independent Shareholders' approval requirements* | | | |
| Licensing of intellectual property . . . . . . . . . . . . . . . | Baidu Group | 14A.76(1) | N/A |
| **(B) Non-exempt continuing connected transactions** | | | |
| *Subject to the reporting, annual review and announcement requirements* | | | |
| Provision of cloud services and OTA related development and maintenance services . . . . . | Baidu Group | 14A.105 | Announcement requirement |

## (A) CONTINUING CONNECTED TRANSACTIONS FULLY EXEMPTED FROM THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

### 1. Licensing of intellectual property

**Parties:** Our Company; and

Baidu Group

We entered into intellectual property licensing agreement with Baidu Group on September 30, 2021 (the "**IP Licensing Agreement**"), pursuant to which Baidu Group agreed to grant to our Group a non-exclusive license to use certain patents (including patents which were being reviewed or had been approved as at the date of the IP Licensing Agreement) (the "**Licensed Patents**") and a software registered in the PRC, i.e. the driver assistance software of Apollo known as "Apollo ANP v2.0" (the "**Licensed Software**" together with the Licensed Patents, collectively, the "**Licensed IP**") in the course of our principal business in the PRC for a perpetual term on a royalty-free basis commencing from the date of the IP Licensing Agreement. The consideration of the licensing is RMB144,730,000, with final settlement completed in 2025. The license is not transferrable and may not be sub-licensed or sub-authorized (unless otherwise permitted under the IP Licensing Agreement or agreed by Baidu in writing). Baidu Group shall provide update as to the status of the Licensed Patents to our Company periodically in accordance with the terms of the IP Licensing Agreement. In particular, Baidu Group shall inform our Company in the event of any patent application being rejected or declared invalid, and ensure our Company to use the Licensed IP under the IP Licensing Agreement in the usual way. The IP Licensing Agreement may be terminated by written consent of the parties thereto or by either party under any of the following circumstances: (i) the insolvency, winding-up, liquidation or cessation of business of the other party, or any other circumstance rendering the other party unable to maintain its existence; (ii) a default by the other party which is not capable to be remedied, or where the defaulting party fails to remedy such default; or (iii) the occurrence of force majeure events, each in accordance with the terms of the IP Licensing Agreement. In addition, Baidu Group may terminate the IP Licensing Agreement if our Company: (i) fails to pay the licensing consideration; (ii) intentionally leaks or provides the content of the Licensed IP to a third party or is grossly negligent in the leakage or provision of such; (iii) engages in or attempts to engage in reverse engineering or other cracking activities on the Licensed Software; or (iv) enters into any cooperation — such as technique licensing or transfer, contract R&D, or R&D collaboration — with any blacklisted enterprise that competes with Baidu Group. Furthermore, if Baidu Group breaches its warranties and representations in respect of rights and non-infringement, resulting in losses suffered by our Company, and the remedies stipulated under the IP Licensing Agreement are not commercially reasonable or will not achieve the purpose of the IP Licensing Agreement, either party may terminate the IP Licensing Agreement, in which case, Baidu Group shall also compensate our Company for the losses in accordance with the terms of the IP Licensing Agreement. Upon termination, the licence thereunder shall immediately expire.

As of the Latest Practicable Date, Baidu Group was our substantial shareholder. Through the IP Licensing Agreement, Baidu Group has authorized us to access its core intellectual property and foundational technologies. Leveraging such collaboration, we have independently developed our technology capabilities such as our intelligent road freight technologies. As confirmed by CIC, the perpetual term and royalty-free arrangements under the IP Licensing Agreement are in line with the industry practice, as the paid "white-box" version of the Apollo services adopts a per-version licensing model, under which customers pay a one-time licensing fee for each specific version.

We have been using the Licensed IP in our ordinary course of business during the Track Record Period. Given that the Licensed IP is important to our Group's business operations, we believe that entering into the IP Licensing Agreement with a perpetual term, which is more than three years, can ensure the stability of the operations of our Group, and is in the interest of our Company and our Shareholders as a whole and will be beneficial to our Group. Considering (a) a long duration of a licensing agreement of this nature is within normal business practice for agreements of this type; (b) the strategic importance for our Group to use the Licensed IP; (c) such term is sufficiently long to provide better protection to our Group considering the nature of the Licensed IP; and (d) the confirmation from CIC that the perpetual term arrangement is in line with the industry practice, our Directors are of the view that it is normal business practice for the IP Licensing Agreement to have such a duration. Having considered the above and terms of the IP Licensing Agreement, the Joint Sponsors are of the view that it is commercially justifiable and normal business practice for agreements of similar nature to be of such duration.

Baidu Group is a connected person of our Company upon **[REDACTED]**. Accordingly, the transactions under the IP Licensing Agreement will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules upon **[REDACTED]**. As no further consideration is payable under IP Licensing Agreement and the right to use the Licensed Patents is granted to our Group on a royalty-free basis, the transactions under the IP Licensing Agreement will be within the de minimis threshold provided under Rule 14A.76 of the Listing Rules upon **[REDACTED]** and will be exempted from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## (B) CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS

### 2. Baidu Service Framework Agreement

**Parties:** Our Company; and

Baidu Group

***Principal terms***

On June 25, 2025 and [•], 2026, we entered into a service framework agreement and a supplemental framework agreement, respectively, with Baidu Group (collectively, the "**Baidu Service Framework Agreement**"), pursuant to which Baidu Group would provide cloud services and over-the-air (OTA) related development and maintenance services ("**OTA Services**") to our Group.

The specific service fees concerned and other relevant matters will be negotiated by the relevant parties in good faith which will be set out in separate service agreements in accordance with the principles set out in the Baidu Service Framework Agreement.

The initial term of the Baidu Service Framework Agreement shall commence on the **[REDACTED]** until December 31, 2028, subject to renewal by mutual consent.

***Pricing basis***

The fees payable by our Group under the Baidu Service Framework Agreement in respect of procurement of cloud services will be determined on arm's length basis with reference to the price set out in the price list as published by Baidu Cloud from time to time, which include the specific scope of the services and the corresponding price. The terms offered by Baidu Group to our Group shall not be less favourable than the terms offered by Baidu Group to its independent customers.

Prior to entering into or renewing any specific purchase or business agreements with Baidu Group in respect of cloud services, we will compare such price with the prevailing market price or the price quoted by other independent third parties, and will take into account of the type, quantity, costs (including the costs of changing to or integrating new suppliers) and other factors of the products or services to decide whether to integrate other cloud service supplier(s) to concurrently provide cloud services to us. We will also periodically evaluate whether the fees charged by Baidu Group are fair and reasonable and whether there are other suppliers in the market which can offer more favourable terms to us to decide whether to integrate other cloud service supplier(s) to concurrently provide cloud services to us.

The fees payable by our Group under the Baidu Service Framework Agreement in respect of procurement of OTA Service will be determined on arm's length basis with reference to the expected operating costs for providing such services, including research and development cost, labour cost and administrative cost. The terms offered by Baidu Group to our Group shall not be less favourable than the terms offered by Baidu Group to its independent customers.

Prior to entering into any specific purchase or business agreements with Baidu Group in respect of OTA Services, we will compare such price with the prevailing market price or the price quoted by other Independent Third Parties, and will take into account of the type, quantity, costs and other factors of the products or services.

***Reasons for and benefits of entering into the Baidu Service Framework Agreement***

Our business are operated by cloud-based technology and certain data are retained on cloud database. We require cloud services in multiple aspects. Our new energy heavy-duty trucks are connected and supported by our telematics platform. The connection is based on the public cloud services currently provided by Baidu Group. Our current policy is to provide a five-year telematics platform support. Further, in connection with our intelligent platooning transportation system (IPTS) program, we also require (i) isolated and confidential cloud resources for our development of the IPTS, primarily for the purpose of data collection, storage and labelling, as well as AI algorithm training; and (ii) calculation resources for AI algorithm training purpose.

Further, we provide an OTA platform support to our new energy heavy-duty truck, which is an integrated platform with key features such as remote software upgrade, function optimization and malfunction repair.

Baidu Group is a leading AI company which provides a wide range of software, cloud services and technical services in China, and is able to provide economical, quality, reliable and cost-efficient cloud services. Having considered the price factor, Baidu Group aligns best with our current procurement policies for cloud services. Considering our business has undergone, and is expected to undergo, rapid growth, continuing to obtain such services from Baidu Group is a cost-effective means to support our technology infrastructure and research and development. In terms of OTA Services, in addition to the basic function, Baidu Group is able to deliver an effective software package differential algorithm, which integrates our public key infrastructure (PKI) to ensure secure transmission and usage of software packages.

***Historical transaction amounts***

| | For the year ended December 31, | | |
|---|---|---|---|
| | **2023** | **2024** | **2025** |
| | | *(RMB'000)* | |
| *Fees paid or payable by us* | | | |
| Cloud services | 3,175 | 3,884 | 4,526 |
| OTA services | 900 | — | 460 |
| **Total** | **4,075** | **3,884** | **4,986** |

*Note:* the transaction amounts with Beijing Baidu Netcom Science Technology Co., Ltd for purchase of service during the Track Record Period as set forth in Note 35 — IV Related parties transactions of the Accountants' Report in Appendix I to this Document, being approximately RMB7.9 million, RMB5.7 million and RMB6.3 million, consist of (i) the historical transaction amounts for cloud services and OTA services above, and (ii) amounts for certain other transactions (the "**Remaining Transactions**") such as surveying service fees conducted with Baidu Group which we currently do not expect to continue upon **[REDACTED]**. Our Company will comply with the relevant requirements under the Listing Rules shall we conduct the Remaining Transactions in the future.

***Annual caps and basis of caps***

Our Directors estimate that the maximum aggregate annual amounts payable by us under the Baidu Service Framework Agreement for the years ending December 31, 2026, 2027 and 2028 will not exceed the caps set out below:

| | For the year ending December 31, | | |
|---|---|---|---|
| | **2026** | **2027** | **2028** |
| | | *(RMB'000)* | |
| *Proposed annual caps* | | | |
| **Cloud services** | | | |
| — public cloud services for our telematics platform | 8,000 | 13,000 | 21,000 |
| — cloud resources services for our IPTS development | 4,000 | 5,000 | 6,000 |
| — calculation resources for our IPTS development | 10,000 | 20,000 | 40,000 |
| **OTA services** | 1,000 | 1,000 | 1,000 |
| **Total** | **23,000** | **39,000** | **68,000** |

Our telematics features and intelligent road freight technologies require cloud and OTA services for operation, maintenance and updates. The gradual increase in the annual caps for each of the years ending December 31, 2026, 2027 and 2028 as compared to the historical transaction amounts is primarily attributable to (i) the continued update and optimisation of our intelligent road freight technologies, as well as the expected expansion in the coverage of related products, which will lead to a corresponding and ongoing increase in demand for supporting resources such as cloud resources, data collection, storage, labeling and AI algorithm training; and (ii) the increase in the estimated total number of accumulated active vehicles on our telematics platform based on our estimated sales volume, resulting in a corresponding increase in demand for the installation of our intelligent road freight technologies.

*Cloud services*

In determining the above caps for the cloud services under the Baidu Service Framework Agreement, our Directors have considered the following factors:

(i) the historical transaction amounts during the Track Record Period;

(ii) the estimated fees based on the fees charged by Baidu Group under existing contracts as of Latest Practicable Date;

Further, in terms of the estimated transaction amounts for public cloud services, our Directors have also considered:

(i) the estimated total number of accumulated active vehicles on our telematics platform for each of 2026, 2027 and 2028;

(ii) the estimated average fee of public cloud services per vehicle, being approximately RMB331 per vehicle per year for 2026, approximately RMB324 per vehicle per year for 2027 and approximately RMB312 per vehicle per year for 2028, taking into account the effect that as the total number of vehicles sold increases, the cloud resources used by each vehicle decrease; and

(iii) other ancillary cloud service expenses such as digitization of our production and cybersecurity of approximately RMB120,000 per month.

In terms of the estimated transaction amounts for cloud resources services for our IPTS development, our Directors have also considered:

(i) the data price for cloud resources services of RMB360,000 per PB per year;

(ii) costs for toolchain and the dedicated line connecting to the cloud service server of Baidu Group of approximately RMB240,000 per year; and

(iii) estimated data volume required due to our continuous research and development need, being not more than approximately 10PB for 2026, not more than approximately 13PB for 2027 and not more than approximately 16PB for 2028.

In terms of the estimated transaction amounts for calculation resources, our Directors have also considered:

(i) the estimated number of additional servers needed due to our continuous research and development need, being ten additional servers for 2026, 20 additional servers for 2027 and 40 additional servers for 2028; and

(ii) the unit price of approximately RMB1,000,000 for one 8-GPU server.

*OTA Services*

In determining the above caps for the OTA Services under the Baidu Service Framework Agreement, our Directors have considered the following factors:

(i) the historical transaction amounts during the Track Record Period;

(ii) the estimated fees based on the fees charged by Baidu Group under existing contracts as of Latest Practicable Date;

(iii) the annual maintenance fee of not more than RMB300,000 per year for the OTA platform; and

(iv) the estimated cost for development of new functions due to, for example, (a) optimization to existing functions based on the actual usage scenarios, (b) new demand arising from new vehicle models and/or new architectures, and new compliance features in the event of regulatory changes, which is estimated to cost approximately RMB700,000 per year.

***Listing Rules implications***

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the annual caps for the continuing connected transactions contemplated under Baidu Service Framework Agreement is expected to be more than 0.1% but less than 5% on an annual basis, the continuing connected transactions contemplated under Baidu Service Framework Agreement will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

## INTERNAL CONTROL MEASURES

In order to ensure that the terms under the Baidu Service Framework Agreement are fair and reasonable, and the transactions are carried out based on normal commercial terms or no less favourable than those provided by our connected persons to independent third parties, we have adopted the following internal control procedures:

(i) when considering fees for the products or services to be provided to our Group by our connected persons, we will compare the price with the market price and quotation from independent third parties, to make sure the price is not higher than those offered by independent third parties for providing similar products or services. In the event that the price and terms for providing similar products or services by independent third parties are more favourable, our Group may purchase from such independent third parties;

(ii) we have adopted and implemented a policy on connected transactions. Under such policy, our office to the Board is responsible for the management, identification and review of our connected transactions, as well as the compliance with the relevant requirements of connected transactions. In addition, the relevant departments of our Company shall be responsible preparing the agreements for, and supervising and reporting on, the connected transactions within their scope of duties in accordance with the policy. Our legal department will review the connected transactions reported by other departments, including the terms, pricing basis and other requirements under the Listing Rules;

(iii) our finance department will regularly review and monitor the transactions amounts of our connected transactions to assess the applicable compliance requirements; and

(iv) our independent non-executive Directors shall, and our Company shall engage our external auditors to, conduct annual review of the continuing connected transactions and the annual caps for the continuing connected transactions in accordance with the requirements of the Listing Rules.

## APPLICATION FOR WAIVER

The transactions described under "— (B) Continuing Connected Transactions Subject to the Reporting, Annual Review and Announcement Requirements" above constitute our continuing connected transactions under the Listing Rules which are subject to the reporting, annual review and announcement requirements of the Listing Rules.

In respect of these continuing connected transactions, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange [has granted], waivers exempting us from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "— (B) Continuing Connected Transactions Subject to the Reporting, Annual Review and Announcement Requirements" above, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

## DIRECTORS' VIEWS

Our Directors (including our independent non-executive Directors) consider that all the continuing connected transactions described under "— (B) Continuing Connected Transactions Subject to the Reporting, Annual Review and Announcement Requirements" above have been and will be carried out: (i) in the ordinary and usual course of our business; (ii) on normal commercial terms or better; and (iii) in accordance with the respective terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

Our Directors (including our independent non-executive Directors) are of the view that the annual caps of the continuing connected transactions under "— (B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements" above are fair and reasonable and are in the interests of our Shareholders as a whole.

## JOINT SPONSORS' VIEW

The Joint Sponsors are of the view (i) that the continuing connected transactions described in "— (B) Continuing Connected Transactions which are subject to the Reporting, Annual Review and Announcement Requirements" above have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, that are fair and reasonable and in the interests of our Company and our Shareholders as a whole; and (ii) that the proposed annual caps of such continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.