

CONNECTED TRANSACTIONS

We [have entered] into a framework agreement with certain of our connected persons. Following the [REDACTED], the transactions contemplated under such agreement will constitute our continuing connected transactions under the Listing Rules. Details of the continuing connected transactions of the Group following the [REDACTED] are set out below.

SUMMARY OF OUR CONNECTED PERSONS

Following the [REDACTED], the following parties will be connected persons of our Company:

Name of Connected Person	Connected Relationship
Mr. Li	Ningbo Junma will be a substantial shareholder of our Company upon [REDACTED]. As Mr. Li owns a majority of the interests in Ningbo Junma ^(Note) , Mr. Li is a connected person of our Company upon [REDACTED].
Geely Holdco and its associates	Geely Holdco and its associates comprise (i) Geely Holdco and its subsidiaries (the “ Geely Holding Group ”), of which Geely Holdco is owned, directly and indirectly, by Mr. Li as to approximately 91.07%; (ii) Geely Listco and its subsidiaries (the “ Geely Listed Group ”), of which Geely Listco is owned indirectly by Geely Holdco as to 39.94% and by Mr. Li, directly and indirectly, as to 40.96%; and (iii) other companies (including their respective subsidiaries) in which Mr. Li is entitled to exercise or control the exercise of 30% or more of the voting power at their general meeting. Each of such entities is an associate of Mr. Li and accordingly a connected person of our Company upon [REDACTED].

Note: As of the Latest Practicable Date, the sole general partner of Ningbo Junma is Hangzhou Litong and the sole limited partner of Ningbo Junma owning a majority of interests therein is Sanya Huima Enterprise Management Partnership (Limited Partnership) (三亞揮馬企業管理合夥企業(有限合夥)) (“**Sanya Huima**”), a limited partnership established in the PRC. By virtue of the partnership agreement of Ningbo Junma, (i) the power to manage the business affairs of Ningbo Junma has been solely vested in Hangzhou Litong as its sole general partner, and (ii) Sanya Huima is a passive financial investor, being entitled to only economic interest of Ningbo Junma as the sole limited partner thereof, with no general veto rights or management authority in the conduct of business of Ningbo Junma. The general partner of Sanya Huima is Hainan Luobidong Investment Co., Ltd.* (海南落筆洞投資有限公司) (“**Hainan Luobidong**”), which is wholly owned by Geely Talent Development Group Co., Ltd.* (吉利人才發展集團有限公司) (“**Geely Talent Development**”). Geely Talent Development Group Co., Ltd. is owned by Mr. Li as to 0.1% and by Geely Group (Ningbo) Co., Ltd.* (吉利集團(寧波)有限公司) (“**Geely Ningbo**”) as to 99.9%, which is in turn owned by Mr. Li as to approximately 99.50%. Mr. Li is also the 90.9% limited partner of Sanya Huima, and the remaining 9.1% limited partnership interest is held by Sanya Yangma Enterprise Management Partnership (Limited Partnership)* (三亞揚馬企業管理合夥企業(有限合夥)) which is in turn held as to 99.9% by Liu Bin (劉斌), an Independent Third Party. As such, Mr. Li and his associates are deemed as connected persons under the Listing Rules.*

FULLY EXEMPT CONNECTED TRANSACTIONS

On July 10, 2023, we entered into a travel agency services agreement (the “**Travel Agency Services Agreement**”) with Zhejiang Geely Business Services Co., Ltd. (浙江吉利商務服務有限公司) (“**Geely Business Services**”), an associate of Geely Holdco, pursuant to which Geely Business Services provides certain business travel services (including, but not limited to, the booking of air tickets, accommodation and other forms of transportation) (the “**Travel Agency Services**”) to us, and in return, we shall pay a fixed fee in addition to the cost of air tickets, accommodations and/or other forms of transportation, in accordance with the Travel Agency Services Agreement, for a two-year term expiring on June 30, 2025 and automatically renewing thereafter.

Travelling for business purposes by our employees is required for our ordinary business operations. We have been selecting our providers of Travel Agency Services through tendering extended to interested bidders in the public.

CONNECTED TRANSACTIONS

Prior to the Travel Agency Services Agreement, we had not historically engaged Geely Business Services for the provision of Travel Agency Services. The service fees paid by us to Geely Business Services in respect of the Travel Agency Services is determined on normal commercial terms and are comparable to the services fees historically charged by Independent Third Parties. Such service fees for each of the years ended December 31, 2023, 2024 and 2025 were RMB162,000.0, RMB1,220,000.0 and RMB1,667,000.0, respectively.

Upon the expiry of the Travel Agency Services Agreement, to ensure that we will continue to engage providers of the Travel Agency Services at competitive fees, we expect to continue to select such providers through public tendering. Should Geely Business Services be interested in participating and is afterwards selected in subsequent biddings, we will comply with all applicable Listing Rules in respect of the connected transactions when we enter into a new travel agency services with Geely Business Services. Our Directors currently expect that the highest applicable percentage ratio in respect of the transactions under Travel Agency Services Agreement calculated for the purpose of Chapter 14A of the Listing Rules, will be less than 0.1% on an annual basis. Under Rule 14A.76(1) of the Listing Rules, such transactions will be fully exempt from the reporting, annual review, announcement, circular and independent shareholders’ approval under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Transactions	Applicable Listing Rules	Waivers sought	Proposed annual cap for the year ending December 31,	
			2026	2027
<i>(RMB in millions)</i>				
<i>Provision of products and services to Geely Holdco and its associates</i>				
Products and Services Sales Framework Agreement	14A.35, 14A.36, 14A.52, 14A.53 and 14A.105	Waiver from announcement, circular, and independent shareholders’ approval	1,811.04	1,890.29

Products and Services Sales Framework Agreement

On [REDACTED], in order to regulate the ongoing transactions between the Group and Geely Holdco and its associates, the Company [entered into] a products and services sales framework agreement with Geely Holdco (the “**Products and Services Sales Agreement**”), pursuant to which, we will provide, on a project basis, controllers, cameras, radars, the accompanying driving assistance solutions and related technology development services (together, the “**Relevant Products and Services**”) to Geely Holdco and its associates.

The term of the Products and Services Sales Framework Agreement will commence from the [REDACTED] and expire on December 31, 2027. The Products and Services Sales Framework Agreement will be subject to negotiation at renewal with mutual consent and in compliance with the requirements of the Listing Rules.

Subject to the terms of the Products and Services Sales Framework Agreement, the Group will enter into specific agreements with Geely Holdco and its associates to set out specific terms and conditions when necessary according to the principles and scope provided for under the Products and Services Sales Framework Agreement.

Reasons for and benefits of the transactions

We have been in business cooperation with Geely Holdco and its associates since our establishment. Geely Holdco and its associates has been purchasing the Relevant Products and Services from us in view of the applicability, quality and reliability of such products and services provided by us. The provision of Relevant Products and Services to Geely Holdco and its associates will provide sources of recurring revenues to the Group as the business of Geely Holdco and its associates expands.

CONNECTED TRANSACTIONS

The Company considers that it is beneficial to enter into the Products and Services Sales Framework Agreement to regulate the continuing connected transactions contemplated thereunder as such transactions will continue to facilitate the operation and growth of the Group’s business as a whole.

Pricing basis

The purchase prices and service fees of the Relevant Products and Services under the Products and Services Sales Framework Agreement shall be determined on an arm’s-length basis between our Group and Geely Holdco and its associates with reference to, among others, (i) expected costs to be incurred by the Group for the development and commercialization of the Relevant Products and Services for each of the projects that we expect will approach mass production, including but not limited to initial R&D in connection with our proprietary modules and software platforms (including its configurations on a project by project basis), costs of manufacture and administration, and expected timeline to mass production; and (ii) the fees charged by our Group for similar Relevant Products and Services from customers who are Independent Third Parties. To ensure fees to be charged by our Group are on normal commercial terms, the Group will compare and analyze at least two recent fee quotes offered to Independent Third Parties for the Relevant Products and Services of the same or similar type before entering into any specific agreements for any new projects with its customers, including Geely Holdco and its associates.

Historical amount, annual cap and basis for annual cap

The table below sets out the historical amounts for the three years ended December 31, 2025:

	Historical transaction amount		
	for the year ended December 31,		
	2023	2024	2025
	<i>(RMB in million)</i>		
<i>Provision of Relevant Products and Services</i>	393.14	762.48	1,798.12

The above historical amounts accounted for approximately 43.3%, 59.4% and 78.9% of the total revenue of the Group for the corresponding period.

The Company proposes to set up the annual caps for the two years ending December 31, 2027 as follows:

	Proposed annual cap for the year ending December 31,	
	2026	2027
		<i>(RMB in millions)</i>
<i>Provision of Relevant Products and Services</i>	1,811.04	1,890.29

The annual caps for the fees payable by Geely Holdco and its associates in respect of the provision of Relevant Products and Services to Geely Holdco and its associates by our Group for the two years ending December 31, 2027 are determined with reference to, among others:

- (i) the historical transaction amounts for provision of such Relevant Products and Services during the Track Record Period;
- (ii) the historical movement of average unit price for similar transactions during the Track Record Period and the expected movement in the average unit price for the two years ending December 31, 2027;

CONNECTED TRANSACTIONS

- (iii) the expected increase in demand for the Relevant Products and Services from Geely Holdco and its associates to accommodate the Company’s extended partnership therewith. For example, we have gradually achieved coverage of the full spectrum of product lines including solutions, controllers, cameras, radars for the entire Level 0 to Level 2+ and above solutions for all the passenger and commercial vehicle brands owned by Geely. More specifically, in relation to the demand for Relevant Products and Services from Geely Holdco and its associates, the annual caps for each of the years ending December 31, 2026 and 2027 have taken into account demand projections derived from the forecast sales volume (taken with reference to actual historical monthly sales volumes) and unit price (taken with reference to historical unit price fluctuations);
- (iv) the expected increase in demand for the Relevant Products and Services as a result of (a) business growth of Geely Holdco and its associates and (b) its goal to continue to innovate with technology as the core foundation. In particular, Geely Listed Group has set its sales volume target at 3.45 million unit in 2026, representing an increase of approximately 14% from its total sales volume achieved in 2025. Geely Listed Group will fully leverage the advantages of intelligent technologies to enhance the competitiveness of ICE vehicles. These will facilitate our sales of the Relevant Products and Services to Geely Holdco and its associates; and
- (v) the expected increase in sales volume in connection with the additional vehicle models which are set to proceed to mass production for the two years ending December 31, 2027 in our current line of projects with Geely Holdco and its associates based on design-win and current project pipeline. Specifically, our projects with Geely Holdco and its associates currently spans all of Geely Holdco’s vehicle brand, and we expect that there will be an increase in number of vehicle model projects secured or expected to be secured by the Company from Geely Holding Group and its associates from 2026 to 2027, multiple future vehicle model projects will gradually enter mass production in 2026 and 2027, and sales are expected to increase accordingly. According to our current cooperation with Geely Holdco and its associates, the Company expects a sales volume increase from Geely Holdco and its associates by approximately 15% in 2027 compared to 2025, and the revenue gained from Geely Holdco and its associates is expected to maintain steady and slight growth, with an average annual growth rate of approximately 2.5% from 2025 to 2027.

Listing Rules Implications

The transactions contemplated under the Products and Services Sales Framework Agreement are conducted in the ordinary and usual course of business on normal commercial terms, and our Directors currently expect that the highest applicable percentage ratio under the Listing Rules in respect of such transactions will exceed 5%. As such, these transactions will be subject to annual review, reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Application for Waiver

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] a waiver to us under Rule 14A.105 of the Listing Rules from strict compliance with the announcement, circular and independent shareholders’ approval requirements in respect of the transactions contemplated under the Products and Services Sales Framework Agreement, provided that the total value of transactions under the Products and Services Sales Framework Agreement for each of the years ending December 31, 2026, and 2027 will not exceed the relevant proposed annual caps set forth above. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules, apart from announcement, circular and independent shareholders’ approval requirements for which the waiver is sought under Rule 14A.105 of the Listing Rules.

CONNECTED TRANSACTIONS

DIRECTORS' CONFIRMATION

Our Directors (including the independent non-executive Directors) are of the view that (i) the non-exempt continuing connected transactions as set out above have been and will be entered into in the ordinary and usual course of business, on normal commercial terms or better, and that the respective terms and the proposed annual caps thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

JOINT SPONSORS' CONFIRMATION

Based on the review of the documents and information provided by the Company, the Joint Sponsors are of the view that (i) the non-exempt continuing connected transactions as set out above have been entered into in the ordinary and usual course of business on normal commercial terms or better, are fair and reasonable, and in the interests of the Company and its Shareholders as a whole; and (ii) the proposed annual caps for such non-exempt continuing connected transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL PROCEDURES ADOPTED BY THE COMPANY IN RESPECT OF THE CONTINUING CONNECTED TRANSACTION AGREEMENTS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- Our Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the relevant responsible personnel in order for our Company to commence the necessary additional assessment and approval procedures and ensure that we will comply with the applicable requirements under Chapter 14A of the Listing Rules.
- Our Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by our Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap as stated above.
- When considering any renewal or revisions to the agreements after [REDACTED], the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' general meetings (as the case may be). If the independent Directors' or independent Shareholders' approvals cannot be obtained, we will not continue the transactions under the framework agreement(s) to the extent that they constitute non-exempt continuing connected transactions under rule 14A.35 of the Listing Rules.