

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

OVERVIEW

Our Single Largest Shareholders Group comprises Dr. Zhang, Ms. Du, Harmolin LLC, Leap Zenith LLC, Ningbo Junma, Lintong Minhe, Hangzhou Litong, Hangzhou Lulixin, Hangzhou Fulixin, Jiaying Jilixin, Jiaying Yilixin, and Fanhai Hongxin.

Under the Existing WVR Structure in place as of the date of this Document, each of the Shares held by Lintong Minhe and Fanhai Hongxin, entitles them to 10 votes at the Company’s general meetings and each of Lintong Minhe and Fanhai Hongxin is able to exercise 10.99% and 18.38% of the voting rights in the Company’s general meetings, respectively. As such, as of the date of this Document, Dr. Zhang and Ms. Du, through Harmolin LLC, Leap Zenith LLC, Ningbo Junma, Lintong Minhe, Hangzhou Litong, Hangzhou Lulixin, Hangzhou Fulixin, Jiaying Jilixin, Jiaying Yilixin and Fanhai Hongxin, are entitled to exercise 42.60% voting rights attached to 21.99% of the issued Shares of the Company in aggregate. In light of the requirements under Rule 8.11 of the Listing Rules, the Existing WVR Structure will be terminated with effect upon the [REDACTED] and each Share shall be entitled to one vote on a poll at all general meetings of the Company. The Company will not have any weighted voting right or WVR structure as defined under Rule 8A.02 of the Listing Rules upon [REDACTED]. For details of the Existing WVR Structure and its termination, see “History, Development and Corporate Structure.”

Immediately after the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), our Single Largest Shareholders Group will be entitled to control the exercise of [REDACTED]% voting rights of the Company, attached to [REDACTED] H Shares of the Company. As such, our Single Largest Shareholders Group will continue to remain as our single largest group of shareholders upon [REDACTED]. For details of the shareholding of each member of our Single Largest Shareholders Group upon [REDACTED], see “History, Development and Corporate Structure.”

As set out in the section headed “Connected Transaction” of this Document, as of the Latest Practicable Date, Hangzhou Litong (which is held as to 80% by Dr. Zhang) is the general partner of Ningbo Junma, and Sanya Huima is the sole limited partner of Ningbo Junma owning 99.9% of interests therein. Mr. Li is the 90.9% limited partner of Sanya Huima. Notwithstanding Mr. Li’s economic interest in Ningbo Junma through Sanya Huima, Mr. Li and the entities ultimately controlled by Mr. Li that hold direct or indirect equity interest in the Company, namely Sanya Huima, Hainan Luobidong, Geely Talent Development, Geely Ningbo and Chengdu Houtong (the “**Non-controlling Parties**”) should not be regarded as a part of our Single Largest Shareholders Group on the following basis:

- (i) Dr. Zhang has exclusive control of Ningbo Junma and Sanya Huima is not able to control the voting rights by Ningbo Junma in relation to any matter of the Company. For any matter relating to the Company which requires shareholders’ approval, Ningbo Junma and Dr. Zhang have entered into an acting in concert agreement dated July 24, 2020 and agreed that Ningbo Junma and Dr. Zhang reach consensus and vote in the same manner in the shareholders’ meeting of the Company. Dr. Zhang’s decision shall prevail if there is any disagreement between Ningbo Junma and Dr. Zhang. There is no consensus building, agreement and arrangement between (a) Dr. Zhang and Hangzhou Litong (as general partner of Ningbo Junma) on the one hand, and (b) the Non-controlling Parties on the other hand, in relation to how Ningbo Junma exercises its voting rights in the Company;
- (ii) according to Articles 67 and 68 of the Partnership Enterprises Law of the PRC, the partnership affairs of a limited partnership enterprise shall be executed by the general partner, and limited partner may not execute the partnership affairs nor may he/she represent the limited partnership enterprise in front of external parties. Pursuant to the partnership agreement in respect of Ningbo Junma, Hangzhou Litong shall represent the limited partnership enterprise in front of external parties and execute the partnership affairs as the general partner, and other partner shall not execute partnership affairs;

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

- (iii) pursuant to the partnership agreement in respect of Ningbo Junma, Hangzhou Litong (which is controlled by Dr. Zhang), is the sole general partner of Ningbo Junma with exclusive management authority over the business affairs of Ningbo Junma without participation of Sanya Huima, to exercise the power of deciding the business and investment plans of Ningbo Junma, including the investment in the Company and exercise of the voting rights in the Company’s general meeting for and on behalf of Ningbo Junma;
- (iv) as confirmed by Sanya Huima, save for limited matters requiring unanimous consent of all partners which does not include the exercise of any voting rights in the Company, generally all the decisions and affairs relating to Ningbo Juama are made under the authority of Hangzhou Litong without the need to obtain prior permission or subsequent ratification from Sanya Huima, and Sanya Huima has undertaken to be bound by such decisions made by Hangzhou Litong;
- (v) pursuant to the partnership agreement in respect of Ningbo Junma, Sanya Huima is not able to change Hangzhou Litong or its representative from the role of general partner to limited partner in Ningbo Junma, and/or appoint Sanya Huima or its representative as general partner of Ningbo Junma without unanimous consent of all partners of Ningbo Junma, including the consent of Hangzhou Litong. Effectively, Hangzhou Litong or its representative shall remain as the general partner of Ningbo Junma. As confirmed by Sanya Huima, Sanya Huima (a) will not intervene Hangzhou Litong in exercising general partner’s power pursuant to the partnership agreement, (b) will acknowledge and fully support any decision made by Hangzhou Litong pursuant to its general partner’s power under the partnership agreement, and (c) will not request to change the general partner of Ningbo Junma; and
- (vi) each of Sanya Huima, Hainan Luobidong, Geely Talent Development, Geely Ningbo and Chengdu Houtong, are not special purpose vehicles exclusively holding interest in the Company, and are entities with actual business operation. Mr. Li, together with these entities, are entitled to economic interest instead of voting control of Ningbo Junma, and are the passive financial investors focusing on investment in various companies which engage in industries different from the Group’s principal business;

There is no circumvention of the requirements under the Listing Rules in relation to single largest group of shareholders, including ownership continuity and control requirement, connected transaction and disclosure of interest in competing business even if the Non-controlling Parties are not regarded as our Single Largest Shareholders Group. In particular,

- (i) the Non-controlling Parties has been holding the same direct or indirect equity interest in the Company, and each of Sanya Huima, Hainan Luobidong, Geely Talent Development, Geely Ningbo and Chengdu Houtong for the year ended December 31, 2024 and up to the [REDACTED], and has remained under the control of Mr. Li;
- (ii) the details of the transaction contemplated under the Products and Services Sales Framework Agreement and waivers [granted] 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 transaction contemplated under the Products and Services Sales Framework Agreement have been disclosed in the section headed “Connected Transaction” of this Document, and the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any transaction with Non-controlling Parties, apart from announcement, circular and independent shareholders’ approval requirement for which waiver is sought under Rule 14A.105 of the Listing Rules; and
- (iii) the principal business activities of Non-controlling Parties are clearly delineated from the principal business of the Group, and do not compete, directly or indirectly, or is not likely to complete, either directly or indirectly, with the Group’s business. Non-controlling Parties do not engage in any business which involves provision of comprehensive software-hardware integrated driving assistance solutions.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

In determining the identity of the de facto controller (實際控制人) of the Company, de facto controller refers to any person who can exert de facto control over a company through any investment relationships, agreements or other arrangements under the PRC Company Law. Considering that (a) the percentage of voting rights held by the Single Largest Shareholders Group, which is controlled by Dr. Zhang, is significantly higher than the remaining Shareholders as at the Latest Practicable Date, with 42.60% of voting rights of the Company under the Existing WVR Structure and 21.99% of voting rights of the Company without taking account the Existing WVR Structure and dilution upon [REDACTED], (b) Dr. Zhang can exert substantial influence on the Board due to the right of nomination of four Directors by Dr. Zhang before the [REDACTED] and that Mr. Li does not hold any directorship in the Company, and (c) Dr. Zhang has been the chairman of the Board and chief executive officer of the Company, and responsible for formulating the overall development strategies and business plans of our Company and overseeing the management and strategic development of our Company, while Mr. Li is not involved in day-to-day management of the Company, as advised by the PRC Legal Advisor, the identification of Dr. Zhang as the de facto controller of the Company is in compliance with the applicable laws and regulations in the PRC and there is no circumstance which shall give rise to the conclusion that Mr. Li should be regarded the de facto controller of the Company.

As advised by the PRC Legal Advisor, there is no circumvention of the requirements in relation to de facto controller under the applicable laws and regulations in the PRC, even if Mr. Li is not regarded as the de-facto controllers on the basis that, the laws and regulations applicable to the Company seeking the [REDACTED] of its H Shares on the Stock Exchange primarily include the PRC Company Law and the Guidelines for Articles of Association of Listed Companies amended and enacted in March 2025. In relation to the requirements governing the connected transaction and competing business of de facto controller of the Company seeking the [REDACTED] of its H Shares on the Stock Exchange, it is primarily governed by the relevant requirements under the Listing Rules. The rules and regulations in the PRC only set out the general principle that a de facto controller cannot abuse his control or exploit the related party relationship to conduct unfair related party transactions which affects the interest of the company and other shareholders.

NO COMPETITION AND CLEAR DELINEATION OF BUSINESS

Each member of our Single Largest Shareholders Group confirms that, as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business.

INDEPENDENCE FROM OUR SINGLE LARGEST SHAREHOLDERS GROUP

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Single Largest Shareholders Group and their close associates after the [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. As at the date of this document, our Board consist of seven Directors comprising two executive Directors, two non-executive Directors, and three independent non-executive Directors. For more information, see “Directors and Senior Management.” Notwithstanding that our executive Director, Dr. Zhang, is a member of our Single Largest Shareholders Group, our Directors are of the view that our Company is capable of maintaining management independence due to the following reasons:

- (a) each Director is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

- (b) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;
- (c) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions;
- (d) Our Board has a balanced composition of executive Directors and independent non-executive Directors which ensures the independence of the Board in making decisions affecting our Company. Specifically, (a) our independent non-executive Directors are not associated with the members of the Single Largest Shareholders Group or their respective close associates; (b) our independent non-executive Directors account for more than one-third of the Board; and (c) our independent non-executive Directors individually and collectively possess the requisite knowledge and experience and will be able to provide professional and experienced advice to our Company. In conclusion, the Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interest of our Company and our Shareholders as a whole; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Single Largest Shareholders Group which would support our independent management. See “— Corporate Governance Measures” in this section for further information.

Based on the above, our Directors are satisfied that they are able to perform their managerial roles in our Company independently, and our Directors are of the view that we are capable of managing our business independently from the Single Largest Shareholders Group after the [REDACTED].

Operational Independence

We have full rights to make business decisions and to carry out our business independently from our Single Largest Shareholders Group and their respective close associates. On the basis of the following reasons, our Directors consider that our Company will continue to be operationally independent from our Single Largest Shareholders Group and their respective close associates after the [REDACTED]:

- (a) we are not reliant on trademarks owned by our Single Largest Shareholders Group, or by other companies controlled by our Single Largest Shareholders Group;
- (b) we are the holder of all relevant licenses material to the operation of our business;
- (c) we have independent access to our customers and suppliers;
- (d) we have sufficient capital, facilities, devices and employees to operate our business independently from our Single Largest Shareholders Group;
- (e) we have our own administrative and corporate governance infrastructure, including our own accounting, legal and human resources departments; and
- (f) none of our Single Largest Shareholders Group or their respective close associates have any interests in any business which competes or is likely to compete with the business of our Group.

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

Based on the above, our Directors believe that we are able to operate independently of our Single Largest Shareholders Group.

Financial Independence

Our Group has its own internal control, accounting, funding, reporting and financial management system as well as accounting and finance department. Moreover, our Group opens and manages bank accounts independently, and has never shared any bank account with our Single Largest Shareholders Group. Our Group has independent taxation registration according to the relevant laws, and makes tax payments independently according to the applicable PRC taxation laws and regulations. Our Group has never made any tax payment jointly with our Single Largest Shareholders Group or any other entities controlled by them.

As of the Latest Practicable Date, our Group did not rely on our Single Largest Shareholders Group and/or their close associates for any provision of financial assistance. Our Directors confirm that as of the Latest Practicable Date, none of Single Largest Shareholders Group or their close associates had provided any loans, guarantees or pledges to our Group and, save as disclosed in the Document, our Group did not provide any loans, guarantees or pledges to our Single Largest Shareholders Group.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Single Largest Shareholders Group and their close associates.

CORPORATE GOVERNANCE MEASURES

Our Company and Directors recognize the importance of protecting the rights and interests of all Shareholders, including the rights and interests of our minority Shareholders.

We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Single Largest Shareholders Group:

- (a) where a Shareholders’ meeting or Directors’ meeting is to be held for considering proposed transactions in which our Single Largest Shareholders Group or any of their respective associates has a material interest, the relevant Single Largest Shareholders Group or associates will not vote on the relevant resolutions;
- (b) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with our Single Largest Shareholders Group or any of their respective associates, our Company will comply with the applicable Listing Rules;
- (c) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between the Group and our Single Largest Shareholders Group and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) our Single Largest Shareholders Group will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;
- (e) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

RELATIONSHIP WITH OUR SINGLE LARGEST SHAREHOLDERS GROUP

- (f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company’s expense; and
- (g) we have appointed Rainbow Capital (HK) Limited as our compliance adviser to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Single Largest Shareholders Group, and to protect our minority Shareholders’ interests after the [REDACTED].