OVERVIEW

Upon [**REDACTED**], transactions between members of our Group and our connected person will constitute continuing connected transaction of our Company under Chapter 14A of the Listing Rules.

CONNECTED PERSON

We have entered into certain transactions in the ordinary and usual course of our business with the following entities, which will constitute continuing connected transactions.

Connected Persons	Connected Relationship
Changan Automobile (together with its associates, "**Changan Automobile Group**")	one of our Controlling Shareholders
ChenZhi Automobile (together with its associates, "**ChenZhi Automobile Group**")	one of our Controlling Shareholders
Wanyou Automotive Investment Co., Ltd.* (萬友汽車投資有限公司) ("**Wanyou Investment**", together with its associates, "**Wanyou Investment Group**")	a fellow subsidiary of Changan Automobile
Changan Minsheng APLL Logistics Co., Ltd.* (重慶長安民生物流股份有限公司) ("**CMA Logistics**", together with its associates, "**CMA Logistics Group**")	a fellow subsidiary of Changan Automobile
Changan Auto Finance Co., Ltd.* (長安汽車金融有限公司) ("**Changan Auto Finance**")	an associate of Changan Automobile
China South Industries Group Finance Co., Ltd.* (兵器裝備集團財務有限責任公司) ("**Changan Finance**")	an associate of Changan Automobile
China South Industries Group Commercial Factoring Co., Ltd.* (中國兵器裝備集團商業保理有限公司) ("**Changan Factoring**")	an associate of Changan Automobile

CONTINUING CONNECTED TRANSACTIONS

Transaction	Counterparty	Applicable Listing Rules	Waiver sought
Fully-exempt continuing connected transactions			
Trademark Licensing Framework Agreement	Changan Automobile	14A.76(1)(a)	N/A
Wanyou Investment Logistics Services Procurement Framework Agreement	Wanyou Investment	14A.76(1)(a)	N/A
Partially-exempt continuing connected transactions			
Sales Store Set-up Subsidy Framework Agreement	Wanyou Investment	14A.76(2)(a) and 14A.105	Announcement
Referral Services Provision Framework Agreement	Changan Auto Finance	14A.76(2)(a) and 14A.105	Announcement
General Services Procurement Framework Agreement	Changan Automobile	14A.76(2)(a) and 14A.105	Announcement

Transaction	Counterparty	Applicable Listing Rules	Waiver sought
Automobile Financing Cooperation Framework Agreement	Changan Auto Finance	14A.76(2)(a) and 14A.105	Announcement
CMA Logistics Services Procurement Framework Agreement	CMA Logistics	14A.76(2)(a) and 14A.105	Announcement

Non-exempt continuing connected transactions

Transaction	Counterparty	Applicable Listing Rules	Waiver sought
Changan Automobile Auto Parts, Production Materials, Production-Related Equipment and Whole Vehicle Manufacturing Services Procurement Framework Agreement	Changan Automobile	14A.35, 14A.36 and 14A.105	Announcement, circular and independent Shareholders' approval requirements
ChenZhi Automobile Auto Parts, Production Materials, Production-Related Equipment and Component Development Services Procurement Framework Agreement	ChenZhi Automobile	14A.35, 14A.36 and 14A.105	Announcement, circular and independent Shareholders' approval requirements
ChenZhi Automobile Whole Vehicles and Auto Parts Sales Framework Agreement	ChenZhi Automobile	14A.35, 14A.36 and 14A.105	Announcement, circular and independent Shareholders' approval requirements
Changan Automobile Whole Vehicles and Auto Parts Sales Framework Agreement	Changan Automobile	14A.35, 14A.36 and 14A.105	Announcement, circular and independent Shareholders' approval requirements
Financial Services Framework Agreement	Changan Finance	14A.35, 14A.36 and 14A.105	Announcement, circular and independent Shareholders' approval requirements
Factoring Services Framework Agreement	Changan Factoring	14A.35, 14A.36 and 14A.105	Announcement, circular and independent Shareholders' approval requirements

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTION

1. Trademark Licensing Framework Agreement

Principal Terms

On [●], we entered into a trademark licensing framework agreement with Changan Automobile ("**Trademark Licensing Framework Agreement**"), pursuant to which Changan Automobile grants our Company a permanent and exclusive license to use the "AVATR" trademarks (the "**Licensed Trademarks**"), with the right to further sublicense as necessary. The consideration to be paid by the Company for such license is expected to be no more than RMB50,000 on an annual basis. The Trademark Licensing Framework Agreement shall remain in full force and effect for an indefinite term unless terminated earlier in accordance with the Company's written request.

Reasons for the transaction

According to PRC laws and regulations, the vehicle manufacturer's name or trademark must be displayed on a vehicle. As Changan Automobile is the manufacturer of AVATR-branded vehicles, the AVATR trademarks must be held by Changan Automobile in order to comply with MIIT's requirements and to enable the "AVATR" brand to appear independently on the vehicle tail. Changan Automobile has granted us a permanent and exclusive licence to use the Licensed Trademarks, together with the right to further sublicense them as necessary, thereby enabling us to use the Licensed Trademarks in our daily operations. We have been using the Licensed Trademarks for several years and it is in the best interest of our Group and our Shareholders to continue to use the Licensed Trademarks after the completion of the [**REDACTED**].

Listing Rules implications

Pursuant to the Trademark Licensing Framework Agreement, the consideration for such license is expected to be no more than RMB50,000 on an annual basis, and therefore, the transactions under the Trademark Licensing Framework Agreement constitutes a *de minimis* transactions and are fully exempt from the annual reporting, announcement, independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules. As required by Rule 14A.52 of the Listing Rules, the period for the agreement for the continuing connected transactions must not exceed three years, except in cases where nature of the transaction requires the agreement to be of a duration longer than three years. The Directors are of the view that the Trademark Licensing Framework Agreement was entered into on normal commercial terms and a longer duration of the agreement will avoid any unnecessary business interruption and help ensure the long-term stable business development and continuity of our market recognition, and it is normal business practice for trademark license agreements of similar type to be entered into for such duration. The Joint Sponsors agree with the Company's reasons for requiring a longer term for the Trademark Licensing Framework Agreement and are of the view that entering into such agreement with a term of over three years is in line with normal business practice.

2. Wanyou Investment Logistics Services Procurement Framework Agreement

Principal Terms

On [●], we entered into a logistics services procurement framework agreement with Wanyou Investment (the "**Wanyou Investment Logistics Services Procurement Framework Agreement**"), pursuant to which our Group agreed to procure logistics services from Wanyou

Investment Group for the logistics services of after-sales spare parts and accessories. The initial term of the Wanyou Investment Logistics Services Procurement Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

Wanyou Investment Group has been providing logistics services to our Group since 2024. Taking into account Wanyou Investment Group's deep insights across the logistics industry and track record of delivering quality logistics services to our Group, the Directors believe that the Wanyou Investment Group is well-versed in our specific requirements for the logistics services at a competitive price and can provide stable, long-term logistics services of high quality.

Pricing policies

The pricing for the procurement of logistics services from Wanyou Investment Group shall be determined based on arm's length negotiations between the parties with reference to (i) the volume of the logistics services; (ii) the prevailing market prices for comparable services offered by Independent Third Parties; and (iii) if no such comparable market price, with reference to cost plus a reasonable profit margin, as agreed through bona fide negotiations.

During the year ended December 31, 2024 and 2025, the total purchase amount of logistics services from Wanyou Investment Group were approximately RMB2.6 million and RMB8.4 million, respectively.

Listing Rules implications

In respect of the transaction under the Wanyou Investment Logistics Services Procurement Framework Agreement, as our Directors currently expect, the highest applicable percentage ratio 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, the transaction will be fully exempt from the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

In our ordinary and usual course of business, we have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5%. Under Rule 14A.76(2) of the Listing Rules, these transactions will be subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

1. Sales Store Set-up Subsidy Framework Agreement

Principal Terms

On [●], we entered into a sales store set-up subsidy framework agreement with Wanyou Investment (the "**Sales Store Set-up Subsidy Framework Agreement**"), pursuant to which our Group agrees to provide subsidies to the newly set-up sales stores operated by Wanyou Investment Group. The initial term of the Sales Store Set-up Subsidy Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

We [have entered] into the ChenZhi Automobile Whole Vehicles and Auto Parts Sales Framework Agreement (as defined below) with ChenZhi Automobile, pursuant to which, Wanyou Investment Group, as members of Chenzhi Automobile Group, shall purchase whole vehicles and auto parts from our Group. Such whole vehicles and auto parts shall be mainly re-sold to end customers in Chinese mainland by Wanyou Investment Group. According, Wanyou Investment Group is one of our distributors.

By providing financial subsidies in connection to the newly set-up sales stores by our distributors, we aim to motivate our distributors, including Wanyou Investment Group, to expand our sales network, so as to achieve higher sales volumes, improve conversion rates, and expand customer reach.

Pricing policies

The amount of set-up subsidies shall be determined based on arm's length negotiations between the parties with reference to the set-up subsidies provided by our Group to distributors who are Independent Third Parties of comparable scale, taking into account of, among others, the tier, floor area, geographic location, expected sales volume and the level of charging infrastructure of the relevant sales stores.

Historical amounts

We have been providing set-up subsidies to Wanyou Investment Group since 2023. For the years ended December 31, 2023, 2024, and 2025, the set-up subsidies we paid to Wanyou Investment Group were approximately RMB0.4 million, RMB22.6 million and RMB62.5 million, respectively.

Annual caps

For the years ending December 31, 2026 and 2027, the proposed annual caps for the transaction amounts to be paid to Wanyou Investment Group under the Sales Store Set-up Subsidy Framework Agreement will be approximately RMB85.7 million and RMB184.3 million, respectively.

The proposed annual caps are determined based on, among others:

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

(ii) the expected rate of sales store set-up subsidy provided by us to Wanyou Investment Group, taking into account the historical sales performance of such distributors and its future fluctuations; and

(iii) the estimated sales volume of whole vehicles, the expected increase of newly set-up sales stores operated by Wanyou Investment Group, as well as the development strategies and business expansion plan of the Group which is positively correlated with the set-up subsidies amount.

2. Referral Services Provision Framework Agreement

Principal Terms

On [●], we entered into a referral services provision framework agreement with Changan Auto Finance (the "**Referral Services Provision Framework Agreement**"), pursuant to which our Group agrees to refer our clients to Changan Auto Finance for obtaining vehicle loans to finance their purchase of vehicles. In return, Changan Auto Finance shall pay corresponding referral commission to us. The initial term of the Referral Services Provision Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

The referral services transactions are conducted to monetize our Group's commercial resources. By introducing relevant business leads and potential customers to Changan Auto Finance, we are able to generate value from our existing commercial network and diversify our revenue streams while supporting the auto financial services of the Changan Auto Finance.

Pricing policies

The commission from Changan Auto Finance shall be determined based on arm's length negotiations between the parties taking into account of the amount and term of the relevant loans facilitated by us and shall not be lower than those for transactions between our Group and Independent Third Parties under the same conditions.

Historical amounts

We have been referring retail customers to Changan Auto Finance since 2023. For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to such commission were approximately RMB0.1 million, RMB10.4 million and RMB13.9 million, respectively.

Annual caps

For the years ending December 31, 2026 and 2027, the proposed annual caps for the annual transaction amounts to be paid to us by Changan Auto Finance under the Referral Services Provision Framework Agreement will be approximately RMB15.0 million and RMB37.1 million, respectively.

The proposed annual caps are determined based on, among others:

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

(ii) the estimated retail customers to be referred to Changan Auto Finance, and the estimated sales volume and sales prices of whole vehicles as well as the development strategies and business expansion plan of the Group for the two years ending December 31, 2027.

3. General Services Procurement Framework Agreement

Principal Terms

On [●], we entered into a general services procurement framework agreement with Changan Automobile (the "**General Services Procurement Framework Agreement**"), pursuant to which our Group agreed to procure general services, including but not limited to commissioned development services, entrusted management services, technical services, software services and personnel support services from Changan Automobile Group. The initial term of the General Services Procurement Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

Changan Automobile Group has been providing general services to our Group since our establishment. Taking into account the long-term cooperation between the Changan Automobile Group and our Group, the Changan Automobile Group can provide stable long-term and high-quality services, and is well-versed in our specific requirements for the general services at a competitive price.

Pricing policies

The pricing for the procurement of general services from Changan Automobile Group shall be determined based on arm's length negotiations between the parties with reference to the (i) the type and quality of the general services; (ii) the prevailing market prices for comparable services offered by Independent Third Parties; and (iii) if no such comparable market price, with reference to cost plus a reasonable profit margin, as agreed through bona fide negotiations.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to the procurement of general services by our Group from Changan Automobile Group were approximately RMB283.6 million, RMB651.9 million, and RMB506.0 million, respectively.

Annual caps

For the years ending December 31, 2026 and 2027, the proposed annual caps for the annual transaction amounts to be paid to Changan Automobile Group under the General Services Procurement Framework Agreement will be approximately RMB496.6 million and RMB810.6 million, respectively.

The proposed annual caps are determined based on, among others:

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

(ii) the expected increase in our R&D expenses and the expected proportion of R&D services to be provided by Changan Automobile Group; and

(iii) the expected increase in entrusted overseas sales management service fees payable to Changan Automobile Group as our overseas sales expand.

4. Automobile Financing Cooperation Framework Agreement

Principal Terms

On [●], our Company entered into an automobile financing cooperation framework agreement (the "**Automobile Financing Cooperation Framework Agreement**") with Changan Auto Finance, pursuant to which, from time to time, our Group will recommend our retail customers to use retail financing provided by Changan Auto Finance and we will pay automobile financing subsidies to Changan Auto Finance on behalf of our customers to subsidise interest rates for the purpose of promoting the whole vehicles sales of our Group. The initial term of the Automobile Financing Cooperation Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

Changan Auto Finance is principally engaged in providing auto retail financing solutions to end customers, mainly supporting the auto brands of Changan Automobile Group. By introducing Changan Auto Finance as one of the auto retail financing providers, which offers financing terms comparable to those of third-party commercial banks, we could provide end-customers with more financing options, which could improve our customers' payment experience.

Pricing policies

The financing ratio shall be determined based on the prevailing market price of automobile financing industry in the PRC. Changan Auto Finance will communicate with the retail customers (as the case may be) on an ongoing basis to ensure that the terms of Automobile Financing Cooperation Framework Agreement are competitive and shall be in line with the market practice of the automobile financing industry in the PRC.

Historical amounts

The historical transaction amount of the transactions relating to the auto financing amount for the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in million)	
Automobile financing subsidies to customers borne by our Company and payable to Changan Auto Finance.	16.4	6.1	16.7

Annual caps

The total transaction amount under the Automobile Financing Cooperation Framework Agreement for the two years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below.

	Proposed annual caps for the year ending December 31,	
	2026	**2027**
	(RMB in million)	
Automobile financing subsidies to customers to be borne by our company and payable to Changan Auto Finance.	18.1	44.7

The proposed annual caps are determined based on, among others:

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

(ii) the estimated sales volume and sales price of our vehicles to the retail customers for the two years ending December 31, 2027; and

(iii) the estimated retail financing penetration rate, which is similar to historical penetration rate, for the two years ending December 31, 2027.

5. CMA Logistics Services Procurement Framework Agreement

Principal Terms

On [●], we entered into a logistics services procurement framework agreement with CMA Logistics (the "**CMA Logistics Services Procurement Framework Agreement**"), pursuant to which our Group agreed to procure logistics services from CMA Logistics Group for the whole vehicles logistics services and related ancillary logistics services. The initial term of the CMA Logistics Services Procurement Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

CMA Logistics is a leading logistics services provider in China. CMA Logistic Group has been providing logistics services to our Group since 2022. Taking into account the long-term cooperation between the CMA Logistics Group and our Group and CMA Logistics Group's deep insights across the logistics industry, the Directors believe that the CMA Logistics Group can provide stable, long-term and high-quality logistics services to our Group, and is well-versed in our specific requirements for the logistics services at a competitive price.

Pricing policies

The pricing for the procurement of logistics services from CMA Logistics Group shall be determined based on arm's length negotiations between the parties with reference to (i) the volume of the logistics services; (ii) the prevailing market prices for comparable services offered by Independent Third Parties; and (iii) if no such comparable market price, with reference to cost plus a reasonable profit margin, as agreed through bona fide negotiations.

Historical amounts

The historical transaction amounts of the transactions relating to the logistics services provided by CMA Logistics Group for the years ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in million)	
Procurement of logistics services from CMA Logistics Group	45.8	137.6	246.9

Annual caps

The total transaction amount under the CMA Logistics Services Procurement Framework Agreement for the two years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below.

	Proposed annual caps for the year ending December 31,	
	2026	**2027**
	(RMB in million)	
Procurement of logistics services from CMA Logistics Group	349.5	824.3

The proposed annual caps are determined based on, among others:

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

(ii) The expected increase in the unit price of whole vehicle transportation over the two years ending December 31, 2027; and

(iii) the expected increase in sales volume of our vehicles for the two years ending December 31, 2027.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

In our ordinary and usual course of business, we have entered into the following transactions which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 5%. Under Rule 14A.36 of the Listing Rules, these transactions will be subject to the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. Changan Automobile Auto Parts, Production Materials, Production-Related Equipment and Whole Vehicle Manufacturing Services Procurement Framework Agreement

Principal Terms

On [●], we entered into an auto parts, production materials, production-related equipment and whole vehicle manufacturing services procurement framework agreement with Changan Automobile (the "**Changan Automobile Auto Parts, Production Materials, Production-Related Equipment and Whole Vehicle Manufacturing Services Procurement Framework Agreement**"), pursuant to which our Group may, from time to time, procure auto parts, production materials, production-related equipment and whole vehicle manufacturing services from Changan Automobile Group. The initial term of the Changan Automobile Auto Parts, Production Materials, Production-Related Equipment and Whole Vehicle Manufacturing Services Procurement Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

Changan Automobile is a leading automobile company principally engaged in the manufacture and supply of vehicles, as well as ancillary services and products such as auto parts, production material, production-related equipment and whole vehicle manufacturing services. By procuring auto parts, production materials, production-related equipment and whole vehicle manufacturing services from Changan Automobile Group, we are able to enjoy the stable and high-quality supply of products and services, competitive supply chain management, and enhanced quality assurance. This arrangement ensures the consistency and reliability of our whole vehicles and contributes to the overall customer experience. For details, see "Business — Manufacturing."

Pricing policies

The purchase price of auto parts, production materials, production-related equipment and whole vehicle manufacturing services shall be determined on an arm's length basis between the parties with reference to (i) the specifications, model, unit price, type, and quality of auto parts, production materials, production-related equipment, and vehicle manufacturing services; (ii) the prevailing market prices of comparable products and services provided by Independent Third Parties; and (iii) if no such comparable market price, with reference to cost plus a reasonable profit margin, as agreed through bona fide negotiations.

Historical amounts

The historical transaction amounts of the transactions relating to auto parts, production materials, production-related equipment and manufacturing services procured from Changan Automobile Group for the year ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	2024	2025
		(RMB in million)	
Procurement of auto parts, production materials, production-related equipment and whole vehicle manufacturing services from Changan Automobile Group	2,797.3	3,023.2	3,042.4

Annual caps

The total transaction amount under the Auto Parts, Production Materials, Production-Related Equipment and Whole Vehicle Manufacturing Services Procurement Framework Agreement for the two years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below.

	Proposed annual caps for the year ending December 31,	
	2026	2027
	(RMB in million)	
Procurement of Auto Parts, Production Materials, Production-Related Equipment and Whole Vehicle Manufacturing Services from Changan Automobile Group	3,368.5	7,283.3

The proposed annual caps are determined based on, among others:

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

(ii) the estimated production volume of whole vehicles, taking into account the development strategies and business expansion plan of the Group for the two years ended December 31, 2027.

2. ChenZhi Automobile Auto Parts, Production Materials, Production-Related Equipment and Component Development Services Procurement Framework Agreement

Principal Terms

On [●], we entered into an auto parts, production materials, production-related equipment and component development services procurement framework agreement with ChenZhi Automobile (the "**ChenZhi Automobile Auto Parts, Production Materials, Production-Related Equipment and Component Development Services Procurement Framework Agreement**"), pursuant to which our Group may, from time to time, procure auto parts, production materials, production-related equipment and component development services from ChenZhi Automobile Group. The initial term of the ChenZhi Automobile Auto Parts, Production Materials, Production-Related Equipment and Component Development Services Procurement Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

ChenZhi Automobile is a leading automobile-related company principally engaged in the manufacture and supply of automobile-related products and ancillary services such as auto parts, production materials, production-related equipment and component development services. By procuring auto parts, production materials, production-related equipment and component development services from ChenZhi Automobile Group, we are able to enjoy the stable and high-quality supply of products and services, competitive supply chain management, and enhanced quality assurance.

Pricing policies

The purchase price of auto parts, production materials, production-related equipment and component development services shall be determined on an arm's length basis between the parties with reference to (i) the specifications, model, unit price, type, and quality of auto parts, production materials, production-related equipment and component development services; (ii) the prevailing market prices of comparable products and services provided by Independent Third Parties; and (iii) if no such comparable market price, with reference to cost plus a reasonable profit margin, as agreed through bona fide negotiations.

Historical amounts

The historical transaction amount of the transactions relating to the auto parts, production materials, production-related equipment and component development services procured from ChenZhi Automobile Group for the year ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in million)	
Procurement of auto parts, production materials, production-related equipment and component development services from ChenZhi Automobile Group	34.2	823.4	1,675.1

Annual caps

The total transaction amount under the ChenZhi Automobile Auto Parts, Production Materials, Production-Related Equipment and Component Development Services Procurement Framework Agreement for the two years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below.

	Proposed annual caps for the year ending December 31	
	2026	**2027**
	(RMB in millions)	
Procurement of auto parts, production materials, production-related equipment and component development services from ChenZhi Automobile Group	1,854.7	4,010.1

The proposed annual caps are determined based on, among others:

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

(ii) the estimated production volume of whole vehicles, taking into account the development strategies and business expansion plan of the Group for the two years ended December 31, 2027.

3. ChenZhi Automobile Whole Vehicles and Auto Parts Sales Framework Agreement

Principal Terms

On [●], we entered into a whole vehicles and auto parts (mainly auto spare and accessory parts) sales framework agreement with ChenZhi Automobile (the "**ChenZhi Automobile Whole Vehicles and Auto Parts Sales Framework Agreement**"), pursuant to which our Group may, from time to time, sell whole vehicles and auto parts (mainly auto spare and accessory parts) to ChenZhi Automobile Group. The whole vehicles and auto parts (mainly auto spare and accessory parts) to be purchased by the ChenZhi Automobile Group under the ChenZhi Automobile Whole Vehicles and Auto Parts Sales Framework Agreement will mainly be further re-sold to end customers and distributors in Chinese mainland. The initial term of the ChenZhi Automobile Whole Vehicles and Auto Parts Sales Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

Our Group sells whole vehicles and auto parts to ChenZhi Automobile Group, as part of our distribution network, mainly to be retailed through its channels. This arrangement enables us to expand our market reach efficiently by tapping into ChenZhi Automobile Group's existing dealership resources, customer base, and localized sales capabilities.

Pricing policies

The pricing under the ChenZhi Automobile Whole Vehicles and Auto Parts Sales Framework Agreement shall be determined based on arm's length negotiations between the parties with reference to the price of the same or similar whole vehicles and auto parts available to other distributors who are Independent Third Parties in the same or proximate regions on normal commercial terms and in the ordinary course of business.

Historical amounts

The historical transaction amounts of the transactions relating to sales of whole vehicles and auto parts to ChenZhi Automobile Group for the year ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	2024	2025
		(RMB in million)	
Sales of whole vehicles and auto parts to ChenZhi Automobile Group	5.8	236.0	927.4

Annual caps

The total transaction amount under the ChenZhi Automobile Whole Vehicles and Auto Parts Sales Framework Agreement for the two years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below.

	Proposed annual caps for the year ending December 31,	
	2026	**2027**
	(RMB in million)	
Sales of whole vehicles and auto parts to ChenZhi Automobile Group	1,682.3	4,160.7

The proposed annual caps are determined based on, among others:

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

(ii) the estimated sales volume and the estimated price of our whole vehicles to Chenzhi Automobile Group for the two years ended December 31, 2027, taking into account the historical sales performance and expected market demand of our vehicles in the relevant geographical markets where they are distributed by Chenzhi Automobile Group, and the costs and future fluctuations in relation to labor, raw materials and market trends; and

(iii) the estimated sales volume and the estimated prices of our auto parts to and the aftermarket warehousing business with, Chenzhi Automobile Group for the two years ended December 31, 2027, taking into account our sales volume of whole vehicles to Chenzhi Automobile Group, and the costs and future fluctuations in relation to labor, raw materials and market trends.

4. Changan Automobile Whole Vehicles and Auto Parts Sales Framework Agreement

Principal Terms

On [●], we entered into an overseas whole vehicles and auto parts sales framework agreement with Changan Automobile (the "**Changan Automobile Whole Vehicles and Auto Parts Sales Framework Agreement**"), pursuant to which our Group may, from time to time, sell whole vehicles and auto parts (mainly auto spare and accessory parts) to Changan Automobile Group. The whole vehicles and auto parts to be purchased by the Changan Automobile Group under the Changan Automobile Whole Vehicles and Auto Parts Sales Framework Agreement will mainly be further re-sold to overseas end customers. The initial term of the Changan Automobile Whole Vehicles and Auto Parts Sales Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

Our Group sells whole vehicles and auto parts to Changan Automobile Group, as part of our distribution network, mainly to be retailed through its channels. This arrangement enables us to expand our market reach efficiently by tapping into Changan Automobile Group's existing dealership resources, customer base, and localized sales capabilities.

The Group is actively establishing its overseas distribution network, in areas such as Europe and Middle East. However, as it takes time to build the overseas distribution network, it is essential to fully leverage existing overseas distribution resources. By entering into the

Changan Automobile Whole Vehicles and Auto Parts Sales Framework Agreement, our Group could utilize Changan Automobile Group's existing overseas distribution channels for overseas sales of whole vehicles and auto parts.

Pricing policies

The pricing under the Changan Automobile Whole Vehicles and Auto Parts Sales Framework Agreement shall be determined based on arm's length negotiations between the parties with reference to the price of the same or similar whole vehicles and auto parts available to other distributors who are Independent Third Parties in the same or proximate regions on normal commercial terms and in the ordinary course of business.

Historical amounts

The historical transaction amounts of the transactions relating to overseas sales of whole vehicles and auto parts to Changan Automobile Group for the year ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in millions)	
Sales of whole vehicles and auto parts to Changan Automobile Group	13.5	180.8	706.7

Annual caps

The total transaction amount under the Changan Automobile Whole Vehicles and Auto Parts Sales Framework Agreement for the two years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below.

	Proposed annual caps for the year ending December 31	
	2026	**2027**
	(RMB in millions)	
Sales of whole vehicles and auto parts to Changan Automobile Group	2,570.4	3,738.1

The proposed annual caps are determined based on, among others:

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

(ii) the estimated sales volume and the estimated price of our whole vehicles to Changan Automobile Group for the two years ending December 31, 2027, taking into account the historical sales performance and expected market demand of our vehicles in the relevant geographical markets where they are distributed by Changan Automobile Group, and the costs and future fluctuations in relation to labor, raw materials and market trends; and

(iii) the estimated sales volume and the estimated prices of our auto parts to Changan Automobile Group for the two years ending December 31, 2027, and the costs and future fluctuations in relation to labor, raw materials and market trends.

5. Financial Services Framework Agreement

Principal Terms

On [●], our Company entered into a financial services framework agreement (the "**Financial Services Framework Agreement**") with Changan Finance. Changan Finance is a finance company approved by regulatory authorities in the Chinese mainland. Pursuant to the Financial Services Framework Agreement, from time to time, Changan Finance will provide the following services to our Group:

(a) **Deposits services**: Our Group may from time to time deposit cash into Changan Finance. In return, Changan Finance will provide deposit services and pay deposit interest to our Group on such deposits.

(b) **Loan Services**: Changan Finance may from time to time provide loan services to us.

(c) **Other financial services**: Changan Finance may provide other financial services, such as billing services to our Group.

The initial term of the Financial Services Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

Changan Finance is a finance company approved by regulatory authorities in the Chinese mainland. Our Group has been cooperating with Changan Finance since the establishment of our Company to satisfy our needs in the ordinary and usual course of business. Our Group and Changan Finance have established a long-term and stable business relationship, and Changan Finance have acquired a comprehensive understanding of our business and operational requirements. Taking into consideration above, we believe it is in the best interest of our Group and our Shareholders to enter into the Financial Services Framework Agreement.

Pricing policies

Any deposit, loan and other financial services provided by Changan Finance under the Financial Services Framework Agreement shall be conducted within the business scope approved by National Financial Regulatory Administration of the PRC (中國國家金融監督管理總局).

Among the financial services provided by Changan Finance, (i) the deposit interest shall be determined with reference to the contemporaneous deposit rates for the same category published by the PBOC; (ii) the loan interest shall be determined with reference to the loan prime rate published by the National Interbank Funding Center (全國銀行間同業拆借中心) authorized by the PBOC; and (iii) the billing service fees and other financial services fees shall be determined with reference to the fee prices of the same or similar billing services and the fees for other financial services of the same or similar nature offered by other commercial banks and/or financial institutions who are Independent Third Parties.

Historical amounts

The historical transaction amounts of the transactions relating to deposit, loan, other financial services made with Changan Finance for the year ended December 31, 2023, 2024 and 2025 are as follows:

	Year ended December 31,		
	2023	**2024**	**2025**
		(RMB in million)	
Deposits with Changan Finance			
Maximum daily balance of the deposit	820.0	1,035.4	1,970.6
Loan services			
Maximum daily balance of loan	820.0	1,500.0	1,500.0
Other financial services	nil	0.03	0.001

The balance of the deposits and loans as of 31 December 2025 is 1,268.5 million and 310.0 million.

Annual caps

The total transaction amount under the Financial Services Framework Agreement for the two years ending December 31, 2027 shall not exceed the proposed annual caps as set out in the table below. Such maximum daily amount is applicable for each day during the relevant year, and such maximum daily amount is calculated on an individual basis as outstanding at the end of each day during the relevant year without aggregating with the daily amount incurred on the days before.

	Proposed annual caps for the year ending December 31,	
	2026	**2027**
	(RMB in million)	
Deposits with Changan Finance		
Maximum daily balance of the deposit	4,000.0	4,500.0
Loan services		
Maximum daily balance of loan	5,500.0	6,000.0
Other financial services	26.0	59.0

The basis of the above proposed annual caps is as follows:

(i) **Deposits with Changan Finance**: The maximum daily balances of the deposit for the two years ending December 31, 2027 are determined with reference to our Group's expected capital outflow for its operations;

(ii) **Loan services**: The maximum outstanding loan balances for the years ending December 31, 2026 and 2027 are determined with reference to our Group's expected funding requirements to support its operations; and

(iii) **Other financial services**: The annual caps for other financial services fee for the respective years are determined after taking into the historical services fee and our Group's expected business expansion in the respective years.

6. Factoring Services Framework Agreement

Principal Terms

On [●], our Company entered into a factoring services framework agreement (the "**Factoring Services Framework Agreement**") with Changan Factoring, pursuant to which, from time to time, Changan Factoring and/or its associates, will provide factoring services to our Group. The initial term of the Factoring Services Framework Agreement shall commence on the [**REDACTED**] until December 31, 2027, subject to renewal by mutual consent.

Reasons for the transaction

Changan Factoring is a leading state-owned commercial factoring services provider in China. Taking into account Changan Factoring's well-established market recognition and deep insights across the commercial factoring business and industry, the Directors believe that Changan Factoring is well-versed in our specific requirements for the factoring services at a competitive price and can provide stable, long-term factoring services of high quality, which would facilitate us to improve the cash flows and working capital management.

Pricing policies

Any factoring services provided by Changan Factoring under the Factoring Services Framework Agreement shall be conducted within the business scope approved by National Financial Regulatory Administration of the PRC (中國國家金融監督管理總局). The factoring services fees shall be determined with reference to the fee prices of the same or similar factoring services offered by other factoring companies who are Independent Third Parties.

Historical amounts

Changan Factoring started to provide factoring services to our Group in 2024. The historical amount with respect to such factored trade receivables and factoring services fees was RMB0.1 million and nil in 2024 and 2025, respectively.

Annual Caps

The proposed annual caps for the transaction amounts under the Factoring Services Framework Agreement are RMB4,500 million and RMB4,500 million for the two years ending December 31, 2027, respectively.

The proposed annual caps are determined based on, among others:

(i) our Group's near-term financial strategy of leveraging factoring services to optimize trade receivables management and enhance cash flows efficiency; and

(ii) the expected market price of the same or similar factoring services on normal commercial terms as well as its future fluctuations, taking into account the costs and market trends.

WAIVER APPLICATION FOR PARTIALLY-EXEMPT AND NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the partially-exempt and non-exempt continuing connected transactions set out above are expected to continue on a recurring and continuing basis, the Directors consider that compliance with the above announcement and/or independent Shareholders' approval requirements will be impractical, will incur unnecessary administrative costs for us, and will be unduly burdensome to the Group.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] a waiver to us under Rule 14A.105 of the Listing Rules from compliance with the announcement requirement in respect of the transactions contemplated under the subsection headed "— Partially-Exempt Continuing Connected Transactions," and from compliance with the announcement and independent Shareholders' approval requirements in respect of the transactions contemplated under the subsection headed "— Non-Exempt Continuing Connected Transactions."

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the partially-exempt and non-exempt continuing connected transactions as set out above have been and will be carried out in our ordinary and usual course of business and on normal commercial terms, and are fair and reasonable and in the interest of our Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Company and Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors have reviewed the relevant information and historical amounts prepared and provided by the Company relating to the partially-exempt and non-exempt continuing connected transactions as disclosed in this section, obtained necessary representations and confirmations from the Company and its Directors, discussed with F&S regarding the industry-related information concerning such continuing connected transactions, and participated in due diligence with the management of the Company. Based on the above and having taken into account the view of the Directors, the Joint Sponsors are of the view that the partially-exempt and non-exempt continuing connected transactions as disclosed in this section for which waivers have been sought, have been and will be carried out in the ordinary and usual course of business of the Company and on normal commercial terms or better, are fair and reasonable in the interests of the Company and its Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

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:

(a) 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 head of the relevant business unit 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;

(b) 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; and

(c) When considering any renewal or revisions to the agreements after the [**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.