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**iMotion Automotive Technology (Suzhou) Co., Ltd.**

**知行汽車科技(蘇州)股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1274)**

## **PLACING OF NEW H SHARES UNDER GENERAL MANDATE**

**Overall Coordinator and Placing Agent in respect of the Placing**



## THE PLACING

On November 25, 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which, the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six Placees who, together with their respective ultimate beneficial owners, will be Independent Third Parties, to purchase up to an aggregate of 4,427,000 Placing Shares at the Placing Price of HK\$17.58 per Placing Share.

The Placing Shares to be placed under the Placing Agreement will be allotted and issued pursuant to the General Mandate, and therefore, no further Shareholders' approval is required in respect of the Placing. Application will be made to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

Assuming the Placing Shares are fully placed, the Placing Shares represent approximately 1.96% of the Company's issued share capital as at the date of this announcement and approximately 1.92% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement up to the completion of the Placing save for the allotment and issue of the Placing Shares).

Assuming the Placing Shares are fully placed, the estimated net proceeds from the Placing (after deducting all fees, costs and expenses incurred by the Company in connection with the Placing including the commission and levies) is expected to be approximately HK\$73.28 million, and the estimated net Placing Price, after deducting such fees, costs and expenses, is therefore approximately HK\$16.55 per Placing Share.

The Company intends to use the estimated net proceeds of the Placing for (i) enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products, (ii) capital expenditure in relation to enhancing the R&D and manufacturing facilities, (iii) expanding the overseas sales and service network, and (iv) working capital and general corporate purposes.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement, and therefore, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**

## THE PLACING

The Board is pleased to announce that on November 25, 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as the Company's placing agent, to procure, on a best effort basis, not less than six Placees, who are and whose ultimate beneficial owners will be Independent Third Parties, to purchase up to an aggregate of 4,427,000 new H Shares at the Placing Price. Details of the terms of the Placing Agreement are set out below.

## **THE PLACING AGREEMENT**

Date: November 25, 2024 (after trading hours of the Stock Exchange)

Parties: (1) the Company; and  
(2) the Placing Agent.

To the best of the Directors' knowledge, information and belief, the Placing Agent and its ultimate beneficial owner are Independent Third Parties.

### **The Placing Shares**

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure, on a best effort basis, not less than six Placees who, together with their respective ultimate beneficial owners, will be Independent Third Parties, to purchase up to an aggregate of 4,427,000 Placing Shares at the Placing Price of HK\$17.58 per Placing Share.

Assuming the Placing Shares are fully placed, the Placing Shares, having an aggregate nominal value of RMB4,427,000 based on a nominal value of RMB1.00 per Placing Share, represent approximately 1.96% of the issued share capital of the Company as at the date of this announcement and approximately 1.92% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to completion of the Placing save for the allotment and issue of the Placing Shares).

### **The Placing Price**

The Placing Price is HK\$17.58 per Placing Share and represents:

- (i) a discount of approximately 13.19% to the closing price of HK\$20.25 per H Share as quoted on the Stock Exchange on November 25, 2024, being the date of the Placing Agreement;
- (ii) a discount of approximately 19.91% to the average closing price of HK\$21.95 per H Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement; and
- (iii) a discount of approximately 23.57% to the average closing price of HK\$23.00 per H Share as quoted on the Stock Exchange for the last 20 consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price is exclusive of applicable brokerage, trading fees, transaction fees and levies.

The Placing Price was determined with reference to the prevailing market price of the H Shares, which was arrived at after arm's length negotiation between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the Placing Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole. The aggregate consideration for the Placing will be payable by the Placees in cash upon completion of the Placing.

## **Ranking of Placing Shares**

The Placing Shares, when issued pursuant to the Placing Agreement, will be fully paid and will rank *pari passu* in all aspects with the other H Shares then in issue free from all liens, charges and encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on or after the date of issue of the Placing Shares.

## **Placees**

The Placing Shares will be placed by the Placing Agent to not less than six Placees. The Placees will be individual, professional, institutional and/or other investors. The Placees and their ultimate beneficial owners are or will be, as the case may be, Independent Third Parties.

It is expected that none of the Placees will become a substantial shareholder of the Company immediately after the completion of the Placing.

## **Conditions of the Placing**

Completion of the Placing is conditional upon the fulfillment or waiver of the following conditions:

- (i) before the closing of the Placing, there shall not have occurred:
  - a. any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or
  - b. any suspension or limitation of trading (a) in any of the Company's securities by the Stock Exchange, or (b) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange, the Nasdaq National Market; or
  - c. any event, or series of events beyond the reasonable control of the Placing Agent, including, without limitation, any calamity, act of government, strike, labor dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the European Economic Area (the "EEA") of a national emergency or war or other calamity or crisis; or
  - d. any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA; or

- e. any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Placing Agent, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (ii) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Placing Closing Date;
- (iii) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Placing Closing Date;
- (iv) the Placing Agent having received on the Placing Closing Date the final draft or substantially complete draft of the (a) the CSRC Filings (as defined in the Placing Agreement), (b) the opinion of counsel for the Company as to the PRC laws in relation to the CSRC Filings, and (c) the opinion of counsel for the Placing Agent as to the PRC laws in relation to the CSRC Filings, such drafts to be in form and substance reasonably satisfactory to the Placing Agent;
- (v) the Placing Agent having received on the Placing Closing Date an opinion of U.S. counsel to the Placing Agent, to the effect that the offer and sale of the Placing Shares by the Placing Agent as set forth in the Placing Agreement are not required to be registered under the U.S. Securities Act, and such other matters as the Placing Agent shall reasonably request, such opinion to be in form and substance reasonably satisfactory to the Placing Agent; and
- (vi) the Listing Committee granting listing of and permission to deal in the Placing Shares and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares.

### **Lock-up Restriction**

The Company shall not, without the prior written consent of the Placing Agent, for a period beginning on the date of the Placing Agreement and ending on the date which is 90 days after the Placing Closing Date (the “**Lock-up Period**”):

- (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company;
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or

(iii) publicly announce an intention to effect any such transaction.

The foregoing shall not apply to the following:

- (i) issue of the Placing Shares under the Placing Agreement; or
- (ii) issue of the H Shares in connection with the qualified strategic investment (the “**Qualified Strategic Investment**”) which satisfies the following conditions:
  - a. the Qualified Strategic Investment will only place to a single investor;
  - b. the total gross proceeds to be raised from the Qualified Strategic Investment shall not be less than 50% of the total gross proceeds raised by the Company from the Placing;
  - c. the placing price of the Qualified Strategic Investment shall not be less than the Placing Price; and
  - d. the investor participating in the Qualified Strategic Investment will be subject to a lock-up arrangement in respect of the H Shares to be subscribed in the Qualified Strategic Investment, for a period beginning on the closing date of the relevant placing in connection with the Qualified Strategic Investment and ending on a date no earlier than the ending date of the Lock-up Period.

### **Termination of the Placing Agreement**

In the event that (1) any of the events set out in paragraph (i) in the section headed “Conditions of the Placing” above occurs at any time between the date of the Placing Agreement and the Placing Closing Date; (2) the Company does not deliver the Placing Shares on the Placing Closing Date; or (3) any of the conditions precedent set out in paragraphs (ii) to (vi) in the section headed “Conditions of the Placing” above has not been satisfied or waived in writing (as the case may be) on the dates specified therein, or any other circumstances as specified in the Placing Agreement occur, the Placing Agent may elect, in its sole discretion, to terminate the Placing Agreement forthwith.

### **General Mandate to Issue the Placing Shares**

The Placing Shares will be allotted and issued under the General Mandate, pursuant to which the Board are authorized to allot, issue or otherwise deal with new Shares and/or resell treasury shares not exceeding 20% of the total number of the Shares in issue (excluding treasury Shares) as at the date of passing the relevant resolution approving such mandate (being 45,266,068 Shares).

Since the grant of the General Mandate on June 20, 2024 and up to the date of this announcement, the Directors have not exercised their power to allot and issue any new H Shares pursuant to such General Mandate. Accordingly, 45,266,068 Shares remain available for issuance under such General Mandate. The Placing Shares will be allotted and issued under the General Mandate, and therefore, no Shareholders’ approval is required for the issue of the Placing Shares.

As at the date of this announcement, no H Shares have been issued under the aforementioned General Mandate.

### **Completion of the Placing**

Subject to the conditions mentioned above, the completion of the Placing shall take place on the Placing Closing Date or at such other time and/or date as the Company and the Placing Agent agree in writing.

## Listing of the Placing Shares

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## CSRC Filings

The Company shall complete the CSRC Filings in connection with the Placing in accordance with applicable laws and regulations.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing is set out below (assuming the Placing Shares are fully placed and there is no change to the issued share capital of the Company from the date of this announcement up to the completion date of the Placing save for the allotment and issue of the Placing Shares):

	As of the date of this announcement		Immediately after the completion of the Placing	
	<u>No. of Shares</u>	<u>Approximate %<sup>(1)</sup></u> (Note)	<u>No. of Shares</u>	<u>Approximate %<sup>(1)</sup></u> (Note)
Group of controlling shareholders <sup>(2)</sup>	81,482,020	36.00	81,482,020	35.31
Placees <sup>(3)</sup>	–	–	4,427,000	1.92
Other Shareholders	144,848,320	64.00	144,848,320	62.77
<b>Total</b>	<b><u>226,330,340</u></b>	<b><u>100.00</u></b>	<b><u>230,757,340</u></b>	<b><u>100.00</u></b>

Notes:

- (1) The percentages may not add up to subtotal or total due to rounding.
- (2) As at the date of this announcement, Mr. SONG Yang, directly and indirectly (through Suzhou Lanchi Management Consulting Partnership (L.P.) (蘇州藍馳管理諮詢企業(有限合夥)) (“Lanchi Platform”), Suzhou Zichi Management Consulting Partnership (L.P.) (蘇州紫馳管理諮詢合夥企業(有限合夥)) (“Zichi Platform”), Suzhou Hongchi Management Consulting Partnership (L.P.) (蘇州紅馳管理諮詢合夥企業(有限合夥)) (“Suzhou Hongchi”) and Suzhou Luchi Management Consulting Partnership (L.P.) (蘇州綠馳管理諮詢合夥企業(有限合夥)) (“Suzhou Luchi”)), was entitled to exercise the voting rights attaching to approximately 36.00% of the issued share capital of the Company. Accordingly, Mr. SONG Yang, Lanchi Platform, Zichi Platform, Suzhou Hongchi and Suzhou Luchi collectively constituted a group of controlling shareholders (have the meaning ascribed thereto under the Listing Rules) of the Company.
- (3) None of the Placees is a substantial shareholder as at the date of this announcement, and it is expected that none of the Placees will become a substantial shareholder of the Company immediately after the completion of the Placing.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

The Company completed the Global Offering on December 20, 2023. The net proceeds from the Global Offering amounted to approximately RMB575.83 million (equivalent to approximately HK\$595.23 million), after deduction of the underwriting commission, fees and estimated expenses payable by the Company in connection with the Global Offering and other expenses. The Company has utilized, and expects to utilize, the net proceeds from the Global Offering in accordance with the intended uses previously disclosed in the Prospectus (following pro rata adjustment based on the actual net proceeds received). As of June 30, 2024, the unutilized net proceeds from the Global Offering amounted to approximately RMB331.90 million. For more details of the utilization of the net proceeds as of June 30, 2024, please refer to the interim report of the Company for the six months ended June 30, 2024.

Save for the Global Offering, the Company had not conducted any fund raising exercise by issuing equity securities in the past 12 months immediately before the date of this announcement.

## **USE OF PROCEEDS**

Assuming the Placing Shares are fully placed, the estimated net proceeds from the Placing (after deducting all fees, costs and expenses incurred by the Company in connection with the Placing including the commission and levies) is expected to be approximately HK\$73.28 million, and the estimated net Placing Price, after deducting such fees, costs and expenses, is therefore approximately HK\$16.55 per Placing Share.

The Company intends to use the estimated net proceeds of the Placing for (i) enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products, (ii) capital expenditure in relation to enhancing the R&D and manufacturing facilities, (iii) expanding the overseas sales and service network, and (iv) working capital and general corporate purposes.

## **REASONS FOR AND BENEFITS OF THE PLACING**

The Placing is being undertaken to further enlarge the Shareholders' equity base of the Company, optimize the capital structure of the Company and support the healthy and sustainable development of the Company.

The Directors have explored various options to raise capital and considered that the Placing represents the most suitable and efficient financing option for the Company to raise further funding to support the Group's continuous development and business growth, which is in the interest of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider the terms of the Placing Agreement to be fair and reasonable in the interests of the Company and the Shareholders as a whole and that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement, and therefore, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**



## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors of the Company
“Business Day”	any day (excluding a Saturday, Sunday and public holidays in Hong Kong) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong
“China” or “PRC”	the People’s Republic of China, for the purpose of this announcement and for geographical reference only and except where the context requires, references to “China” and the “PRC” in this announcement do not include Hong Kong, the Macao Special Administrative Region of the PRC or Taiwan
“Company”	iMotion Automotive Technology (Suzhou) Co., Ltd. (知行汽車科技(蘇州)股份有限公司), a limited liability company incorporated in the PRC on December 27, 2016 and converted into a joint stock company with limited liability on December 29, 2022, and the H Shares of which are listed on the Stock Exchange (stock code: 1274)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“CSRC Filings”	the CSRC Filing Report (including any amendments, supplements and/or modifications thereof) and any relevant supporting materials
“CSRC Filing Report”	the filing report prepared and submitted by the Company in relation to the Placing and any transactions contemplated by the Placing Agreement to the CSRC
“Director(s)”	the director(s) of the Company
“General Mandate”	the unconditional general mandate granted to the Directors to allot, issue and deal with additional Shares and/or resell treasury Shares of not more than 20% of the total issued Shares (excluding treasury Shares) pursuant to a resolution of the Shareholders passed at the annual general meeting of the Company held on June 20, 2024
“Global Offering”	the offer for subscription and placing of the H Shares as described in the Prospectus
“Group”	the Company and its subsidiaries

“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which have been listed and traded on the Stock Exchange with effect from December 20, 2023
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third parties independent of and not connected (as defined under the Listing Rules) with the Company and its connected person(s)
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Placee(s)”	any professional, institutional or other investor(s) whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares, on a best effort basis by the Placing Agent on the terms and subject to the conditions of the Placing Agreement
“Placing Agent” or “Overall Coordinator”	Guotai Junan Securities (Hong Kong) Limited
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent on November 25, 2024 in respect of the Placing
“Placing Closing Date”	the Business Day after the date on which the conditions of the Placing are fulfilled or waived but in any event no later than December 3, 2024, or such other date as the Company and the Placing Agent may agree in writing
“Placing Price”	HK\$17.58 per Placing Share, exclusive of applicable brokerage, trading fees, transaction fees and levies
“Placing Share(s)”	up to an aggregate of 4,427,000 new H Shares to be placed pursuant to the Placing Agreement
“Prospectus”	the prospectus in connection with the Global Offering issued by the Company dated December 12, 2023
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC

“Share(s)”	share(s) in the registered share capital of the Company, with a nominal value of RMB1.00 each, comprising domestic shares and H shares
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning attributable to it in the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
“%”	per cent

By order of the Board  
**iMotion Automotive Technology (Suzhou) Co., Ltd.**  
**SONG Yang**  
*Chairman of the Board and Executive Director*

Hong Kong, November 26, 2024

*As of the date of this announcement, the Board comprises Mr. SONG Yang as chairman of the Board and executive Director; Mr. LU Yukun and Mr. LI Shuangjiang as executive Directors; Mr. LI Chengsheng, Mr. TAO Zhixin and Mr. YANG Yuankui as non-executive Directors; and Dr. ZHANG Weigong, Mr. LIU Yong and Ms. XUE, Rui Shirley as independent non-executive Directors.*