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PATEO CONNECT Technology (Shanghai) Corporation
博泰車聯網科技(上海)股份有限公司
(A joint stock company established in the People's Republic of China with limited liability)
(Stock Code: 2889)

COMPLETION OF ISSUANCE OF NEW H SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of PATEO CONNECT Technology (Shanghai) Corporation (the "**Company**") dated April 27, 2026 in relation to the issuance of new H Shares under general mandate (the "**Announcement**"). Capitalized terms used herein shall have the same meanings as those defined in the Announcement unless otherwise specified.

COMPLETION OF ISSUANCE OF NEW H SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all conditions precedent under the Subscription Agreement have been satisfied and/or waived, as applicable, and Completion took place on May 6, 2026 in accordance with the terms and conditions of the Subscription Agreement.

An aggregate of 895,980 Subscription Shares have been allotted and issued to the Subscriber at the Subscription Price of HK$127.35 per Subscription Share pursuant to the terms and conditions of the Subscription Agreement, representing (i) approximately 1.19% of the existing issued H Shares of the Company immediately before Completion; and (ii) approximately 1.18% of the issued H Shares of the Company as enlarged by the allotment and issue of the Subscription Shares.

For other details of the Subscription, please refer to the Announcement.

USE OF PROCEEDS

As disclosed in the Announcement, the gross proceeds from the Subscription are approximately HK$114.10 million. The net proceeds from the Subscription (the "**Net Proceeds**") are approximately HK$113.61 million after deducting related fees and expenses of the Subscription. On such basis, the net price per Subscription Share is approximately HK$126.80 per Subscription Share.

The Company intends to apply the Net Proceeds from the Subscription as follows:

(i) approximately 60% of the Net Proceeds, being approximately HK$68.17 million, for AI technology applications, product development and related business expansion, comprising:

  (a) 24.0% of the Net Proceeds, being approximately HK$27.27 million, for AI computing platform layer research and development, which includes the design of AI Box solutions based on high-performance accelerated computing platforms, automotive-grade adaptation and mass production ramp-up, as well as AI feature upgrades for existing vehicle models;

  (b) 24.0% of the Net Proceeds, being approximately HK$27.27 million, for AI large model deployment and AI Agent research and development. AI large model deployment research and development includes the deep integration of cloud-based general-purpose AI large models with the Company's locally deployed in-vehicle large models, optimization of on-device inference capabilities, and the development of multimodal perception systems integrating voice, vision, gesture and emotion recognition. AI Agent research and development includes scenario-based AI application development for intelligent cockpits and the development of advanced in-vehicle AI Agent applications; and

  (c) 12.0% of the Net Proceeds, being approximately HK$13.63 million, for other potential AI related business development, which includes research and development in other potential frontier AI related areas, including emerging AI technologies, to reserve resources for the Group to timely capture new opportunities arising from the rapid iteration of AI technologies; and

(ii) approximately 40% of the Net Proceeds, being approximately HK$45.44 million, for working capital and general corporate purposes, comprising:

  (a) 16.8% of the Net Proceeds, being approximately HK$19.09 million, for talent recruitment and remuneration for new hires in support of the AI technology applications projects;

(b) 7.2% of the Net Proceeds, being approximately HK$8.18 million, for the remuneration of existing key personnel;

(c) 6.4% of the Net Proceeds, being approximately HK$7.27 million, for maintenance and upgrades of IT infrastructure and cloud computing resources;

(d) 4.8% of the Net Proceeds, being approximately HK$5.45 million, for rent for the Group's R&D centers and office premises; and

(e) 4.8% of the Net Proceeds, being approximately HK$5.45 million, for routine operating expenditures including supply chain and procurement-related payments.

The Company expects that all of the Net Proceeds will be fully utilised by December 31, 2026.

After the Company's listing on the Stock Exchange (the "**Listing**"), AI technologies and applications have undergone rapid iteration. The Group has also actively expanded its presence in AI related fields in order to capture rapid growth opportunities in AI Agents and in-vehicle AI application platforms.

The IPO proceeds were primarily applied for purposes including expanding the existing product portfolio and strengthening the existing technological capabilities of the Group's core products and solutions, including smart cockpit solutions and automotive-grade operating systems. The proceeds from the Subscription will be specifically applied to the development of products in new technology areas which became substantial to the Group after Listing. These areas do not overlap with the projects financed by the IPO proceeds.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY

Following Completion and as at the date of this announcement, the Company has a total issued share capital of 155,193,093 Shares, comprising 76,199,691 H Shares and 78,993,402 Domestic Shares.

The following table illustrates the shareholding structure of the Company immediately before Completion and immediately after Completion:

Shareholder	Immediately before Completion Number of Shares	% of total issued Shares	Immediately after Completion Number of Shares	% of total issued Shares
Domestic Shares				
Mr. Ying Zhenkai (beneficial interest)[(1)]	32,295,581	20.93%	32,295,581	20.81%
Other Domestic Shareholders	46,697,821	30.26%	46,697,821	30.09%
Sub-total — Domestic Shares	**78,993,402**	**51.20%**	**78,993,402**	**50.90%**
H Shares				
Mr. Ying Zhenkai (deemed interest through employee incentive platforms)[(2)]	15,350,000	9.95%	15,350,000	9.89%
The Subscriber (new H Shares subscribed under the Subscription)	—	—	895,980	0.58%
Other H Shareholders	59,953,711	38.86%	59,953,711	38.63%
Sub-total — H Shares	**75,303,711**	**48.80%**	**76,199,691**	**49.10%**
Total	**154,297,113**	**100.00%**	**155,193,093**	**100.00%**

Notes:

(1) Mr. Ying Zhenkai is the founder of the Group, the chairman, executive Director and general manager of the Company, and is also a controlling Shareholder of the Company. Mr. Ying directly and beneficially holds 32,295,581 Domestic Shares.

(2) Mr. Ying Zhenkai is the general partner of the Company's employee incentive platforms and is accordingly deemed, under the SFO, to be interested in an aggregate of 15,350,000 H Shares held by such employee incentive platforms.

(3) The percentage figures above have been rounded off to the nearest second decimal place.

(4) The sum of the number of Shares and the shareholding percentage may not be equal to the total number or percentage due to rounding.

The Directors confirm that, immediately after Completion, the Company continues to comply with the public float requirements under the Listing Rules.

By Order of the Board
PATEO CONNECT Technology (Shanghai) Corporation
Mr. Ying Zhenkai
Chairman

Shanghai, the PRC, May 6, 2026

As at the date of this announcement, the Board comprises Mr. Ying Zhenkai, Mr. Zhang Fukai, Ms. Xu Zhenhui and Mr. Lai Weilin as executive Directors; Mr. Zhang Yi as an employee Director; Mr. Wang Bihui, Mr. Ma Xiaoyong and Mr. Gu Yuekun as non-executive Directors; and Dr. Li Yuanpeng, Mr. Pang Chunlin, Mr. Zhang Xiaoliang, Dr. Liu Gongshen, Ms. Xu Lili, Dr. Gu Jinyu and Dr. Huang Xiaolin as independent non-executive Directors.