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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)**

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

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



## COMPLETION OF THE PLACING

Reference is made to the announcement of iMotion Automotive Technology (Suzhou) Co., Ltd. (the “**Company**”) dated February 9, 2025 in respect of, among others, the Placing (the “**Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and the completion of the Placing took place on February 17, 2025.

An aggregate of 11,190,200 Placing Shares, representing (i) approximately 5.15% of the H Shares as enlarged by the allotment and issue of the Placing Shares; and (ii) approximately 4.63% of the total number of Shares in issue as enlarged by the allotment and issue of the Placing Shares, have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$20.88 per Placing Share pursuant to the terms and conditions of the Placing Agreement. To the best of the Directors’ knowledge, information and belief, (i) the Placees, together with their respective ultimate beneficial owners, are Independent Third Parties; and (ii) none of the Placees has become a substantial shareholder of the Company immediately after the completion of the Placing.

## EFFECT OF THE PLACING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after the completion of the Placing is as follows:

Shareholders	Immediately before the completion of the Placing		Immediately after the completion of the Placing	
	No. of Shares	Approximate % <sup>(1)</sup> (Note)	No. of Shares	Approximate % <sup>(1)</sup> (Note)
Group of controlling shareholders <sup>(2)</sup>	81,482,020	35.31	81,482,020	33.68
Placees	–	–	11,190,200	4.63
Other Shareholders	149,275,320	64.69	149,275,320	61.70
<b>Total</b>	<b>230,757,340</b>	<b>100.00</b>	<b>241,947,540</b>	<b>100.00</b>

Notes:

(1) The percentages may not add up to 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 33.68% of the issued share capital of the Company immediately after the completion of the Placing. 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.

## **USE OF PROCEEDS**

The 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) amount to approximately HK\$228.37 million.

The net proceeds from the Placing will be used with: (i) 60%, or approximately HK\$137.02 million, for enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products, (ii) 10%, or approximately HK\$22.84 million, for capital expenditure in relation to enhancing the R&D and manufacturing facilities, (iii) 5%, or approximately HK\$11.42 million, for expanding the overseas sales and service network, and (iv) 25%, or approximately HK\$57.09 million, for working capital and general corporate purposes.

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

As of January 31, 2025, all net proceeds from the 2024 Placing allocated for enhancing R&D of the advanced intelligent driving and automated driving and cockpit integrated solutions and products and for capital expenditure in relation to enhancing the R&D and manufacturing facilities have been fully utilized. The Company's previously developed BEV Transformer-based end-to-end large model has already been successfully deployed in mass production within the iDC500 product. Looking ahead, the Company anticipates substantial investments in cloud services, computing power procurement and leasing, data training and storage, as well as R&D personnel expenditures, all of which are critical for sustaining the Company's technological leadership and business growth.

The Placing will further provide financial assurance for the Group's continued robust development. Particularly in the context of recent breakthroughs in AI large models, especially the acceleration of innovation in this field by DeepSeek, the Placing meets the Group's needs to advance its AI large model-driven autonomous driving technology. The Group aims to enhance its R&D capabilities, attract top-tier talent, seek collaboration opportunities with leading AI companies, and strengthen future competitiveness by increasing investment in AI algorithms, large models, big data, multimodal fusion, intelligent real-time decision systems, and other aspects of AI-driven autonomous driving. Meanwhile, leveraging its existing R&D expertise and AI technology, the Group intends to expand its business exploration in the robotics field. One notable new R&D and commercialization project is the Company's recent strategic collaboration with Horizon Robotics (stock code: 09660) in January 2025. This partnership focuses on R&D and mass production of intelligent driving solutions based on Horizon Robotics' latest Journey 6 platform, leverage on which the Company will develop next-generation iFC and iDC products.

Additionally, obtaining additional funds to broaden the Group's supply chain options and sales and service networks will enable the Group to better mitigate external risks, particularly those related to the evolving U.S. trade policies, including potential tariffs on Chinese products, which is crucial for enhancing the Group's risk resilience and supporting its long-term development. The Company has been actively planning the establishment of overseas manufacturing facilities this year and to date, extensive market research and site evaluations have been conducted across Southeast Asia as part of this expansion strategy.

Furthermore, the current investor interest and favorable market conditions allow the Company to secure financing on competitive terms and improve capital efficiency, thereby reducing potential risks from future capital markets, volatility, and regulatory uncertainties, which is beneficial for the Group's sustainable development.

Given these strategic initiatives, the Company seeks to raise funds to support its ongoing innovation, market expansion, and technological advancements, ensuring a sustained competitive edge in this rapidly evolving industry.

### **The Placing Price**

We refer to the section headed "The Placing Agreement - The Placing Price" of the Announcement, and it is clarified that the Placing Price is HK\$20.88 per Placing Share and represents:

- (i) a discount of approximately 13.00% to the closing price of HK\$24.00 per H Share as quoted on the Stock Exchange on February 7, 2025, being the last trading day immediately prior to the date of the Placing Agreement;
- (ii) a premium of approximately 8.86% to the average closing price of HK\$19.18 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 premium of approximately 30.99% to the average closing price of HK\$15.94 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.

Save for the aforesaid, all other contents of the Announcement remain unchanged.

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

Hong Kong, February 17, 2025

*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.*