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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)

**CONNECTED TRANSACTION
THE LOAN AGREEMENTS**

LOAN AGREEMENTS

On July 2, 2024, the Company (as the Lender) entered into the Loan Agreement A with the Borrower A, pursuant to which the Lender agreed to grant the loan in the amount of RMB11,000,000 to the Borrower in accordance with the terms and conditions of the Loan Agreement A.

On July 2, 2024, the Company (as the Lender) entered into the Loan Agreement B with the Borrower B, pursuant to which the Lender agreed to grant the loan in the amount of RMB2,700,000 to the Borrower B in accordance with the terms and conditions of the Loan Agreement B.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the Borrower A is the chairman and executive Director, the chief executive officer and the controlling shareholder of the Company and the Borrower B is an executive Director of the Company. Hence, the Borrower A and Borrower B are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the Loan Agreements constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio in respect of the transaction contemplated under the Loan Agreement A exceeds 0.1% but less than 5%, the Loan Agreement A is therefore subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

Since the highest applicable percentage ratio in respect of the transaction contemplated under the Loan Agreement B exceeds 0.1% but less than 5%, and the total value under the Loan Agreement B is less than HK\$3,000,000, the Loan Agreement B is exempt from the reporting, announcement requirements, the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(1) of the Listing Rules.

I. INTRODUCTION

On July 2, 2024, the Company (as the Lender) entered into the Loan Agreement A with the Borrower A, pursuant to which the Lender agreed to grant the loan in the amount of RMB11,000,000 to the Borrower A in accordance with the terms and conditions of the Loan Agreement A.

On July 2, 2024, the Company (as the Lender) entered into the Loan Agreement B with the Borrower B, pursuant to which the Lender agreed to grant the loan in the amount of RMB2,700,000 to the Borrower B in accordance with the terms and conditions of the Loan Agreement B.

II. THE PRINCIPAL TERMS OF THE LOAN AGREEMENTS

The Loan Agreement A

The principal terms of the Loan Agreement A are as follows:

Date	July 2, 2024
Lender	The Company
Borrower A	Mr. Song Yang
Principal Loan Amount	RMB11,000,000
Term	A fixed term of 3 years from the date of drawdown of the Loan A
Interest	The interest rate on the Loan A is 3.45% per annum (referring to the latest loan market quotation interest rate published by the People's Bank of China on June 20, 2024).
Repayment	The principal loan amount together with accrued interest shall be repaid in full after the expiry of the term of the Loan A. As agreed by both parties under the Loan Agreement A, the Borrower A may early repay the principal loan amount together with accrued interest.
Default	If the Borrower A fails to repay the Loan on time, all expenses incurred by the Lender through litigation or other means to realize the creditor's rights (including but not limited to litigation fees, arbitration fees, property preservation fees, travel expenses, execution fees, evaluation fees, auction fees, notarization fees, delivery fees, announcement fees, lawyer fees, etc.) shall be borne by the Borrower A.

The Loan Agreement B

The principal terms of the Loan Agreement B are as follows:

Date	July 2, 2024
Lender	The Company
Borrower B	Mr. Li Shuangjiang
Principal Loan Amount	RMB2,700,000
Term	A fixed term of 3 years from the date of drawdown of the Loan B
Interest	The interest rate on the Loan B is 3.45% per annum (referring to the latest loan market quotation interest rate published by the People's Bank of China on June 20, 2024).
Repayment	The principal loan amount together with accrued interest shall be repaid in full after the expiry of the term of the Loan B. As agreed by both parties under the Loan Agreement B, the Borrower B may early repay the principal loan amount together with accrued interest.
Default	If the Borrower B fails to repay the Loan on time, all expenses incurred by the Lender through litigation or other means to realize the creditor's rights (including but not limited to litigation fees, arbitration fees, property preservation fees, travel expenses, execution fees, evaluation fees, auction fees, notarization fees, delivery fees, announcement fees, lawyer fees, etc.) shall be borne by the Borrower B.

III. REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

The terms of the Loan Agreements, including the interest rates applicable, were negotiated and arrived at after arm's length negotiations between the Lender and the Borrowers, having taken into account the prevailing market interest rates and practices. The Loan Agreements were entered into by the Lender having regard to (i) the good financial position and the existing cash surplus of the Group; (ii) the interest income per annum generated by the transactions to be carried out under the Loan Agreements shall not be lower than the interest income of one-year fixed deposits provided by the People's Bank of China; and (iii) considering that the realization of the shares of the Company held by the Borrowers respectively is sufficient to repay the principal and interest of their loan, the Company is satisfied with the Borrowers' repayment ability and considered the credit risks are relatively low. In view of the above, the Directors (including the independent non-executive Directors) consider that even though the entering into of the Loan Agreements is not in the ordinary and usual course of business of the Company, the terms of the Loan Agreements are on normal commercial terms or better to the Company and the transactions contemplated under the Loan Agreements are fair and reasonable, and in the interests of the Company and its shareholders as a whole. The Loan A and Loan B will be funded by internal resources of the Group.

As the Borrower A is the chairman and executive Director of the Company and the Borrower B is an executive Director of the Company, they have been considered to have material interests in the Loan Agreements and the transactions contemplated thereunder and abstained from voting on their respective resolution of the Board approving the transactions. Save as disclosed above, as at the date of this announcement, none of the Directors had any interest in the Loan Agreements and the transactions contemplated thereunder and abstained from voting on the relevant resolutions of the Board to approve the Loan Agreements.

IV. INFORMATION OF THE PARTIES

The Group is an autonomous driving solution provider in China. Relying on a number of advanced system R&D capabilities such as computing platforms, efficient middleware and artificial intelligence algorithms, the Group provides advanced autonomous driving solutions to customers through efficient integration of software and hardware.

Mr. Song Yang is the chairman and executive Director, the chief executive officer and the controlling shareholder of the Company. As at the date of this announcement, he is interested in an aggregate 81,482,020 shares, representing approximately 36.00% of the total issued share capital of the Company.

Mr. Li Shuangjiang is an executive Director of the Company. As at the date of this announcement, he is interested in an aggregate 14,238,460 shares, representing approximately 6.29% of the total issued share capital of the Company.

V. IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, the Borrower A is the chairman and executive Director, the chief executive officer and the controlling shareholder of the Company and the Borrower B is an executive Director of the Company. Hence, the Borrower A and Borrower B are connected persons of the Company under Rule 14A.07 of the Listing Rules and the transactions contemplated under the Loan Agreements constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio in respect of the transaction contemplated under the Loan Agreement A exceeds 0.1% but less than 5%, the Loan Agreement A is therefore subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

Since the highest applicable percentage ratio in respect of the transaction contemplated under the Loan Agreement B exceeds 0.1% but less than 5%, and the total value under the Loan Agreement B is less than HK\$3,000,000, the Loan Agreement B is exempt from the reporting, announcement requirements, the circular and independent shareholders' approval requirements pursuant to Rule 14A.76(1) of the Listing Rules.

VI. DEFINITIONS

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

“Board”	the board of Directors
“Borrowers”	collectively Borrower A and Borrower B
“Borrower A”	Mr. Song Yang, the chairman and executive Director, the chief executive officer and the controlling shareholder of the Company
“Borrower B”	Mr. Li Shuangjiang, an executive Director of the Company
“Company”	iMotion Automotive Technology (Suzhou) Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1274)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Lender”	the Company
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“Loan A”	the principal loan amount of RMB11,000,000 granted by the Lender to the Borrower A under the Loan Agreement A
“Loan B”	the principal loan amount of RMB2,700,000 granted by the Lender to the Borrower B under the Loan Agreement B
“Loan Agreements”	collectively the Loan Agreement A and the Loan Agreement B
“Loan Agreement A”	the loan agreement dated July 2, 2024 entered into between the Lender and the Borrower A

“Loan Agreement B”	the loan agreement dated July 2, 2024 entered into between the Lender and the Borrower B
“PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan region
“RMB”	Renminbi, the lawful currency of PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed to it under the Listing Rules and
“%”	per cent

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

Hong Kong, July 2, 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.