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Application Proof of



CaoCao Inc.

曹操出行有限公司

(the "**Company**")

(A company incorporated in the Cayman Islands with limited liability)

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CaoCao Inc.
曹操出行有限公司

(A company incorporated in the Cayman Islands with limited liability)

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This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to [**REDACTED**] *in the* [**REDACTED**].

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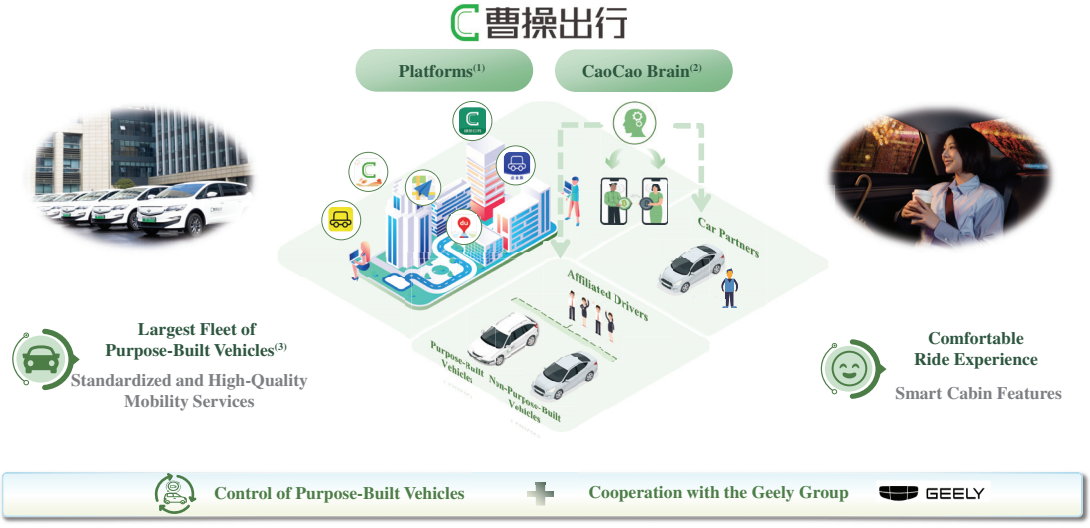
OVERVIEW

Our Business Model

We are a ride hailing platform in China originally incubated by Geely Group. We connect passengers and drivers to deliver consistent and high-quality ride experiences. We uphold a commitment to user experience, which is essential for our growth into one of China's largest ride hailing platforms. Today, we offer an array of safe, affordable, and convenient mobility services. We operated in 136 cities as of December 31, 2024. Our total GTV was RMB12.2 billion in 2023, representing an increase of 37.5% from 2022, and reached RMB17.0 billion in 2024, representing an increase of 38.8% from 2023 and 5.4% market share according to Frost & Sullivan. We are known for our service quality, and have strengthened our brand image with a continually evolving fleet of vehicles dedicated to mobility operations, which we refer to as purpose-built vehicles. We collaborate with car partners, which refers to businesses that supply drivers and vehicles to provide services on our platform, for a substantial portion of the orders completed, as car partners bring us additional service capacity and allow us to expand our coverage efficiently. Meanwhile, we provide our own vehicles to certain drivers, which we refer to as affiliated drivers, who generally dedicate a greater amount of their time serving on our platform than car-partner drivers.

Our platform is uniquely positioned in the market due to our strategic relationship with the Geely Group and our comprehensive control of purpose-built vehicles. This strategic relationship has positioned us as a leader in the development of purpose-built vehicles, with a fleet of over 34,000 purpose-built vehicles across 31 cities as of December 31, 2024 for the use of our affiliated drivers – the largest of its kind in China according to Frost & Sullivan. We started deploying purpose-built vehicles since 2022. Orders fulfilled by purpose-built vehicles accounted for 25.1% of our GTV in 2024. This percentage is expected to further increase as we plan to ultimately provide all of our affiliated drivers with purpose-built vehicles and are increasing the sale of purpose-built vehicles to car partners. In 2024, we entered 85 new cities in collaboration with local car partners through selling them our purpose-built vehicles. These vehicles have become closely associated with our brand image and fortify our reputation for delivering consistently high-quality and intelligent ride experience.

Furthermore, our strategic relationship with Geely Group enhances our operating efficiency. We support our drivers with a suite of auto solutions, including implementing comprehensive driver safety incentives to lower insurance cost and adopting the Transparent Servicing program to reduce maintenance and repair costs. We leverage an expanding network of battery swap stations and auto servicing shops operated by Geely Group, which empowers our drivers with significant cost advantages, enhancing their net income. Our purpose-built vehicles also optimize economics and driving experience for drivers.



Notes:

(1) Refers to where our users may place ride hailing orders, including our own apps and the apps of third-party aggregation platforms.

(2) Refers to our proprietary, AI-powered decision-making system responsible for order dispatch and other tasks.

(3) As of December 31, 2024, according to Frost & Sullivan.

Market Opportunity and Challenges in Shared Mobility

In 2024, the mobility market in China was valued at RMB8.0 trillion, with shared mobility services accounting for RMB344.4 billion, representing a penetration rate of 4.3%. This market is poised for a significant shift towards shared mobility, driven by two primary factors. Firstly, shared mobility costs approximately RMB2.70 per kilometer in China, nearly 40% less than the RMB4.50 per kilometer incurred by private vehicles. Secondly, the adoption of private vehicle ownership faces considerable challenges in urban areas, including restrictive license plate policies, limited parking availability, and prevalent traffic congestion.

The shared mobility market is expected to grow to RMB804.2 billion by 2029, reflecting a CAGR of 17.0% from 2025. This growth is projected to increase market penetration to 7.6%. The shared mobility market is highly concentrated where one player has captured significantly more market share than us. However, the market is evolving towards greater access to user traffic for shared mobility providers. Unlike past trends where a single app dominated user interactions, a diverse array of popular portals for mapping, navigation, and local services are now pivotal in directing user traffic, leading to the rise of various emerging players like us. In 2024, aggregation platforms contributed to 31.0% of total ride hailing orders, a significant increase from 7.0% in 2019.

Despite the growth opportunities, the shared mobility industry continues to face entrenched challenges:

- **Costly and Inconsistent User Experience.** Users are often forced to choose between a quality ride experience and affordability. Even within the same price range, ride experiences can vary significantly, sometimes resulting in substandard service due to lack of service and vehicle standardization.

- **Substantial Challenges for Drivers.** Drivers face substantial expenses relating to vehicle purchase, maintenance, and energy replenishment, which significantly curtail their earnings potential. Moreover, many drivers work in challenging conditions, often around 10 hours a day in vehicles that are not designed for such prolonged use.

- **Economic Bottlenecks for Service Providers.** Many shared mobility platforms struggle with improving profitability on a per-ride basis, which we refer to as unit economics, due to limited control over their vehicle costs, which in turn hampers their ability to manage operating costs effectively.

These challenges underscore the need for a transformative approach in the shared mobility sector, prompting a re-evaluation of the role of vehicles beyond mere mode of transport and as an integral part of a broader mobility solution.

Our Competitive Strengths

Distinctive emphasis and control of vehicles through strategic relationship with Geely Group

Originally incubated by Geely Group, we benefit from distinctive discretion in the development of purpose-built vehicles, which provides a solid base to form the first vehicle brand in China dedicated to shared mobility.

Our deep engagement in the vehicle design process allows us to shape vehicle specifications that precisely meet the needs of passengers and drivers, including enhancing vehicle durability and serviceability, adopting battery swap architectures, and implementing smart cabin features. Our involvement extends across the vehicle lifecycle, ranging from design and deployment, pricing and sales, to operation and servicing, enabling us to optimize passenger experience, reduce vehicle TCO, and provide other benefits to drivers such as enhanced energy replenishment efficiency and better working conditions.

Our competitive edge is further solidified by our ability to deploy purpose-built vehicles. These vehicles benefit from substantial economies of scale and supply chain negotiating power, ensuring high cost efficiency. As of December 31, 2024, we have deployed a fleet of over 34,000 purpose-built vehicles across 31 cities for the use of our affiliated drivers, making it the largest of its kind in China, according to Frost & Sullivan. In addition, in 2024, we have entered 85 new cities in collaboration with local car partners through selling them our purpose-built vehicles.

Furthermore, integrating our expertise in ride hailing services and Geely Group's strength as a leading automotive-OEM and a frontrunner in the development of autonomous driving technologies, we launched our autonomous driving platform and commerced robotaxi services in two pilot cities in February 2025.

Differentiated user experience with strong brand recognition

We consistently deliver high-quality services on a large scale, positioning us as one of the premier ride hailing platforms in China. Our comprehensive driver management protocols incentivize all of our drivers, including those managed by car partners, to provide excellent and standardized services. CaoCao Mobility was recognized as the No. 1 brand in user recognition for "best service quality" among China's leading shared mobility platforms in five consecutive quarterly surveys of thousands of shared mobility users nationwide from the fourth quarter of 2023 to the fourth quarter of 2024 by an independent third party.

Our service to users is underpinned by a strong focus on safety. We adopt early-warning protocols, such as additional training for underperforming drivers, to preemptively resolve safety concerns. Our purpose-built vehicles are equipped with collision warning systems that provide active protection, and our technologies enable real-time monitoring of drivers to deter dangerous behaviors. Our orders had an accident rate of 45 and 37 accidents per million orders completed in 2023 and 2024, respectively, substantially lower than the industry average of 112 and 101, according to Frost & Sullivan.

Our user experience is differentiated by our fleet of purpose-built vehicles, smart in-cabin features, and high-quality services provided by professional drivers. These differentiators not only bolster our brand but also significantly enhance user satisfaction.

Driver empowerment through reduced TCO and enhanced operating efficiency

Our value proposition to drivers is the significant reduction in TCO and enhanced operating efficiency, achieved through our comprehensive auto solutions, CaoCao Brain, and purpose-built vehicles.

Our cost-effective auto solutions reduce TCO for all vehicles on our platform. We implement comprehensive driver safety incentives to lower insurance cost, and adopt the Transparent Servicing program to reduce maintenance and repair costs. In addition, CaoCao Brain, our proprietary, AI-powered decision-making system, streamlines order dispatch and reduces driver wait time, increasing their operating efficiency.

Furthermore, we offer our purpose-built vehicles, which are meticulously designed with a driver's needs in mind. The vehicles focus on reducing TCO while providing a comfortable and efficient work environment. We enhance driver comfort and productivity through features like ventilated seats and traffic heatmap assistance, specifically tailored to support long hours on the road. The vehicles' battery swap architecture allows energy replenishment to be completed in just 60 seconds, which significantly increases vehicle uptime and, consequently, driver income. Our purpose-built vehicles achieved a 36.4% lower average TCO compared to typical battery electric vehicles used in shared mobility, according to Frost & Sullivan.

Advanced and rapidly-evolving technologies

The CaoCao Brain plays a pivotal role in streamlining our operations. It efficiently manages order dispatch and allocates incentives for users, enhancing our growth in GTV. The transaction engine within the CaoCao Brain predicts future mobility demand, optimizes order dispatch, and maintains balance in mobility capacity to prevent fluctuations that lead to over- or under-utilization. It thus helps enhance driver earnings, reduce idle mileage, and decrease the average waiting time for passengers and drivers.

Our collaboration with Geely Group enhances our vehicle intelligence capabilities, allowing us significant control over purpose-built vehicles. This partnership enables us to leverage comprehensive data, optimizing and customizing vehicle functionalities to align with passenger and driver preferences such as implementing one-click ventilation function for passengers and order pick-up assistance for drivers.

Clear path of unit economics enhancement

We have systematically enhanced our unit economics by transforming the cost structure of our mobility services. In recent years, the average order value (AOV) of our mobility service remained stable while we achieved enhancement in user acquisition efficiency. With CaoCao Brain's efficient distribution of user incentives, including across aggregation platforms that we partner with, our total user acquisition costs as a percentage of GTV decreased from 22.2% in 2022 to 18.1% in 2023. We have also reduced our reliance on driver incentives, as our scale and the resulting network effect ensures a high order density which reduced our drivers' idle rate and increased their income per hour (IPH), and our comprehensive control over the full-lifecycle of vehicles reduces TCO for drivers. Our driver earnings and incentives adjusted for certain drivers' salaries, which we refer to as adjusted driver earnings and incentives, measured as a percentage of mobility service revenue, has decreased progressively from 84.2% in 2022 to 79.1% in 2023 and 79.0% in 2024, while our drivers' average IPH increased from RMB30.9 in 2022 to RMB36.1 in 2023 and slightly decreased to RMB35.7 in 2024, a year when driver IPH generally decreased across the industry due to increased competition and our driver IPH remained higher than other major participants, according to Frost & Sullivan. In the same period, we also entered a number of new cities and driver IPH is generally lower in the initial ramp-up period of new city entries, which contributed to the slight decrease in driver IPH. In 2023 and 2024, we achieved positive gross profit margins of 5.8% and 8.1%, respectively.

Forward-looking senior management embracing new mobility

Our senior management team, embodying a proactive mindset and a global vision, averages over 13 years of experience across the internet, mobility service, and automotive industries, with an average age of 43. Our executive director and chief executive officer, Mr. Xin Gong, brings a wealth of experience from his tenure at a leading shared mobility platform. Guided by a board composed of seasoned veterans, including our board chairman Mr. Jian Yang, who has over 12 years as vice chairman at Geely Holding, our leadership team is adept at identifying and addressing the critical needs of passengers and drivers, which significantly enhances the functionality and purpose of our vehicles.

Our Commitment to Social Responsibility

Our scale and technology afford us an opportunity to create significant value for society, and we are committed to doing so. Since our inception, we have created flexible income opportunities for a cumulative of approximately 3.9 million drivers, with total payment to drivers exceeding RMB40 billion.

We have pioneered new energy-focused shared mobility services in China in pursuit of sustainable mobility. Since 2015, our Carbon Space feature in the CaoCao Mobility app has allowed users to monitor their contributions to carbon reduction, enhancing community awareness of carbon neutrality and promoting our dedication to sustainable practices. By December 31, 2024, we had facilitated approximately 1.9 billion rides in new energy vehicles, achieving a cumulative reduction of over 3.1 million tons of carbon emissions. In 2023, we accomplished carbon-neutral operation in terms of greenhouse gas emissions and are on track to achieve net zero carbon emissions for all ride hailing orders by 2035. Additionally, our control over vehicles has enabled us to cater to the needs of physically challenged individuals, including deploying the wheelchair-accessible LEVC TX5 equipped with numerous accessibility features. For details, see "Business—Overview—Our Commitment to Social Responsibility" and "Business— Environmental Sustainability, Social Responsibility, and Corporate Governance."

OUR STRATEGIES

We are committed to advancing our position in the industry and achieving superior business growth through the following strategic initiatives:

- elevating service standards and bolstering our brand image to deepen user engagement and loyalty,
- enhancing and launching purpose-built vehicles to meet evolving market demands,
- expanding our geographical footprint and exploring innovative operational models,
- improving our auto solutions to reinforce our advantage in full-lifecycle vehicle management,
- advancing our technology to improve user experiences and increase operational efficiency, and
- investing in autonomous driving technologies to seize future market opportunities.

RECENT DEVELOPMENT

On February 28, 2025, we hosted the launch event for CaoCao Smart Mobility, our autonomous driving platform, and announced the commencement of our robotaxi services in two pilot cities, Suzhou and Hangzhou. The CaoCao Smart Mobility platform seamlessly integrates our expertise in ride hailing services and Geely Group's strength as a leading automotive-OEM and a frontrunner in the development of autonomous driving technologies, and marks an important milestone in our efforts towards large-scale commercialization of robotaxi services.

We believe we are uniquely positioned to seize future market opportunities in the commercialization of robotaxi services. In the traditional ride hailing industry, platform operators perform a series of functions through their employees, drivers and other vendors including not only driving but also vehicle maintenance and repair, energy replenishment, customer service, and emergency response. For robotaxi platform operators, they must have capabilities to perform all the above functions seamlessly and comprehensively, which requires not only autonomous driving technologies but also strong control over the operating vehicles and extensive knowhow in the provision of ride hailing services. Our position as one of the largest ride hailing platforms in China with ample experience managing and servicing a large fleet of vehicles, including a sizable fleet of purpose-built vehicles, and as an integral participant in the Geely ecosystem with access to their efficient research and development capability, afford us a competitive edge to accomplish the large-scale commercialization of robotaxi services with high cost efficiency. As our robotaxi ecosystem is closely integrated and consists solely of interest-aligned stakeholders within the Geely Group, we can maintain open and candid communication to avoid information asymmetry and operational inefficiencies. In addition, we can effectively collaborate with regulators and participate in the development of the regulatory framework as a responsible, all-in-one service provider.

We are developing new purpose-built vehicles dedicated to the provision of robotaxi services with Geely Group, including an L4 level robotaxi model fully designed for autonomous driving which is expected to be launched by the end of 2026. The vehicle is expected to have pre-installed autonomous driving components and applications, comparatively low TCO and various other features suitable for long hours of operation, and passenger-friendly designs and configurations. We will be able to deploy such vehicles at scale without incurring significant upfront investments leveraging our relationship with Geely Group, and expect to do so efficiently leveraging our operational knowhow in the ride hailing industry. We will also continuously invest in our large-scale robotaxi operation capabilities, including vehicle maintenance and repair, energy replenishment, customer service, emergency response, and other functions to optimize order management to enhance our competitive edge.

For details, see "Business—Our Ecosystem—Autonomous Driving Platform."

OVERVIEW OF OUR BUSINESS OPERATIONS

The following table sets forth the customers of our various service offerings.

Service Offering	Customer
Mobility Services (primarily ride hailing service for passengers and order dispatch service for drivers)	Passengers Drivers
Vehicle Leasing (for the provision of ride hailing services)	Car partners
Vehicle Sales (for the provision of ride hailing services)	Car partners Independent fleet operators Drivers

The following table sets forth the fees that we pay to various participants of our ride hailing service.

Participant	Fee Payable
Drivers	Driver earnings and incentives[(1)]
Passengers	User incentives[(2)]
Car Partners	Commission fee[(3)]
Aggregation Platforms	Commission fee[(4)]

Notes:

(1) In a dynamically adjusted amount.

(2) In a dynamically adjusted amount. Not actually paid to passengers but reflected as a reduction in the price charged to them.

(3) During the Track Record Period, we paid commissions to car partners at a rate between 2.5% and 2.7% of the GTV generated by our car-partner drivers.

(4) During the Track Record Period, we paid commissions to aggregation platforms at a rate between 7.2% and 7.5% of the GTV facilitated by aggregation platforms.

The following table sets forth licenses and permits required in relation to our ride hailing service.

Operator Side	License and Permit
CaoCao	Service Capability Recognition Platform Permits, in applicable cities
Drivers	Online Ride Hailing Driver's Licenses
Vehicles	Transportation Permits

The following table sets forth our mobile apps in relation to our ride hailing service.

User	Mobile App
Passengers	CaoCao Mobility
	CaoCao Enterprise
	Limao Mobility
	Limao Enterprise
Drivers	CaoCao Drivers
	Limao Mobility Drivers

PATH TO PROFITABILITY

We have a distinctive business model, underpinned by a foundation of great service quality, a fleet of continually evolving purpose-built vehicles, and a broad array of auto solutions. Although we recorded net losses throughout the Track Record Period, we believe that our business strategy constructs a substantial value proposition for both passengers and drivers.

Our net losses incurred during the Track Record Period reflected the necessary investments made to build our shared mobility network and reach the critical mass required for our business. These investments included costs and expenses associated with user and driver acquisition and retention, marketing and branding, technology and operational enhancements, fleet expansion, and purpose-built vehicle development. All these factors contributed to our ecosystem and elevated us to the scale needed to compete with major players in the industry.

Since 2022, after achieving substantial scale in major tier-one and tier-two cities across China, we began to prioritize operating efficiency and profitability, supported by technology and brand awareness, over aggressive nationwide expansion. In 2023, our financial performance improved significantly, paving the way for our expansion into new cities with an asset-light model, under which we supply local car partners with purpose-built vehicles and do not hold and deploy purpose-built vehicles ourselves, in 2024 and beyond.

Our early investment in purpose-built vehicles has allowed us to deliver high-quality services and a differentiated user experience at scale. Coupled with the loyalty of our core users, enhanced collaboration with third-party aggregation platforms, and the recovery of the shared mobility industry from the COVID-19 pandemic, our order volume and AOV grew substantially since 2023. This growth led to a significant increase in our GTV and revenues. Specifically, our revenues increased from RMB7.6 billion in 2022 to RMB14.7 billion in 2024.

Our increase in total order volume and improvement in vehicle operating efficiency and user recognition enabled us to reduce our dependence on driver incentives and concurrently increase average driver IPH to attract and retain drivers. Adjusted driver earnings and incentives as a percentage of mobility service revenue decreased from 84.2% in 2022 to 79.1% in 2023 and 79.0% in 2024, while drivers' average IPH increased from RMB30.9 in 2022 to RMB36.1 in 2023 and slightly decreased to RMB35.7 in 2024, a year when driver IPH

generally decreased across the industry due to increased competition and our driver IPH remained higher than other major participants, according to Frost & Sullivan. In the same period, we also entered a number of new cities and driver IPH is generally lower in the initial ramp-up period of new city entries, which contributed to the slight decrease in driver IPH. Consequently, our gross profit margin improved from -4.4% in 2022 to 8.1% in 2024.

Additionally, we have been able to acquire user traffic effectively through our enhanced collaboration with aggregation platforms. Coupled with the advancements of our AI-powered CaoCao Brain for more effective distribution of user incentives, our total user acquisition costs decreased as a percentage of total GTV from 22.2% in 2022 to 18.1% in 2023, although it increased to 22.8% in 2024 as we entered 85 new cities and incurred relatively higher user acquisition costs as a percentage of total GTV in these cities to quickly capture market share and as we increased spending on user acquisitions in existing cities.

Benefited from the above, we pivoted to generating positive net operating cash flow in 2023 from a state of negative net operating cash flow in 2022. We continued to generate positive net operating cash flow in 2024.

Going forward, we plan to further improve profitability primarily through the following approaches.

Driving Sustainable and Efficient Revenue Growth

Our mobility service revenue accounted for over 90% of our total revenues during the Track Record Period. We anticipate a steady revenue growth by continually increasing our GTV. This will be primarily facilitated through increasing order volume while maintaining a stable AOV.

We expect our order volume to experience sustained growth in the foreseeable future, primarily supported by three key factors as follows.

Expansive shared mobility market size with high growth potential

The Chinese economy began to steadily recover from the impact of the COVID-19 pandemic in 2023. Market enhancement is expected post-pandemic due to rising consumer demand for mobility in lower-tier cities, growing inclination towards BEVs, and expanding business activities. Consequently, China's mobility market is expected to increase from RMB8.1 trillion in 2024 to RMB10.3 trillion in 2028. The fastest growth is expected to be observed in the shared mobility market, with a projected increase from RMB354.7 billion in 2024 to RMB751.3 billion in 2028, owing to rising consumer demand for economical mobility options and an amplified penetration of shared mobility services in lower-tier cities.

As a top shared mobility platform in China, we are well-positioned to capitalize on the upward industry trend and replicate our success. We plan to increase our penetration in existing cities and thoughtfully expand our reach in China by tapping into new city markets. This expansion will be executed efficiently and cost-effectively, allowing us to augment our total GTV whilst controlling expenditure to achieve profitability. To this end, we intend to partner with local stakeholders such as car partners to strengthen our on-the-ground capabilities for geographical expansion. We believe that our expansion strategy is feasible due to our scalable infrastructure and technology and our track record of steadily increasing gross profit performance along with expansive scale, which allows efficient replication of our business model in new cities. Strategic partnerships with local stakeholders will facilitate smooth market entry and help us navigate competitive landscapes. Furthermore, our strong brand recognition and operating efficiency will help attract users and manage costs effectively, ensuring sustainable growth. We are also well-positioned to accelerate the development of our other businesses, including vehicle sales, benefiting from strong synergies during expansion. In 2024, we have entered 85 new cities with an asset-light model under which we supply local car partners with purpose-built vehicles together with our technology and operational knowhow and work with aggregation platforms to provide ride hailing services to users.

Enhanced collaboration with multiple aggregation platforms

In recent years, aggregation platforms have gained rising significance in the shared mobility industry. The portion of ride hailing orders fulfilled through aggregation platforms increased from 7.0% in 2019 to 31.0% in 2024, and is expected to further increase to 53.9% in 2029. Unlike past trends where a single app dominated user interactions, aggregation platforms have enabled the rise of various emerging players that access users primarily through them.

Amid this industry phenomenon, we too have enhanced our collaboration with various aggregation platforms. In 2022, 2023, and 2024, orders attributable to aggregation platforms accounted for 49.9%, 73.2%, and 85.4% of our GTV and 51.4%, 74.1%, and 85.7% of our order volume, respectively. In 2024, the top three aggregation platforms that we worked with contributed 42.5%, 11.8%, and 10.4% of our GTV, respectively. By harnessing the intelligence capabilities of our proprietary, AI-powered CaoCao Brain, we are adept at strategizing the distribution of our mobility capacity across diverse aggregation platforms. This is achieved by dynamically adjusting our recommendations and incentives to optimize operations. We plan to continually capture more extensive user traffic, maintain our growth in order volumes, and optimize operations. We anticipate that orders facilitated through multiple aggregation platforms will continue to rise, allowing for more effective user traffic conversion while also retaining loyal consumers. We believe that this approach is feasible because our established relationships with these platforms provide a solid foundation for sustainable collaboration in the future. In addition, AI-powered CaoCao Brain ensures effective management of users from third-party aggregation platforms and our platform, enhancing our ability to meet demand efficiently.

Brand image enhancement through our differentiated services and user experience

We consistently deliver high-quality services and differentiated user experience on a large scale, positioning as one of China's leading ride-hailing platforms and boosting our brand recognition. This enables us to attract more users and bolster the loyalty of our core users, enhancing our order volume growth. A significant aspect of our differentiated user experience is our fleet of purpose-built vehicles. As of December 31, 2024, we operated a fleet of over 34,000 purpose-built vehicles across 31 cities in China for the use of our affiliated drivers, the largest of its kind according to Frost & Sullivan.

The following table sets forth our order volume, which refers to the number of completed orders, during the periods indicated. We expect that our order volume will continually increase in the foreseeable future as we continue to enhance user experience and brand recognition and deepen our collaboration with aggregation platforms.

	For the Year Ended December 31,		
	2022	**2023**	**2024**
Order volume (in thousands)	383,429	447,778	598,052

Additionally, we expect our AOV to remain stable in the foreseeable future. This is primarily due to increasing demand for business and leisure travel and the growing prevalence of premier mobility services, taking into account potential dilution of our AOV as we expand into lower-tier cities.

As the shared mobility industry recuperated from the impact of the COVID-19 pandemic, and with the launch of our high-AOV premier mobility service in 2022, our overall AOV grew significantly in 2023. The following table sets forth our AOV during the periods indicated.

	For the Year Ended December 31,		
	2022	**2023**	**2024**
AOV (RMB)	23.2	27.3	28.3

Continually Improving Gross Profit Margin

In 2023 and 2024, we reported gross profit of RMB615.4 million and RMB1,186.0 million, respectively, which represents a meaningful turnaround from the gross loss of RMB339.0 million in 2022. Our cost of sales primarily consists of driver earnings and incentives for mobility services, depreciation charges, and auto servicing costs. We attained gross profit margins of 5.8% in 2023 and 8.1% in 2024, contrasting with gross profit margins of -4.4% in 2022.

During the Track Record Period, our gross profit margin improved notably due to the successful implementation of our strategies to optimize vehicle TCO supported by the rollout of our purpose-built vehicles and comprehensive auto solutions, as well as the reduction in driver incentives resulting from the increased number of orders that we distributed to each driver and the increased AOV, which enhanced comprehensive income for drivers and improved our platform's driver retention rate. We increased the number of orders distributed to each driver primarily through scaling up our business to increase order density and reduce idle time for drivers. As a result, our drivers' average IPH increased from RMB30.9 in 2022 to RMB36.1 in 2023 and slightly decreased to RMB35.7 in 2024, a year when driver IPH generally decreased across the industry due to increased competition and our driver IPH remained higher than other major participants, according to Frost & Sullivan. In the same period, we also entered a number of new cities and driver IPH is generally lower in the initial ramp-up period of new city entries, which contributed to the slight decrease in driver IPH. As to our purpose-built vehicles, according to Frost & Sullivan, the respective estimated TCO of Maple 80V and CaoCao 60, shared between us and the drivers, amounts to RMB0.53 and RMB0.47 per kilometer. This reveals a TCO reduction of 33% and 40% compared to typical BEVs, respectively. In 2022, 2023, and 2024, GTV from purpose-built vehicles accounted for 5.3%, 20.1%, and 25.1% of our total GTV, respectively. As a result of the above, we were able to reduce our dependence on driver incentives to attract and retain drivers. The adjusted driver earnings and incentives as a percentage of mobility service revenue decreased from 84.2% in 2022 to 79.1% in 2023 and 79.0% in 2024.

To successfully implement our expansion strategies, we plan to enhance our collaboration with third-party aggregation platforms to drive more traffic to our platform in a cost-effective manner. Additionally, we will leverage our CaoCao Brain to optimize user incentive allocation, order distribution, operating efficiency, and user experience. We will continually enhance our brand recognition by emphasizing high-quality mobility services, increasing market presence through collaboration with third-party aggregation platforms, and attracting more users and fostering user loyalty through targeted marketing. Furthermore, we will deepen our collaboration with car partners to enable rapid expansion into new cities.

As our business scales, we expect depreciation charges and auto servicing costs to decrease as a percentage of mobility service revenues, leading us towards further improvement in gross profit margins.

Further Improve Selling and Marketing Efficiency

The following table sets forth our selling and marketing expenses in an absolute amount and as a percentage of total revenues, during the Track Record Period.

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Selling and marketing expenses	639,329	8.4	836,299	7.8	1,222,042	8.3

In 2023, our selling and marketing expenses accounted for 7.8% of our total revenues, a decrease from 8.4% in 2022. This was primarily due to lowered costs relating to promotions, advertising, and incentives for customer referrals, as we have strategically shifted our growth increasingly towards aggregation platforms since the beginning of 2023, which enables us to obtain user traffic more cost-effectively. Our selling and marketing expenses increased as a percentage of our total revenues to 8.3% in 2024, primarily because we entered 85 new cities in the period and incurred higher selling and marketing expenses at the early stages of new market entry. Our increased collaboration with aggregation platforms allows us to diversify our user acquisition methods cost-effectively, expand our customer base, and increase our total order volume. As a result, our total user acquisition costs, including user incentives, commissions charged by third-party aggregation platforms, promotions, advertising, and customer referral incentives, decreased as a percentage of total GTV from 22.2% in 2022 to 18.1% in 2023, although it increased to 22.8% in 2024 as we incurred relatively higher user acquisition costs as a percentage of total GTV when entering new markets to quickly capture market share and as we increased spending on user acquisitions in existing cities.

We will strive to lower our total user acquisition costs as a percentage of our GTV over the long term, through enhanced user satisfaction and loyalty, increased brand recognition, advancement of our AI-powered CaoCao Brain for more effective distribution of user incentives, and ongoing collaboration with aggregation platforms, although this metric is expected to remain stable in 2025 given our plan to enter new markets. In particular, we will continue to refine our user acquisition strategies by leveraging our enhanced collaboration with third-party aggregation platforms to reach potential users. Additionally, we will carefully manage user incentives to ensure that we are maximizing user acquisition and retention at the lowest possible cost. Furthermore, we expect that our continually improved brand awareness will contribute to lowering user acquisition costs, as a stronger brand presence would enhance user trust and reduce the efforts needed to attract and retain users. The feasibility of this approach is supported by our previous track record and the continued advancements in CaoCao Brain.

While we strive to improve our financial performance in 2025 mainly through continually improving our brand awareness and market penetration, aiming at further improving our economics of scale, and dynamically adjusting drivers earnings and incentives as a percentage of revenue toward a profitable range (while maintaining drivers' average IPH stable) according to market dynamics, we expect to incur a significant amount of interest expenses due to our capital structure and shared-based compensation expenses for granting share options. Therefore, we still expect to record net losses in 2025.

COMPETITIVE LANDSCAPE

We face intense competition with other ride hailing platforms in China. In 2024, the competitive landscape of ride hailing platforms is led by one player in the market with 70.4% market share in terms of GTV, followed by several major players. The top five players in the market contributed 86.0% market share in terms of GTV in 2024. For details, see "Industry Overview." We have consistently ranked in the top three ride hailing platforms in China in the last three years in terms of GTV. On top of our scale, we are recognized for our service quality. We stand out from the competition with our integration into the ecosystem of Geely Group and our control of purpose-built vehicles.

KEY OPERATING METRICS

The following table sets forth certain key operating metrics of our business operations.

	For the Year Ended December 31,		
	2022	2023	2024
GTV (RMB in millions)	8,884	12,214	16,953
– express service of CaoCao Mobility	8,615	10,952	15,832
– premier service of CaoCao Mobility	245	1,195	1,061
– Limao Mobility	24	66	61
Average take rate[(1)]	84.1%	84.3%	80.0%
Order volume (in thousands)	383,429	447,778	598,052
AOV (RMB)	23.2	27.3	28.3
Daily order volume (in thousands)	1,050	1,227	1,634
Average monthly active users (in millions)	13.5	19.2	28.7
Average monthly active drivers (in thousands)	234	297	466
Order response rate[(2)]	87.4%	88.4%	88.1%
Average monthly driver retention rate[(3)]	68.9%	74.7%	70.8%

Note:

(1) Average take rate is calculated by dividing the revenue from mobility services in a given period by our GTV in the same period. Our average take rate decreased between 2023 and 2024 as we deployed user incentives more aggressively to increase our penetration in existing cities and enter into a number of new cities, recording a 38.8% increase in GTV between the same periods.

(2) Order response rate is calculated as the percentage of user requests accepted by drivers. According to Frost & Sullivan, the industry average order response rate was approximately 70% to 80% during the Track Record Period. While our order response rate slightly decreased between 2023 and 2024, we believe the change reflects normal statistical fluctuations and the rate remains above industry average.

(3) Our average monthly driver retention rate decreased between 2023 and 2024, primarily because we calculate monthly driver retention rate for a particular month based on the number of drivers retained in the following month and, since the Chinese New Year fell in February 2024 and January 2023, the holiday resulted in a lower-than-usual driver retention rate in January 2024 and December 2022, but no impact in 2023.

In 2022, 2023, and 2024,

- GTV from purpose-built vehicles accounted for 5.3%, 20.1%, and 25.1% of our total GTV, as we quickly ramped up our deployment of purpose-built vehicles;

- GTV attributable to aggregation platforms accounted for 49.9%, 73.2%, and 85.4% of our total GTV. We increased collaboration with aggregation platforms as it allows us to receive significant user traffic and dedicate more of our management efforts to improving service quality and brand recognition; and

- GTV from car-partner drivers accounted for 55.0%, 62.9%, and 72.3% of our total GTV. We increased our collaboration with car partners as it allows us to increase service capacity and scale up our business efficiently.

During the Track Record Period, we have supplied a portion of our affiliated drivers with purpose-built vehicles, and expect to replace all the remaining affiliated drivers' vehicles with purpose-built vehicles. In addition, we expect to sell purpose-built vehicles to car partners to increase the vehicles' penetration rate among car partner drivers. The following table sets forth a breakdown of our GTV from purpose-built vehicles and non-purpose-built vehicles by driver type.

	For the Year Ended December 31,					
	2022		2023		2024	
	(RMB in millions, except percentages)					
GTV from purpose-built vehicles:						
Affiliated drivers	403.9	4.5%	2,392.4	19.6%	3,881.6	22.9%
Car-partner drivers	65.5	0.7%	65.7	0.5%	372.7	2.2%
Subtotal	469.5	5.3%	2,458.1	20.1%	4,254.3	25.1%
GTV from non-purpose-built vehicles:						
Affiliated drivers	3,596.2	40.5%	2,134.0	17.5%	821.2	4.8%
Car-partner drivers	4,818.4	54.2%	7,621.5	62.4%	11,877.7	70.1%
Subtotal	8,414.6	94.7%	9,755.5	79.9%	12,698.8	74.9%
Total	**8,884.1**	**100.0%**	**12,213.6**	**100.0%**	**16,953.1**	**100.0%**

OUR REVENUE MODEL

Our Revenue Sources

During the Track Record Period, our revenue streams consisted of (i) mobility services, (ii) vehicle leasing, (iii) vehicle sales, and (iv) other services. Predominantly, our revenues are generated from mobility services, particularly ride hailing. We provide vehicle leasing mainly to our car partners. Additionally, we engage in the sale of vehicles to these partners, independent fleet operators, and individual drivers. Our revenue from other services include advertising, intra-city delivery, and one-off services to Geely Group in connection with the 2023 Asian Games and Asian Para Games.

The following table sets forth a breakdown of our revenues both in absolute amount and as a percentage of our total revenues for the periods indicated.

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Revenues:						
Mobility Services	7,467,295	97.9	10,300,213	96.6	13,566,590	92.6
Vehicle Leasing	101,087	1.3	150,571	1.4	187,083	1.3
Vehicle Sales	32,184	0.4	114,564	1.1	866,760	5.9
Others	30,395	0.4	102,546	0.9	37,066	0.2
Total	**7,630,961**	**100.0**	**10,667,894**	**100.0**	**14,657,499**	**100.0**

Our mobility service revenues constituted a significant portion of our total revenues accounting for 97.9%, 96.6% and 92.6% in 2022, 2023, and 2024, respectively. Under our CaoCao Mobility brand, we offer two service lines: express and premier mobility services. The express mobility service serves as our core offering, providing an affordable, convenient, and comfortable solution for the everyday transportation needs of our users. Our premier mobility service, on the other hand, offers an enhanced level of comfort and superior service quality, featuring professionally trained drivers and a variety of amenities to ensure a premium travel experience. Under the Limao Mobility brand, we extend our services to include both online ride hailing and offline taxi services, catering to a broader range of customer preferences and needs. Drivers under the Limao Mobility brand go through separate trainings specifically designed for the brand.

Revenue Model for Mobility Services

We act as a principal in providing mobility services to users and generate revenue on a gross basis from the amount paid by users. Our revenues are equal to GTV less (i) tolls, fees, and taxes and (ii) user incentives.

The following table sets forth a hypothetical illustration of our revenue recognition process and the accounting for earnings and incentives for mobility services. This table is intended for illustrative purposes only to demonstrate the accounting treatment and does not reflect actual transaction values. The transaction price of RMB10.00 below is a hypothetical number and refers to the ride fare presented to users on our app or through the app of aggregation platforms.

	RMB
Transaction price of RMB10.00	10.00
Add: tolls, fees, and taxes	0.40
Less: user incentives	(1.20)
Passenger pays	**9.20**
Transaction price of RMB10.00	10.00
Add: tolls, fees, and taxes	0.40
GTV	**10.40**
Less: tolls, fees, and taxes	(0.40)
Less: user incentives	(1.20)
Mobility service revenue	**8.80**
Cost of revenue	
Less: driver earnings and incentives for mobility services	(6.90)
Less: depreciation and car maintenance cost	(1.20)
Less: commissions paid to our car partners	(0.20)

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant's Report set out in Appendix I to this document. The summary consolidated financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial information in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Summary of Our Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss in absolute amount and as a percentage of our revenues for the periods indicated.

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Revenue	7,630,961	100.0	10,667,894	100.0	14,657,499	100.0
Cost of sales	(7,969,949)	(104.4)	(10,052,491)	(94.2)	(13,471,519)	(91.9)
Gross (loss)/profit	**(338,988)**	**(4.4)**	**615,403**	**5.8**	**1,185,980**	**8.1**
Selling and marketing expenses	(639,329)	(8.4)	(836,299)	(7.8)	(1,222,042)	(8.3)
General and administrative expenses	(743,841)	(9.7)	(1,204,092)	(11.3)	(762,019)	(5.2)
Research and development expenses	(225,224)	(3.0)	(339,473)	(3.2)	(234,462)	(1.6)
Other income	39,122	0.4	139,870	1.2	192,314	1.3
Other gains, net	45,291	0.6	52,104	0.5	47,419	0.3
Net impairment losses on financial assets	(3,059)	(0.0)	(2,910)	(0.0)	(7,694)	(0.1)
Operating loss	**(1,866,028)**	**(24.5)**	**(1,575,397)**	**(14.8)**	**(800,504)**	**(5.5)**
Finance income	9,193	0.1	17,097	0.1	10,822	0.1
Finance costs	(259,325)	(3.4)	(312,636)	(2.9)	(327,967)	(2.2)
Finance costs, net	(250,132)	(3.3)	(295,539)	(2.8)	(317,145)	(2.1)
Changes in the carrying amount of financial liabilities at fair value through profit or loss	(14,144)	(0.2)	(69,060)	(0.6)	(88,693)	(0.6)
Loss before income tax	**(2,130,304)**	**(28.0)**	**(1,939,996)**	**(18.2)**	**(1,206,342)**	**(8.2)**
Income tax credit/(expenses)	123,204	1.7	(41,062)	(0.4)	(40,047)	(0.3)
Loss for the year	**(2,007,100)**	**(26.3)**	**(1,981,058)**	**(18.6)**	**(1,246,389)**	**(8.5)**
Loss for the year attributable to:						
Owners of the Company	(1,972,065)	(25.8)	(1,916,483)	(18.0)	(1,250,769)	(8.5)
Non-controlling interests	(35,035)	(0.5)	(64,575)	(0.6)	4,380	0.0

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) facilitate comparisons of operating performance from period to period and company to company.

We believe that adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) provide useful information to [**REDACTED**] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted loss (non-IFRS measure) as loss for the year/period excluding share-based compensation expenses, [**REDACTED**] expenses, and changes in the carrying amount of financial liabilities at fair value through profit or loss. We define adjusted EBITDA (non-IFRS measure) as loss for the year/period adding back finance costs, net, income tax expenses, depreciation charges of property, plant and equipment, depreciation charges of right-of-use assets, and amortization of intangible assets, and subtracting income tax credit, which is EBITDA (non-IFRS measure), excluding share-based compensation expenses, [**REDACTED**] expenses, and changes in the carrying amount of financial liabilities at fair value through profit or loss. Share-based compensation expenses are non-cash in nature arising from the grant of share options under our Pre-[**REDACTED**] Share Incentive Plan. [**REDACTED**] expenses represents expenses related to the [**REDACTED**]. Changes in the carrying amount of financial liabilities at fair value through profit or loss are non-cash in nature arising from the financial instruments issued to investors of Series B Preferred Shares. The Series B Preferred Shares will be automatically converted into Ordinary Shares upon completion of the [**REDACTED**], and we do not expect to further record this item after the [**REDACTED**].

The following tables reconcile (in absolute amounts and as percentages of total revenues for the year indicated) our adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) for the year presented in accordance with IFRS, which is loss for the year.

	For the Year Ended December 31,		
	2022	**2023**	**2024**
	(RMB in thousands, except percentages)		
Loss for the year	**(2,007,100)**	**(1,981,058)**	**(1,246,389)**
Net loss margin (%)	(26.3)	(18.6)	(8.5)
Add:			
[**REDACTED**] expenses	5,843	25,000	32,283
Share-based compensation expenses	335,782	920,537	401,416
Changes in the carrying amount of financial liabilities at fair value through profit or loss	14,144	69,060	88,693
Adjusted loss for the year (non-IFRS measure)	**(1,651,331)**	**(966,461)**	**(723,997)**
Adjusted loss margin (non-IFRS measure) (%)	**(21.6)**	**(9.1)**	**(4.9)**
Loss for the year	**(2,007,100)**	**(1,981,058)**	**(1,246,389)**
Net loss margin (%)	(26.3)	(18.6)	(8.5)
Add:			
Finance costs, net	250,132	295,539	317,145
Income tax (credit)/expenses	(123,204)	41,062	40,047
Depreciation charges of property, plant and equipment	657,577	664,322	685,561
Depreciation charges of right-of-use assets	92,798	75,490	61,668
Amortization of intangible asset	994	1,388	2,140
EBITDA (non-IFRS measure)	**(1,128,803)**	**(903,257)**	**(139,828)**
EBITDA margin (non-IFRS measure) (%)	**(14.8)**	**(8.5)**	**(1.0)**
Add:			
[**REDACTED**] expenses	5,843	25,000	32,283
Share-based compensation expenses	335,782	920,537	401,416
Changes in the carrying amount of financial liabilities at fair value through profit or loss	14,144	69,060	88,693
Adjusted EBITDA (non-IFRS measure)	**(773,034)**	**111,340**	**382,564**
Adjusted EBITDA margin (non-IFRS measure) (%)	**(10.1)**	**1.0**	**2.6**

During the Track Record Period, our loss for the year remained relatively stable at RMB2.0 billion in 2022 and 2023, and decreased to RMB1.2 billion in 2024. The changes were primarily because we recorded gross loss of RMB339.0 million in 2022 and gross profit of RMB615.4 million and RMB1,186.0 million in 2023 and 2024, respectively, which, in turn, was due to successful implementation of our strategies to optimize vehicle TCO supported by the rollout of our purpose-built vehicles and comprehensive auto solutions, as well as the reduction in driver incentives resulting from the increased number of orders that we distributed to each driver and the increased AOV, which enhanced comprehensive income for drivers and improved our platform's driver retention rate. Please also refer to "—Path to Profitability" for a discussion of our financial performance during the Track Record Period and our efforts to turn around our loss-making position.

During the Track Record Period, we derived our revenues primarily from mobility services in the form of ride hailing. Mobility service revenue accounted for 97.9%, 96.6%, and 92.6% of our total revenues in 2022, 2023, and 2024, respectively. Our mobility service revenue grew significantly from 2022 to 2024 as we rapidly grew our business amid the rapid recovery of shared mobility in a post-pandemic era, gained more user traffic from third-party aggregation platforms, and enhanced user satisfaction and loyalty backed by our strong brand recognition among users with a growing fleet of purpose-built vehicles. We expect our mobility service revenue to continue to grow and be a material contributor to our total revenue in the foreseeable future as the shared mobility industry continues to expand and as we implement our growth strategy.

Summary of Our Consolidated Balance Sheets

The following table sets forth a summary of our consolidated balance sheets.

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Total non-current assets	3,169,976	3,189,530	2,542,534
Total current assets	1,497,083	1,883,354	1,535,118
Total assets	**4,667,059**	**5,072,884**	**4,077,652**
Total non-current liabilities	4,062,941	4,317,879	1,601,730
Total current liabilities	5,902,168	7,128,599	9,681,501
Total liabilities	**9,965,109**	**11,446,478**	**11,283,231**
Total deficit	**(5,298,050)**	**(6,373,594)**	**(7,205,579)**
Non-controlling interests	(170,338)	(249,937)	(235,545)
Net current liabilities	**4,405,085**	**5,245,245**	**8,146,383**

During the Track Record Period, our net current liabilities increased from RMB4.4 billion as of December 31, 2022 to RMB5.2 billion as of December 31, 2023, mainly due to an increase in borrowings, partially offset by a decrease in trade and notes payables, an increase in cash and cash equivalents and inventories. Our net current liabilities further increased from RMB5.2 billion as of December 31, 2023 to RMB8.1 billion as of December 31, 2024, mainly due to an increase in financial liabilities at fair value through profit or loss and borrowings. See "Financial Information—Our Financial Position—Current Assets and Liabilities" for details.

Our total deficit increased from RMB5.3 billion as of December 31, 2022 to RMB6.4 billion as of December 31, 2023, mainly due to our loss for the year of RMB2.0 billion, partially offset by share-based compensation expenses of RMB920.5 million. Our total deficit further increased from RMB6.4 billion as of December 31, 2023 to RMB7.2 billion as of December 31, 2024, mainly due to our loss for the year of RMB1.2 billion, partially offset by share-based compensation expenses of RMB401.4 million.

We historically financed our business expansion and the growing fleet of purpose-built vehicles primarily through debt instruments and capital contribution from shareholders. During the Track Record Period, our debt mainly consist of ABSs and ABNs, bank borrowings, factor borrowings, and loans from related parties. We strategically and diligently monitor our debt structure to achieve a balance of short-term liquidity and long-term solvency by leveraging different sources of debt with different tenors. We choose from various sources of debt financing based on availability, interest rates, and other terms. During the Track Record Period, ABSs and ABNs were the largest component of our debt. As a result, as of December 31, 2022, 2023 and 2024, our total borrowing amounted to RMB5.6 billion, RMB7.5 billion, and RMB7.2 billion, respectively.

Our Preferred Shares will be automatically converted into Ordinary Shares upon the closing of the [**REDACTED**], and will therefore be automatically re-designated from financial liabilities to equity on our consolidated statements of financial position. After the re-designation, we do not expect to attain net assets position, mainly due to our significant total debt. We expect to have sufficient working capital to meet our present requirements, taking into account the credit facilities available, the ABS shelf-offerings approved by the China Insurance Asset Registration and Trading System, and the estimated net [**REDACTED**] that we expect to receive from this [**REDACTED**]. Going forward, we expect our liquidity to improve as a result of (i) our improved cashflow from operations as a result of organic revenue growth driven by service quality, continually improving gross profit margin, and further enhanced operating leverage, all of which are rooted in our unique business model built upon purpose-built vehicles and our business strategy to prioritize operating efficiency and achieving profitability over further aggressive nationwide expansion driven by passenger and driver incentives; and (ii) more debt and equity financing resources, including ABSs and ABNs available to us as a result of our business and fleet expansion.

Our unique business model, built upon a fleet of continually growing purpose-built vehicles, requires a heavy and front-loaded capital investment in vehicles, which is non-current assets in nature. As discussed in "Financial Information—Summary of Our Debt," we primarily

finance the purchase of vehicles and our operations through various sources of debt financing. As a result, we recorded a relatively large amount of short-term borrowings and current portion of long-term borrowing during the Track Record Period, which resulted in our net current liability positions. To improve our net current liabilities position as of December 31, 2024, we plan to continually enhance our cash flow from operations by working towards profitability, which is expected to increase our cash and cash equivalents. See "—Path to Profitability" for details. We generated net cash inflow from operations in 2023 and 2024 and expect to do so in the foreseeable future. In addition, we expect that our capital investment in purpose-built vehicles will moderate in the near future compared to the Track Record Period, during which we launched and rapidly expanded our fleet. This moderation is expected to contribute to the improvement of our net current liabilities position in conjunction with the expected cash inflow from operation as discussed above. Furthermore, we plan to continually optimize our debt structure. For example, we plan to partially repay the principal and interest of certain bank borrowings with net [**REDACTED**] from the [**REDACTED**].

Summary of Our Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated.

	For the Year Ended December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Net cash (used in)/generated from operating activities	(1,127,215)	136,372	235,901
Net cash (used in)/generated from investing activities	(431,011)	(1,498,540)	22,576
Net cash generated from/(used in) financing activities	1,520,472	1,565,167	(681,975)
Net (decrease)/increase in cash and cash equivalents	(37,754)	202,999	(423,498)
Cash and cash equivalents at beginning of the year	417,741	379,995	582,995
Effects of exchange rate changes on cash and cash equivalents	8	1	—
Cash and cash equivalents at end of the year	**379,995**	**582,995**	**159,497**

During the Track Record Period and up to the Latest Practicable Date, we funded our cash requirements principally from capital contribution from shareholders, financing through private placements, ABS and ABN arrangements, and bank and other borrowings. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations

and mitigate the effects of fluctuations in cash flows. Our cash and cash equivalents represent cash and bank balances. We had cash and cash equivalents of RMB380.0 million, RMB583.0 million, and RMB159.5 million as of December 31, 2022, 2023 and 2024, respectively. Our net cash generated from operating activities was RMB136.4 million and RMB235.9 million in 2023 and 2024, respectively, as compared to our net cash used in operating activities of RMB1.1 billion in 2022, primarily due to the improvement of profitability. Specifically, our net cash used in operating activities was RMB1.1 billion in 2022, primarily attributable to our losses of RMB2.0 billion, as adjusted by adding back non-cash and non-operating expenses and cash absorbed by working capital. See "Financial Information—Liquidity and Capital Resources—Cash Flows—Net Cash (Used in)/Generated from Operating Activities" for details.

Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities, the net [**REDACTED**] received from the [**REDACTED**], our future issuance of ABSs and ABNs, and our future bank borrowings. We currently do not have any other plans for material additional external financing.

KEY FINANCIAL RATIOS

	For the Year Ended December 31,		
	2022	**2023**	**2024**
Revenue growth rate	6.7%	39.8%	37.4%
Gross (loss)/profit margin[(1)]	-4.4%	5.8%	8.1%
Net loss margin[(2)]	-26.3%	-18.6%	-8.5%
Adjusted loss margin (non-IFRS measure)[(3)]	-21.6%	-9.1%	-4.9%
Adjusted EBITDA margin (non-IFRS measure)[(4)]	-10.1%	1.0%	2.6%
Debt ratio[(5)]	119.5%	148.4%	177.0%

Notes:

(1) Gross (loss)/profit margin represents the gross (loss)/profit for the year as percentages of the revenue for such year.

(2) Net loss margin represents the loss for the year as percentages of the revenue for such year.

(3) Adjusted loss margin (non-IFRS measure) represents the adjusted loss (non-IFRS measure) for the year /period as percentages of the revenue for such year. For details of the adjusted loss (non-IFRS measure), see "—Non-IFRS Measures."

(4) Adjusted EBITDA margin (non-IFRS measure) represents the adjusted EBITDA (non-IFRS measure) for the year/period as percentages of the revenue for such year. For details of the adjusted EBITDA (non-IFRS measure), see "—Non-IFRS Measures."

(5) Represents total debts divided by total assets as of the end of the year. Total debts represent the sum of the current and non-current borrowings as of the end of the year.

RISK FACTORS

There are certain risks involved in our business and industries, our corporate structure, our business operations in China, [**REDACTED**] in our Shares, the [**REDACTED**] and the [**REDACTED**], many of which are beyond our control. For example, these risks include, among others, the following risks related to our business:

- Any decline in the number of drivers or passengers using our platform would reduce the value of our network and would harm our future results of operations.

- We had substantial indebtedness and net current liabilities, total deficit, and negative operating cash flows during the Track Record Period. We cannot assure you that we will not experience substantial indebtedness and net current liabilities, total deficit and negative operating cash flows in the future, which may expose us to liquidity risk.

- If we are unable to effectively deploy purpose-built vehicles and upgrade our auto solutions, we may be less able to attract and retain passengers and drivers.

- The shared mobility industry is highly competitive, and we may be unable to compete effectively.

- We are making investments in connection with our vehicles, including the development of our purpose-built vehicles and related vehicle intelligence technologies and the purchase of such vehicles for our own use, and we expect to continue such investments in the future. These investments are inherently risky, and we may not realize the expected benefits from them.

- If we or drivers or vehicles on our platform fail to obtain and maintain the required licenses or permits, our business, financial condition, and results of operations may be materially and adversely impacted.

- We rely on third-party aggregation platforms for a significant number of orders. If the market of aggregation platforms becomes more concentrated, we may have to accept unfavorable terms due to limited bargaining power.

- If our collaboration with Geely Group is terminated or otherwise becomes limited, restricted, curtailed, less effective, or more expensive in any way, our business, financial condition, and results of operations may be adversely affected.

- If we fail to ensure the safety of passengers and drivers, our business, financial condition, and results of operations could be materially and adversely affected.

- Our business is subject to a variety of laws, regulations, rules, policies, and other obligations regarding privacy, data protection, and cybersecurity. Any losses, unauthorized access, or releases of confidential information or personal information could subject us to significant reputational, financial, legal, and operational consequences.

- Maintaining and enhancing our brand and reputation is critical to our business prospects. Failure to maintain our brand and reputation will cause our business to suffer.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period, we had certain non-compliance incidents with respect to Transportation Permits and Online Ride Hailing Driver's License. For details, see "Business—Legal Proceedings and Compliance—Compliance Matters—Transportation Permits and Online Ride Hailing Driver's Licenses." During the Track Record Period and up to the Latest Practicable Date, we did not commit any non-compliance of laws and regulations which individually or in the aggregate, in the opinion of our Directors, would have a material and adverse effect on our business, financial condition, or results of operations. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, except as disclosed in "Business—Legal Proceedings and Compliance—Compliance Matters—Transportation Permits and Online Ride Hailing Driver's Licenses," we have complied with the relevant laws and regulations in all material respects.

[**REDACTED**]

[REDACTED] EXPENSE

Based on the mid-point [**REDACTED**] of [**REDACTED**], the total estimated [**REDACTED**] expenses in relation to the [**REDACTED**] is approximately [**REDACTED**], representing approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] (assuming no new Shares are issued under the [**REDACTED**] or the Pre-[**REDACTED**] Share Incentive Plan and each Preferred Share is converted into an Ordinary Share of the Company on a 1:1 basis immediately prior to the [**REDACTED**]). Such estimated total [**REDACTED**] expenses include (i) [**REDACTED**] related expenses (including, but not limited to, commissions and fees) of approximately [**REDACTED**]; (ii) fees and expenses of our legal advisors and reporting accountant of approximately [**REDACTED**]; and (iii) other fees and expenses of approximately [**REDACTED**].

Up to December 31, 2024, we incurred [**REDACTED**] expenses of [**REDACTED**], of which (i) [**REDACTED**] was charged to our consolidated statements of profit or loss during the Track Record Period and (ii) [**REDACTED**] was recognized as [**REDACTED**] expenses directly attributable to the issue of shares to be deducted from equity upon the [**REDACTED**].

We expect to incur additional [**REDACTED**] expenses of approximately [**REDACTED**], of which approximately [**REDACTED**] is expected to be charged to our consolidated statements of profit or loss and approximately [**REDACTED**] will be deducted from equity.

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately [**REDACTED**] based on an [**REDACTED**] of [**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and assuming no exercise of the [**REDACTED**], or [**REDACTED**] if the [**REDACTED**] is exercised in full, after deducting [**REDACTED**] and fees and other estimated [**REDACTED**] expenses paid and payable by us in relation to the [**REDACTED**].

In line with our strategies, we plan to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used in the next three years to improve our auto solutions and improve our service quality;

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used in the next three years to enhance and launch purpose-built vehicles;

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used in the next three years to enhance our technology and to invest in autonomous driving;

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used in the next three years to expand our geographical coverage;

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], will be used for partial repayment of the principals and interests of certain bank borrowings; and

- approximately [**REDACTED**] of the net [**REDACTED**], or approximately [**REDACTED**], is expected to be used for working capital and other general corporate purposes.

See "Future Plans and Use of [**REDACTED**]" for further details.

OUR CONTROLLING SHAREHOLDERS

Immediately after the completion of the [**REDACTED**], Mr. Li, our founder, will (i) indirectly hold [**REDACTED**] Shares through Ugo Investment Limited, and (ii) control the exercise of the voting rights of [**REDACTED**] Shares held by Oceanpine Marvel pursuant to the Voting Rights Entrustment Agreement entered into between Ugo Investment Limited and Oceanpine Marvel. Assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Share Incentive Plan, immediately after the completion of the [**REDACTED**], Mr. Li, through Ugo Investment Limited, will indirectly hold approximately [**REDACTED**] of our issued Shares and will, in aggregate, control approximately [**REDACTED**] of our voting rights. Accordingly, Mr. Li and Ugo Investment Limited will be our Controlling Shareholders of the Company after [**REDACTED**].

OUR BUSINESS RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

Our Controlling Shareholder, Mr. Li, is the founder and chairman of Geely Automobile, a company listed on the Stock Exchange (stock code: 175 (HKD counter) and 80175 (RMB counter)). Mr. Li controls Geely Holding and Zhejiang Jidi. Geely Group is one of the largest automotive groups in the world and has established a BEV ecosystem spanning from the research and development, manufacturing and sale of BEVs to the operation of a network of battery swap stations and leasing of batteries for BEVs. We are a leading online ride hailing platform in China, originally incubated by Geely Group. We have established long term business relationship with Geely Group, which is complimentary, mutually beneficial and non-exclusive. During the Track Record Period, we purchased vehicles, including purpose-built vehicles, from sellers of vehicles in the BEV ecosystem of Geely Group. In order to reduce the initial purchase costs, we entered into battery sale and lease transactions with members of the Geely Group which primarily engage in the business of battery service. We also purchased vehicle parts and vehicle insurance from members of Geely Group and sold used

vehicles to members of Geely Group. We provided online ride hailing service and customer referral service to members of Geely Group, while members of Geely Group provided travel agency service, vehicle insurance management service and technology service to us. The foregoing transactions were entered into in the ordinary course of business on normal commercial terms. It is expected that such transactions will continue after the [**REDACTED**] and, thus, constitute our continuing connected transactions. See the sections headed "Connected Transactions" and "Relationship with Our Controlling Shareholders" for further details, including the proposed annual caps for each of the continuing connected transactions.

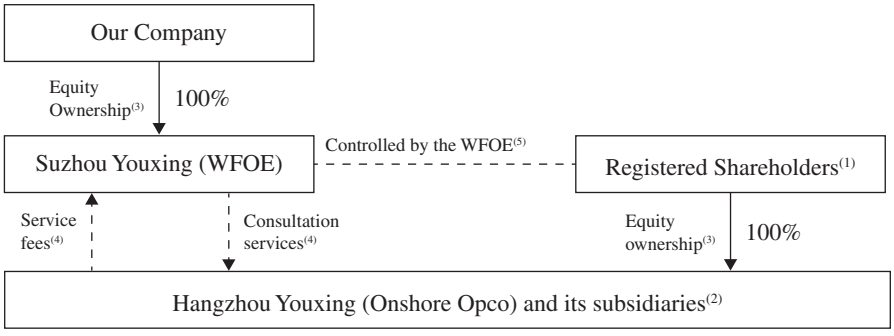
PRE-[REDACTED] INVESTORS

We received multiple series of equity financing from our Pre-[**REDACTED**] Investors to support our expanding business operations. See "History, Reorganization and Corporate Structure—Pre-[**REDACTED**] Investments" for details.

CONTRACTUAL ARRANGEMENTS

Due to foreign investment restrictions under PRC laws and for the purpose of complying with privacy and data security regulations under the PRC laws, our Company is restricted from holding or owning any direct equity interest in our Consolidated Affiliated Entities conducting our businesses. Rather, we control these entities through Contractual Arrangements, through which we are able to derive substantially all economic benefits enjoyed by the Registered Shareholders from our Consolidated Affiliated Entities. See "Contractual Arrangements" for details.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group under the Contractual Arrangements:



Notes:

(1) Hangzhou Youxing is owned by Zhejiang Jidi, Geely Holding, Xiangcheng Xiangxing VC, Oceanpine Marvel, ABC Investment (Suzhou), Paradise Silicon-valley Tiansheng, Longqi Xinglu, Dongwu Innovation and Tongxiang Wuzhen Fund I (the "**Registered Shareholders**") as to approximately 69.9%, 13.9%, 7.4%, 4.3%, 1.6%, 1.3%, 0.7%, 0.5% and 0.3%, respectively. "History, Reorganization and Corporate Structure—Pre-[**REDACTED**] Investments—Information on the Pre-[**REDACTED**] Investors" for background of the Pre-[**REDACTED**] Investors.

(2) These constitute our Consolidated Affiliated Entities.

(3) "——▶" denotes direct legal and beneficial ownership in the equity interests. WFOE is an indirect wholly owned subsidiary of our Company.

(4) "------▶" denotes contractual relationship.

(5) "----" denotes the control exercised by the WFOE over the Registered Shareholders and Hangzhou Youxing through (i) powers of attorney to exercise all shareholders' rights in Hangzhou Youxing, (ii) exclusive options to acquire all or part of the equity interests in Hangzhou Youxing, and (iii) equity pledges over the equity interests in Hangzhou Youxing.

Development in the PRC Legislation on Foreign Investment

On March 15, 2019, the National People's Congress approved the Foreign Investment Law, which took effect on January 1, 2020. On December 26, 2019, the State Council promulgated the Implementation Rules to the Foreign Investment Law, which took effect on January 1, 2020. The Foreign Investment Law replaced the Law on Sino-Foreign Equity Joint Ventures, the Law on Sino-Foreign Cooperative Joint Ventures and the Law on Wholly Foreign-Owned Enterprises to become the legal foundation for foreign investment in the PRC. The Foreign Investment Law stipulates certain forms of foreign investment, but does not explicitly stipulate contractual arrangements as a form of foreign investment. The Implementation Rules to the Foreign Investment Law are also silent on whether foreign investment includes contractual arrangements.

Therefore, without any other promulgated national laws, administrative regulations, administrative rules or regulatory requirements prohibiting or restricting the operation of or affecting the legality of contractual arrangements, the Foreign Investment Law will not have a material adverse impact on the Contractual Arrangements, and each of the agreements under the Contractual Arrangements and the legality and validity of the Contractual Arrangements would not be affected.

For the risks relating to the Contractual Arrangements, see "Risk Factors—Risks Relating to Our Corporate Structure" for further details.

SATISFACTION OF MARKET CAPITALISATION/REVENUE TEST UNDER RULE 8.05(3) OF THE LISTING RULES

We have applied to the [**REDACTED**] for the [**REDACTED**] of, and permission to deal in, the Shares in issue (including the Preferred Shares to be converted into our Shares) and to be issued pursuant to the [**REDACTED**] (including any Shares which may be issued pursuant to the exercise of the [**REDACTED**]) and our Pre-[**REDACTED**] Share Incentive Plan, on the basis that we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (i) our expected market capitalization at the time of [**REDACTED**], which, based on the low end of the indicative [**REDACTED**], exceeds [**REDACTED**], and (ii) our revenue for the year ended December 31, 2024 being RMB14.7 billion (equivalent to approximately HK$15.8 billion), which is over HK$500.0 million.

[**REDACTED**]

This document is published in connection with the [**REDACTED**] as part of the [**REDACTED**]. The [**REDACTED**] comprises:

(a) the [**REDACTED**] of initially [**REDACTED**] (subject to [**REDACTED**]) in Hong Kong as described in "Structure of the [**REDACTED**]—The [**REDACTED**]"; and

(b) the [**REDACTED**] of initially [**REDACTED**] Shares (subject to [**REDACTED**] and the [**REDACTED**]) (i) in the United States to QIBs in reliance on Rule 144A or another available exemption, and (ii) outside the United States (including to professional and institutional [**REDACTED**] within Hong Kong) in offshore transactions in reliance on Regulation S, as described in "Structure of the [**REDACTED**]—The [**REDACTED**]."

The [**REDACTED**] Shares will represent approximately [**REDACTED**] of the total Shares in issue immediately following the completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Share Incentive Plan.

FUTURE DIVIDENDS

During the Track Record Period, we did not declare or distribute any dividend. According to our Articles of Association and applicable laws and regulations, the decision on whether to pay dividends will be made at the discretion of our Directors and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant. We do not have a pre-determined dividend payout ratio. As advised by our legal advisor on Cayman Islands law, Appleby, under the Cayman Companies Act, a position of accumulated losses does not necessarily restrict us to declare and pay dividends to our shareholders as dividends may be declared and paid out of our share premium account notwithstanding our profitability unless, immediately following the date on which the distribution or dividend is proposed to be paid, we will be unable to pay our debts as they fall due in the ordinary course of business.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends shall be paid only out of the profit for the year determined according to PRC accounting principles. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, until the agreed amount of such funds reaches 50% of their registered capital, which are not available for distribution as cash dividends. Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there have been no material adverse changes in our financial, operational, or trading position or prospects since December 31, 2024, being the date of the latest reporting period of our consolidated financial statements as set out in the Accountant's Report in Appendix I to this document, and there is no event since December 31, 2024 that would materially affect the information as set out in the Accountant's Report included in Appendix I to this document.

In this document, unless the context otherwise requires, the following terms shall have their corresponding meanings set forth below. Certain technical terms are explained in "Glossary of Technical Terms."

"**ABC Investment (Suzhou)**"	ABC International Investment (Suzhou) Co., Ltd. (農銀國際投資(蘇州)有限公司), a company established under PRC laws on December 17, 2013, one of the Pre-[**REDACTED**] Investors and the Registered Shareholders of Hangzhou Youxing
"**ABN**"	asset backed note
"**ABS**"	asset backed security
"**affiliate(s)**"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"**AFRC**"	Accounting and Financial Reporting Council of Hong Kong
"**Articles**" or "**Articles of Association**"	the amended and restated articles of association of our Company conditionally adopted on [●] with effect from the [**REDACTED**], a summary of which is set out in "Summary of the Constitution of Our Company and Cayman Islands Company Law" in Appendix III
"**associate(s)**"	has the meaning ascribed to it under the Listing Rules
"**Audited Financial Statements**"	the audited consolidated financial statements of our Company for the Track Record Period, as included in "Accountant's Report" in Appendix I
"**Board**"	the board of Directors of our Company
"**business day**"	any day (other than a Saturday, Sunday, or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"**CAC**"	the Cyberspace Administration of China
"**CAGR**"	compound annual growth rate

[**REDACTED**]

"**Cayman Companies Act**" or "**Companies Act**"	the Companies Act (as revised) of the Cayman Islands, as amended, supplemented, or otherwise modified from time to time

[**REDACTED**]

"**China**" or "**PRC**"	People's Republic of China, and, unless the context requires otherwise and solely for the purpose of this document such as describing legal or tax matters, authorities, entities, or persons, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan region of the People's Republic of China
"**Companies Ordinance**"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"**Companies (Winding Up and Miscellaneous Provisions) Ordinance**"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented, or otherwise modified from time to time
"**Company**," "**our Company**," or "**the Company**"	CaoCao Inc. (曹操出行有限公司), an exempted company with limited liability incorporated in the Cayman Islands on November 8, 2021, its subsidiaries, and its Consolidated Affiliated Entities
"**connected person(s)**"	has the meaning ascribed to it under the Listing Rules
"**connected transaction(s)**"	has the meaning ascribed to it under the Listing Rules
"**Consolidated Affiliated Entities**"	Hangzhou Youxing and its subsidiaries, the financial results of which have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangements
"**Contractual Arrangement(s)**"	the series of contractual arrangements entered into by, among others, the WFOE, Hangzhou Youxing, and the Registered Shareholders, as detailed in "Contractual Arrangements"

"**Controlling Shareholder(s)**"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Li and Ugo Investment Limited
"**CSRC**"	China Securities Regulatory Commission (中國證券監督管理委員會)
"**Director(s)**"	the director(s) of our Company
"**Dongwu Innovation**"	Dongwu Innovation Capital Management Co., Ltd. (東吳創新資本管理有限責任公司), a company established under PRC laws on June 14, 2012, one of the Pre-[**REDACTED**] Investors and the Registered Shareholders of Hangzhou Youxing
"**Extreme Conditions**"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong

[**REDACTED**]

"**Frost & Sullivan**"	Frost & Sullivan (Beijing) Inc., an industry consultant
"**Geely Automobile**"	Geely Automobile Holdings Limited (吉利汽車控股有限公司), a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 175 (HKD counter) and 80175 (RMB counter)) and Mr. Li is the controlling shareholder of Geely Automobile
"**Geely Group**" or "**Geely**"	Geely Holding and its affiliates and subsidiaries
"**Geely Holding**"	Zhejiang Geely Holding Group Company Limited (浙江吉利控股集團有限公司), a limited liability company established under PRC laws on March 24, 2003, a Registered Shareholder of Hangzhou Youxing. Geely Holding is directly owned as to 82.23%, 9.71% and 8.06% by Mr. Li, Ningbo Yima Enterprise Management Partnership (Limited Partnership) (a company controlled by Mr. Li and his associates) and Mr. Xingxing Li (son of Mr. Li), respectively

[**REDACTED**]

"**Government Authority**"	any government, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organization, or other non-government regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational
"**Group**," "**our Group**," "**the Group**," or "**we**"	our Company, its subsidiaries, and the Consolidated Affiliated Entities from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"**Guide**"	the Guide for New Listing Applicants published by the Stock Exchange effective from January 1, 2024
"**Hangzhou Youxing**" or "**Onshore Opco**"	Hangzhou Youxing Technology Co., Ltd. (杭州優行科技有限公司), a limited liability company established under PRC laws on May 21, 2015, and a Consolidated Affiliated Entity

[**REDACTED**]

[**REDACTED**]

"**Hong Kong**"	Hong Kong Special Administrative Region of the People's Republic of China
"**Hong Kong dollars**," "**HK$**" or "**HKD**"	the lawful currency of Hong Kong

[**REDACTED**]

"**Hong Kong Takeovers Code**" or "**Takeovers Code**"	Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented, or otherwise modified from time to time

[**REDACTED**]

[**REDACTED**]

"**ICP License**"	the value-added telecommunications business operating license for internet information service (增值電信業務經營許可證)
"**IFRS**"	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
"**Independent Third Party(ies)**"	any entity or person who is not a connected person of our Company within the meaning ascribed to it under the Listing Rules

[**REDACTED**]

[**REDACTED**]

"**Joint Sponsors**"	Huatai Financial Holdings (Hong Kong) Limited, ABCI Capital Limited and GF Capital (Hong Kong) Limited
"**Latest Practicable Date**"	[April 21, 2025], being the latest practicable date for ascertaining certain information in this document before its publication
"**Laws**"	all laws, statutes, legislation, ordinances, rules, regulations, guidelines, opinions, notices, circulars, directives, requests, orders, judgments, decrees, or rulings of any Government Authority (including the Stock Exchange and the SFC) of all relevant jurisdictions
"**Limao Mobility**"	Zhejiang Limao Mobility Technology Co., Ltd. (浙江禮帽出行科技有限公司), a limited liability company established under PRC laws on January 25, 2021, and a Consolidated Affiliated Entity

[**REDACTED**]

[**REDACTED**]

"**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
"**Longqi Xinglu**"	Longqi Xinglu (Hangzhou) Investment Management Partnership (Limited Partnership) (隆啟星路(杭州)投資管理合夥企業(有限合夥)), a limited partnership established under PRC laws on April 6, 2017, one of the Pre-[**REDACTED**] Investors and the Registered Shareholders of Hangzhou Youxing
"**Main Board**"	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operates in parallel with the GEM of the Stock Exchange
"**Major Subsidiaries**"	our subsidiaries and Consolidated Affiliated Entities as identified in "History, Reorganization and Corporate Structure—Corporate Development of Our Group—Our Major Subsidiaries"
"**Memorandum**" or "**Memorandum of Association**"	the amended and restated memorandum of association of our Company conditionally adopted on [●], with effect from the [**REDACTED**], as amended from time to time, a summary of which is set out in "Summary of the Constitution of Our Company and Cayman Islands Company Law" in Appendix III
"**Mr. Li**"	Mr. Shufu Li (李書福先生), founder of our Group and one of our Controlling Shareholders
"**NDRC**"	National Development and Reform Commission of the People's Republic of China (中華人民共和國國家發展和改革委員會)
"**Oceanpine Marvel**"	Oceanpine Marvel Inc, a company incorporated in Cayman Islands with limited liability on July 6, 2021, one of the Pre-[**REDACTED**] Investors and a Registered Shareholder of Hangzhou Youxing

[**REDACTED**]

"**Online Ride Hailing Driver's License**"	the driver's license required to be obtained by a driver to provide online ride hailing services pursuant to the Interim Measures for the Management of Online Ride Hailing Operation and Service (《網絡預約出租汽車經營服務管理暫行辦法》)

[**REDACTED**]

"**Paradise Silicon-valley Tiansheng**"	Zhejiang Paradise Silicon-valley Tiansheng Equity Investment Partnership (Limited Partnership) (浙江天堂硅谷天晟股權投資合夥企業(有限合夥)), a limited partnership established under PRC laws on April 29, 2011, one of the Pre-[**REDACTED**] Investors and the Registered Shareholders of Hangzhou Youxing

"**PBV Co**"	Suzhou Caozhi Automobile Co., Ltd. (蘇州曹智汽車有限公司), a limited liability company established under PRC laws on January 9, 2023 owned as to 55% by Suzhou Youxing (and thus a subsidiary of ours) and 45% by Chongqing Ruilan Automobile Technology Co., Ltd., which is controlled by Mr. Li through his controlled entities
"**Platform Permit**"	the permit for the online ride hailing platform to carry out online ride hailing services pursuant to the Interim Measures for the Management of Online Ride Hailing Operation and Service (《網絡預約出租汽車經營服務管理暫行辦法》)
"**PRC GAAP**"	generally accepted accounting principles of the PRC
"**PRC Legal Advisor**"	King & Wood Mallesons, our legal advisor on PRC law
"**Pre-[REDACTED] Investment(s)**"	the investments in our Company undertaken by the Pre-[**REDACTED**] Investors, the details of which are set out in "History, Reorganization and Corporate Structure—Pre-[**REDACTED**] Investments"
"**Pre-[REDACTED] Investor(s)**"	the investors set out in "History, Reorganization and Corporate Structure—Pre-[**REDACTED**] Investments—Information on the Pre-[**REDACTED**] Investors"
"**Pre-[REDACTED] Share Incentive Plan**"	the share incentive plan approved and adopted by our Company in November 2022, and amended from time to time, the principal terms of which are set out in "Statutory and General Information—Pre-[**REDACTED**] Share Incentive Plan" in Appendix IV
"**Preferred Share(s)**"	Series A preferred shares, Series A1 preferred shares and Series B preferred shares

[**REDACTED**]

[**REDACTED**]

"**QIB**"	a qualified institutional buyer within the meaning of Rule 144A
"**Registered Shareholders**"	the registered shareholders of Hangzhou Youxing, with the current registered shareholders being identified in "Contractual Arrangements"
"**Regulation S**"	Regulation S under the U.S. Securities Act
"**RMB**" or "**Renminbi**"	the lawful currency of China
"**Rule 144A**"	Rule 144A under the U.S. Securities Act
"**SAFE**"	the State Administration of Foreign Exchange of the People's Republic of China (中華人民共和國國家外匯管理局)
"**SanJohn Fund**"	SanJohn Investment Fund (三川投資基金), a fund established under Cayman Islands laws on May 12, 2010, which wholly owns Oceanpine Marvel
"**Series A Preferred Share(s)**"	the series A preferred shares of the Company with par value of US$0.00001 each
"**Series A1 Preferred Share(s)**"	the series A1 preferred shares of the Company with par value of US$0.00001 each
"**Series B Preferred Share(s)**"	the series B preferred shares of the Company with par value of US$0.00001 each
"**Service Capability Recognition**"	Recognition of online service capabilities for the provision of online ride hailing services (申請從事網約車經營具備線上服務能力的認定結果)
"**SFC**"	Securities and Futures Commission of Hong Kong
"**SFO**" or "**Securities and Futures Ordinance**"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

"**Share(s)**" or "**Ordinary Share(s)**"	ordinary shares in the share capital of the Company with par value of US$0.00001 each
"**Shareholder(s)**"	holder(s) of our Share(s)

[**REDACTED**]

"**Stock Exchange**" or "**Hong Kong Stock Exchange**"	The Stock Exchange of Hong Kong Limited
"**subsidiary**" or "**subsidiaries**"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"**substantial shareholder(s)**"	has the meaning ascribed to it in the Listing Rules
"**Tongxiang Wuzhen Fund I**"	Tongxiang Zhejiang Merchant Wuzhen No. 1 Internet Industry Investment Partnership (Limited Partnership) (桐鄉浙商烏鎮壹號互聯網產業投資合夥企業(有限合夥)), a limited partnership established under PRC laws on November 28, 2016, one of the Pre-[**REDACTED**] Investors and the Registered Shareholders of Hangzhou Youxing
"**Track Record Period**"	the years ended December 31, 2022, 2023 and 2024
"**Transportation Permit**"	the transportation permit required to be obtained for a vehicle to provide online ride hailing services pursuant to the Interim Measures for the Management of Online Ride Hailing Operation and Service (《網絡預約出租汽車經營服務管理暫行辦法》)
"**treasury shares**"	has the meaning ascribed to it under the Listing Rules
"**U.S. dollars**" or "**US$**"	United States dollars, the lawful currency of the United States
"**U.S. Securities Act**"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder

[**REDACTED**]

[**REDACTED**]

"**Vehicle Subsidiaries**"	subsidiaries of Hangzhou Youxing and Limao Mobility that are established locally by our Group for the purpose of holding vehicles for our online ride hailing business
"**Voting Rights Entrustment Agreement**"	the irrevocable voting rights entrustment agreement and undertaking entered into between Oceanpine Marvel and Ugo Investment Limited in January 2025, pursuant to which Oceanpine Marvel entrusted Ugo Investment Limited to exercise the voting rights attached to the 21,403,500 Shares held by it
"**VIE Structure**"	variable interest entity structure and, where the context requires, the agreements underlying the structure
"**WFOE**" or "**Suzhou Youxing**"	Suzhou Youxing Qianli Network Technology Co., Ltd. (蘇州優行千里網絡科技有限公司), a limited liability company established under PRC laws on December 31, 2021, and an indirect wholly owned subsidiary of our Company

[**REDACTED**]

"**Xiangcheng Xiangxing VC**"	Suzhou Xiangcheng District Xiangxing Venture Capital Center (Limited Partnership) (蘇州市相城區相行創業投資中心(有限合夥)), a limited partnership established under PRC laws on July 8, 2021, one of the Pre-[**REDACTED**] Investors and the Registered Shareholders of Hangzhou Youxing
"**Zhejiang Jidi**"	Zhejiang Jidi Technology Co., Ltd. (浙江濟底科技有限公司) (formerly known as Geely Technology Group Company Limited (吉利科技集團有限公司)), a limited liability company established under PRC laws on May 13, 1996, a Registered Shareholder of Hangzhou Youxing. Zhejiang Jidi is directly owned as to 91% and 9% by Mr. Li and Mr. Xingxing Li (son of Mr. Li), respectively

"**Zhejiang Jidi Group**"	Zhejiang Jidi and its subsidiaries
"**%**"	per cent

Unless otherwise expressly stated or the context otherwise requires, all data in this document is as of the date of this document.

The English names of PRC entities, PRC laws or regulations, and PRC government authorities referred to in this document are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names should prevail.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with us and our business. These may not correspond to standard industry definitions, and may not be comparable to similarly terms adopted by other companies.

"**accident rate**"	the number of accidents per every million orders completed, adjusted for driver fault contribution
"**active drivers**"	drivers that completed at least one order during a given period
"**active users**"	users that completed at least one order during a given period, after deduplication within our platform and without deduplication across aggregation platforms that we work with, since we cannot access detailed user information from aggregation platforms
"**active vehicles**"	vehicles that were used in at least one order during a given period
"**adjusted driver earnings and incentives**"	the total amount of compensation we pay to drivers, measured as the sum of (i) driver earnings and incentives for mobility services and (ii) the amount of salaries paid to certain drivers who once had labor contracts with us. While all of our drivers are currently independent contractors and their compensations are recorded under driver earnings and incentives for mobility services, a line item of cost of sales, certain drivers for the CaoCao Mobility brand were employed under labor contracts in 2022, whose earnings were recorded under employee benefits, a different line item of cost of sales. All of these drivers were converted to independent contractors by the end of 2022, and their earnings were recorded under the first line item after the conversion
"**aggregation platforms**"	platforms that, instead of directly offering shared mobility services, provide user traffic facilitation to shared mobility service providers
"**AOV**"	average order value, calculated as GTV per order
"**auto servicing**"	vehicle insurance and vehicle maintenance and repair
"**auto servicing shops**"	shops that provide maintenance and repair services

GLOSSARY OF TECHNICAL TERMS

"**auto solution**"	energy replenishment, including in the form of battery swap, and auto servicing
"**BEV(s)**"	battery electric vehicle(s)
"**car partners**"	our business partners that directly manage drivers, with or without vehicles, that provide services on our platform
"**cloud**" or "**cloud computing**"	a model enabling ubiquitous, convenient, and on-demand network access to a shared pool of configurable computing resources (such as networks, servers, data storage, computing power, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction
"**DMS**"	driver monitoring system, which involves a camera pointed at a driver's face to provide real-time evaluation of the presence and the state of the driver
"**FCW**"	forward-collision warning system, which uses sensors to scan the road ahead and providing warning for obstacles
"**GTV**"	gross transaction value, which in the context of shared mobility refers to the total ride fare paid by users, without adjustment of applicable incentives, taxes, tolls, or fees
"**ICE vehicle(s)**"	internal combustion engine vehicle(s)
"**IPH**"	income per hour
"**purpose-built vehicles**"	vehicles that are designed to be used for shared mobility, as opposed to vehicles designed for private ownership
"**TCO**"	total cost of ownership, which in the context of vehicles used for shared mobility consists of (i) initial purchase cost or leasing cost, (ii) energy replenishment cost, and (iii) auto servicing cost
"**tier-one cities**"	tier-one cities in China, or Beijing, Shanghai, Guangzhou and Shenzhen

"**tier-two cities**"	tier-two cities in China, or the regional capital cities and other relatively well-developed cities, including Chengdu, Hangzhou, Chongqing, Wuhan, Xi'an, Suzhou, Tianjin, Nanjing, Changsha, Zhengzhou, Dongguan, Qingdao, Shenyang, Ningbo, Kunming, Wuxi, Foshan, Hefei, Dalian, Fuzhou, Xiamen, Harbin, Jinan, Wenzhou, Nanning, Changchun, Quanzhou, Shijiazhuang, Guiyang, Nanchang, Jinhua, Changzhou, Nantong, Jiaxing, Taiyuan, Xuzhou, Huizhou, Zhuhai, Zhongshan, Baoding, Yantai, Lanzhou, Shaoxing, Weifang, and Linyi
"**total user acquisition cost**"	the sum of (i) user incentives, (ii) commissions charged by third-party aggregation platforms, and (iii) promotion, advertising, and incentives for customer referrals
"**vehicle intelligence**"	the adoption of smart vehicle features to meet the need of shared mobility and to provide improved ride experience to users and higher efficiency to drivers

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, or future events or performance (often, but not always, through the use of words or phrases such as "will," "expect," "anticipate," "estimate," "believe," "going forward," "ought to," "may," "seek," "should," "intend," "plan," "projection," "could," "vision," "goals," "aim," "aspire," "objective," "target," "schedules," and "outlook") are not historical facts, are forward-looking, and may involve estimates and assumptions and are subject to risks (including, but not limited to, the risk factors detailed in this document), uncertainties, and other factors some of which are beyond our Company's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties, and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our goals and strategies;
- our future business development, financial condition, and results of operations;
- expected changes in our revenues, expenses, or expenditures;
- the expected growth of the shared mobility market in China;
- our expectations regarding demand for and market acceptance of our services;
- our expectations regarding our relationship with drivers and passengers on our platform;
- competition in our industry;
- general economic and business conditions in China and elsewhere;
- government policies and regulations relating to our industry;
- the outcome of any current and future legal or administrative proceedings; and
- all other risks and uncertainties described in "Risk Factors."

FORWARD-LOOKING STATEMENTS

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution [**REDACTED**] against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

An [**REDACTED**] *in our Shares involves significant risks. You should carefully consider all of the information in this* [**REDACTED**]*, including the risks and uncertainties described below, before making an* [**REDACTED**] *in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could materially and adversely affect our business, financial condition, and results of operations. The* [**REDACTED**] *of our Shares could significantly decrease due to any of these risks, and you may lose all or part of your* [**REDACTED**].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Any decline in the number of drivers or passengers using our platform would reduce the value of our network and would harm our future results of operations.

Our success in a given geographic market is affected by our ability to maintain or increase the scale of our network in that geographic market by attracting and retaining passengers and drivers on our platform and by keeping them engaged on our platform. If users choose to use other mobility services, we may not generate sufficient opportunities for drivers to earn competitive income, which may reduce the perceived utility of our platform. An insufficient supply of users would decrease our network activity and adversely affect our revenues and results of operations. If our service quality diminishes or our competitors' services and products achieve greater market adoption, we might lose users to our competitors, which may diminish our network effect. Similarly, we have experienced and expect to continue to experience driver supply constraints in certain geographic markets in which we operate. To the extent that we experience driver supply constraints in a given market, we may need to increase or may not be able to reduce the driver incentives that we offer without adversely affecting our ability to promptly respond to user requests in that market. Any reduction in the number or availability of drivers would likely lead to a reduction in platform usage by users. Any decline in the number of drivers or passengers using our platform would reduce the value of our network and would harm our future results of operations.

We had substantial indebtedness and net current liabilities, total deficit, and negative operating cash flows during the Track Record Period. We cannot assure you that we will not experience substantial indebtedness and net current liabilities, total deficit and negative operating cash flows in the future, which may expose us to liquidity risk.

We maintained a substantial level of borrowings to finance our operations during the Track Record Period and will continue to have a substantial level of borrowings after the [**REDACTED**]. As of December 31, 2022, 2023 and 2024, our short-term debt and current portion of long-term debt amounted to RMB3.5 billion, RMB5.2 billion, and RMB5.7 billion, and our non-current portion of long-term debt amounted to RMB2.1 billion, RMB2.4 billion, and RMB1.5 billion. For details, see "Financial Information—Our Financial Position—Summary of Our Debt." We may from time to time in the future issue new ABSs and ABNs and obtain bank borrowings to support our business operation. Our indebtedness could adversely affect us by increasing our vulnerability to adverse developments in general economic or industry conditions, such as significant increases in interest rates, and limiting our flexibility in the planning for, or reacting to, changes in our business or industry.

We had net current liabilities of RMB4.4 billion, RMB5.2 billion, and RMB8.1 billion as of December 31, 2022, 2023 and 2024, respectively. We had total deficit of RMB5.3 billion, RMB6.4 billion, and RMB7.2 billion as of December 31, 2022, 2023 and 2024, respectively. We had negative operating cash flows of RMB1.1 billion in 2022, although we had positive operating cash flows of RMB136.4 million and RMB235.9 million in 2023 and 2024. We may experience net current liabilities, total deficit, and negative operating cash flows in the future, any of which may expose us to the risk of shortfalls in liquidity. In addition, during the Track Record Period, deposits from drivers equaled a relatively significant percentage of our cash and cash equivalents, and these deposits may be withdrawn by drivers, causing further pressure on our liquidity. Pressures on our liquidity may require us to seek additional financing from [**REDACTED**] and issuing our Shares, or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. Any difficulty or failure to meet our liquidity needs as and when needed may have a material adverse effect on our business, financial condition, results of operation, and prospects.

If we are unable to effectively deploy purpose-built vehicles and upgrade our auto solutions, we may be less able to attract and retain passengers and drivers.

We rely on the deployment of our purpose-built vehicles and the support of our auto solutions, including infrastructure that we facilitated through Geely Group, to provide users with consistently high-quality and intelligent ride experience, and provide drivers with optimized economics and operating experience. Our purpose-built vehicles and auto solutions, however, may not be appreciated by stakeholders in the market as an upgrade to other shared mobility service providers, and our offerings may not achieve broad market acceptance, or at all. For example, users may prefer our competitors' platforms for a variety of reasons including the size of their driver base, the average wait time for orders, the price of fares taking into account user incentives, and features of their apps and online platforms. Similarly, drivers may prefer our competitors' platforms for a variety of reasons, including the size of their user base

in different regions, expected income taking into account driver incentives, and features of their apps and online platforms. As we continue to grow our business, we will face challenges in managing our purpose-built vehicles and auto solutions at scale. If our purpose-built vehicles and auto solutions do not appeal to drivers or passengers, we may be less able to attract and retain drivers and passengers, which could materially and adversely affect our business and growth prospect.

The shared mobility industry is highly competitive, and we may be unable to compete effectively.

Our industry is highly competitive. We face significant competition from existing, well-established, and low-cost alternatives, and in the future we expect to face competition from new market entrants. In addition, within each of the markets where we offer our services, the cost to switch between service providers is low. Users have a propensity to shift to low-cost or high-quality provider, and drivers have a propensity to shift to the platform with high earnings potential. As we and our competitors introduce new products and services, and as existing services and products evolve, we expect to become subject to additional competition. In addition, our competitors may adopt features of our offerings, which would reduce our ability to differentiate our offerings from those of our competitors, or they may adopt innovations that drivers and passengers value more highly than ours, which would render our offerings less attractive.

The markets in which we compete have attracted significant investments from a wide range of funding sources. Some of our competitors are subsidiaries or affiliates of large global companies that may subsidize their losses or provide them with additional resources to compete with us. As a result, many of our competitors are well capitalized and have the resources to offer discounted services and driver and passenger incentives, as well as to develop innovative offerings and alternative pricing models that may be more attractive to users than those that we offer.

In addition, some of our current or potential competitors have, and may in the future continue to have, greater resources and access to larger driver and passenger bases in a particular geographic market. Furthermore, our competitors in certain geographic markets enjoy substantial competitive advantages such as greater brand recognition, longer operating histories, better localized knowledge, and more supportive regulatory regimes. As a result, such competitors may be able to respond more quickly and effectively than us in such markets to new or changing opportunities, technologies, user preferences, regulations, or standards, which may render our offerings less attractive.

For all of these reasons, we may not be able to compete successfully against our current and future competitors. Our inability to compete effectively would harm our business, financial condition, and operating results.

We are making investments in connection with our vehicles, including the development of our purpose-built vehicles and related vehicle intelligence technologies and the purchase of such vehicles for our own use, and we expect to continue such investments in the future. These investments are inherently risky, and we may not realize the expected benefits from them.

We have made investments in connection with our vehicles. We invested in the development of our purpose-built vehicles and related vehicle intelligence technologies, and we intend to continue such investment. We may also invest significant resources to develop new offerings and technologies. The purpose-built vehicles that we have developed may be purchased for our own use or sold or leased to other parties. If the purpose-built vehicles and related vehicle intelligence technologies or other new offerings and technologies do not deliver anticipated commercial return, or if we do not spend our development budget efficiently on commercially successful and innovative technologies, we may not realize the expected benefits of our strategy.

We have spent significantly on the purchase of purpose-built vehicles for our own use, and expect such spending to continue in the future. However, we may not realize the expected benefit from the purchase of our purpose-built vehicles. If we are unable to attract sufficient users to use our mobility service, the purpose-built vehicles that we have purchased may not be utilized frequently enough to generate sufficient returns over time. While we own a large number of vehicles, some of them have been idle and we store them in leased warehouses. If we are unable to effectively manage our vehicle idle rate, we may incur additional expenses to accommodate idle vehicles.

We have established dedicated channels for the sale and leasing of our purpose-built vehicles. However, we cannot assure you that demand for our purpose-built vehicles and related vehicle intelligence technologies will be sustained at the levels that we anticipate, or that the vehicles and technologies will gain sufficient traction or market acceptance to generate sufficient revenues to offset any new expenses or liabilities associated with these investments. It is also possible that vehicles and technologies developed by others will render our vehicles and technologies non-competitive.

Furthermore, our development efforts with respect to purpose-built vehicles, vehicle intelligence technologies, and other new offerings and technologies could distract management from current operations, and will divert capital and other resources from our more established offerings. If we do not realize the expected benefits of our investments, our business, financial condition, results of operations, and prospects may be harmed.

If we or drivers or vehicles on our platform fail to obtain and maintain the required licenses or permits, our business, financial condition, and results of operations may be materially and adversely impacted.

The online ride hailing industry is highly regulated in China. The existing regulations and rules applicable to the industry are constantly evolving, and uncertainties exist with respect to their interpretation and implementation on a case-by-case basis. As an online ride hailing platform, we are required to obtain Platform Permits in the cities where we operate. In addition, Transportation Permits and Online Ride Hailing Driver's Licenses are required for vehicles and drivers on our platform, respectively, subject to satisfaction of certain conditions. See "Regulations—Regulations on Online Ride Hailing Services."

As of the Latest Practicable Date, we obtained the Platform Permits in all the cities where we have operations. However, some of the vehicles and drivers that provide services on our platform have not fully complied with the requirements for obtaining Transportation Permits and Online Ride Hailing Driver's Licenses. For a detailed discussion of specific non-compliance data, reasons for the non-compliance, implications of the non-compliance including our PRC Legal Advisor's view, and our remedial measures, see "Business—Legal Proceedings and Compliance—Compliance Matters—Transportation Permits and Online Ride Hailing Driver's Licenses."

Platforms like us could be subject to administrative penalties including orders of correction and fines, or potentially orders to suspend, terminate, or significantly reduce our operations, if vehicles or drivers providing online ride hailing services do not have the requisite licenses or permits. During 2022, 2023, and 2024, we were fined no more than 0.1% of our revenue for the respective period due to non-compliance. As of the Latest Practicable Date, a significant majority of these fines were fully settled. These fines did not have a material adverse impact on our financial conditions as a whole. Nevertheless, we may be subject to a variety of penalties if we or drivers or vehicles on our platform fail to obtain or maintain any required licenses or permits in a timely matter or at all. Any such penalties may disrupt our business operations and materially and adversely affect our business, financial condition, and results of operations.

In addition, we also provide offline taxi hailing under the brand of Limao Mobility and engage in other businesses such as vehicle sales and leasing. If we fail to obtain requisite licenses, permits and approvals for these activities, we could be subject to administrative penalties. Any such penalty may disrupt our business operations and materially and adversely affect our business, financial condition, and results of operations.

We rely on third-party aggregation platforms for a significant number of orders. If the market of aggregation platforms becomes more concentrated, we may have to accept unfavorable terms due to limited bargaining power.

We collaborate with various third-party aggregation platforms that facilitate user traffic to our platform. In recent years, competition between these aggregation platforms have allowed us to receive user facilitation services from these platforms at relatively low costs. As collaboration with aggregation platforms enables us to receive significant user traffic and scale up our operation, we have also benefited from economies of scale and experienced improved profitability. During the Track Record Period, an increasing number and percentage of our orders were generated through these aggregation platforms, and this trend may persist in the near future. In 2022, 2023, and 2024, orders attributable to aggregation platforms accounted for 49.9%, 73.2%, and 85.4% of our GTV and 51.4%, 74.1%, and 85.7% of our order volume, respectively. In 2024, the top three aggregation platforms that we worked with contributed 42.5%, 11.8%, and 10.4% of our GTV, respectively. We dynamically adjust the level of our cooperation with each aggregation platform based on the commercial terms offered by these platforms. However, the market of aggregation platforms may become more concentrated. If we can only choose from a small number of aggregation platforms that are able to provide the user facilitation services that we require, we may have to accept unfavorable terms due to limited bargaining power. If we are charged higher commission fees by aggregation platforms, our profit margin will be negatively affected. Furthermore, any disruption in our collaboration with third-party aggregation platforms may significantly reduce the number of orders that we can serve, and we cannot assure you that we would be able to find alternative aggregation platforms on terms that are acceptable to us on a timely basis, or at all.

If our collaboration with Geely Group is terminated or otherwise becomes limited, restricted, curtailed, less effective, or more expensive in any way, our business, financial condition, and results of operations may be adversely affected.

We closely collaborate with Geely Group in many aspects of our businesses. During the Track Record Period, we have procured vehicles, licensed trademarks, and received battery leasing services, technology services, vehicle insurance management services, and travel agency services from Geely Group, among others. We provided ride hailing services and sold batteries for vehicles under the CaoCao brand to Geely Group. We plan to continue engaging in various business transactions with Geely Group. For more details about our related party transactions during the Track Record Period, see note 34 to the Accountant's Report in Appendix I to this document. For more details about our future transactions with Geely Group, see "Connected Transactions."

In addition, during the Track Record Period, we received guarantees from Geely Group for our ABSs, ABNs, bank borrowings, and factoring borrowings, and borrowed directly from Geely Group. As of December 31 of 2022, 2023 and 2024, Geely Group provided guarantees for RMB5.3 billion, RMB7.2 billion, and RMB6.3 billion of our ABSs, ABNs, bank borrowings, and factoring borrowings. In relation to the guarantees, we paid Geely Group guarantee fees of RMB22.0 million, RMB34.9 million, and RMB36.7 million in 2022, 2023, and 2024.

We will continue to maintain a close business relationship with Geely Group. If Mr. Li ceases to maintain a controlling stake in us or Geely Group changes important elements of its strategic relationship with us, we may lose the benefits of collaborating with Geely Group. In addition, Geely Group may have economic or business interests or goals that are inconsistent with ours. If we fail to continue our cooperation with Geely Group, or if Geely Group determines to conduct its business in a way that is not aligned with our business interests, or to take other actions that are detrimental to our interests, we will need to enter into renegotiation with Geely Group relating to our partnership and to secure alternate and comparable business partners, which may be costly, time-consuming, and disruptive to our operations and financial performance, any of which could have a material adverse effect on our business, financial condition and results of operations and our ability to meet our financial obligations as well as the value of our Shares.

If we fail to ensure the safety of passengers and drivers, our business, financial condition, and results of operations could be materially and adversely affected.

We rely heavily on our ability to maintain a high level of safety of our services, as well as the public perception of the level of safety on our platform, to attract and retain passengers and drivers. Vehicles on our platform have encountered traffic accidents. In 2022, 2023, and 2024 the accident rate of our orders were 83, 45, and 37 accidents per million orders completed, respectively. In particular, accidents that resulted in injuries or fatalities accounted for 12.2%, 15.4%, and 14.8% of the total number of traffic accidents during the respective periods. We have been subject to lawsuits relating to traffic accidents. During the Track Record Period, we were held liable for RMB9.5 million, RMB8.4 million, and RMB33.7 million of monetary damage as a result of these lawsuits after accounting for insurance coverage. Although the rate of traffic accidents on our platform has been low, incidents still occur from time to time, and some of them are serious. Our driver screening procedures may fail, or the databases on which we rely to identify past problematic behavior may be incorrect or incomplete, or traffic accidents may be caused by drivers with no prior history of problematic behavior. Deaths or injuries may have an impact on public perception that is disproportionate to their statistical likelihood. Furthermore, public perception and regulatory scrutiny of the safety of ride hailing or other shared mobility services in general may be influenced by traffic accidents that occur on other platforms unrelated to ours, which may divert our management's time and attention from our business operations and adversely affect our reputation. In the event that we are not able to prevent or mitigate traffic accidents, our business, financial condition, and results of operations could be materially and adversely affected.

Our business is subject to a variety of laws, regulations, rules, policies, and other obligations regarding privacy, data protection, and cybersecurity. Any losses, unauthorized access, or releases of confidential information or personal information could subject us to significant reputational, financial, legal, and operational consequences.

We receive, transmit, and store a large volume of personally identifiable information and other data including automobile data on our platform. We are subject to numerous laws and regulations that address privacy, data protection, and the collection, storage, utilization, processing, transferring, provision, disclosure, and deletion of certain types of data. See "Regulations" for laws, rules, and regulations applicable to us, including the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) effective in June 2017, the PRC Data Security Law (《中華人民共和國數據安全法》) effective in September 2021, the Several Provisions on Safety Management of Automobile Data (Trial) (《汽車數據安全管理若干規定(試行)》) effective in October 2021, and the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) effective in November 2021. Interpretation, application, and enforcement of these laws, rules, and regulations evolve from time to time and their scope may continually change through new legislation, amendments to existing legislation, and changes in enforcement. We have incurred, and will continue to incur, significant expenses in an effort to comply with privacy, data protection, and cybersecurity standards and protocols imposed by laws, regulations, national and industry standards, or contractual obligations. Changes in existing laws or regulations or adoption of new laws and regulations relating to privacy, data protection, and cybersecurity, particularly any new or modified laws or regulations that require enhanced protection of certain types of data or new obligations with regard to data retention, protection, transfer, disclosure, or deletion, could greatly increase the cost to us of providing our service offerings or require significant changes to our operations.

Despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection, and cybersecurity, it is possible that our practices, offerings, or platform could fail to meet all of the requirements imposed on us by such laws, regulations, or obligations. Any failure on our part to comply with applicable laws or regulations or any other obligations relating to privacy, data protection, or cybersecurity, or any compromise of security that results in unauthorized access, use, or release of personally identifiable information or other data, or the perception or allegation that any of the foregoing types of failure or compromise has occurred, could damage our reputation, discourage new and existing drivers and passengers from using our platform, or result in investigations, fines, suspension of one or more of our apps, or other penalties by government authorities and private claims or litigation, any of which could materially and adversely affect our business, financial condition, and results of operations. Even if our practices are not subject to legal challenge, the perception of privacy concerns, whether or not valid, may harm our reputation and brand and adversely affect our business, financial condition, and results of operations.

In addition, pursuant to the Revised Measures for Cybersecurity Review (《網絡安全審查辦法》) effective on February 15, 2022, a critical information infrastructure operator purchasing network products and services, and platform operators carrying out data processing activities, which affect or may affect national security, must apply for cybersecurity review and that a platform operator with more than one million users' personal information aiming to [**REDACTED**] abroad must apply for cybersecurity review. As of the Latest Practicable Date, we have not been notified or identified as a critical information infrastructure operator by any domestic authority responsible for critical information infrastructure security protection. The Measures for the Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》) effective on September 1, 2022, provide detailed supporting regulations for data processors to comply with security assessment of providing overseas important data and personal information collected and generated in domestic operations. To ascertain whether we are required to initiate a submission for cybersecurity review in connection with the [**REDACTED**] under the Revised Measures for Cybersecurity Review, on December 19, 2022, we made a real-name telephone consultation with the China Cybersecurity Review Technology and Certification Center (網路安全審查技術與認證中心) (now known as China Cybersecurity Review, Certification, and Market Regulation Big Data Center), the authority responsible for accepting applications for cybersecurity review and conducting formality review under the guidance of the Cybersecurity Review Office of the CAC, and received feedback that the Revised Measures for Cybersecurity Review requires a company to initiate a submission for cybersecurity review if, among other factors, it aims to [**REDACTED**] abroad, and a proposed [**REDACTED**] in Hong Kong is not deemed as [**REDACTED**] abroad. Based on the foregoing consultation, our PRC Legal Advisor is of the view that we are not required to initiate a submission for cybersecurity review in connection with the [**REDACTED**] under the Revised Measures for Cybersecurity Review. Nevertheless, the Regulations on the Administration of Cyber Data Security, which came into effect on January 1, 2025, require data processors to, among others, apply for cybersecurity reviews in certain situations including conducting data processing activities that affects or may affect national security. However, the regulations do not specify what constitutes "affects or may affect national security." Given that the meaning of activities that "affect or may affect national security" under current PRC laws and regulations requires further clarification from the competent authorities, and the identification of "critical information infrastructure operators" and the scope of "network products and services" and "data processing activities that affect or may affect national security" are subject to further clarification and interpretation by the competent authorities, we cannot assure you that we will not be subject to the cybersecurity review or that new rules or regulations promulgated in the future will not impose additional compliance requirements on us.

Maintaining and enhancing our brand and reputation is critical to our business prospects. Failure to maintain our brand and reputation will cause our business to suffer.

Maintaining and enhancing our brand and reputation is critical to our ability to attract new users, drivers, and partners to our platform, to preserve and deepen the engagement of our existing users, drivers, and partners, and to mitigate legislative or regulatory scrutiny, litigation, government investigations, and adverse public sentiment. Negative publicity, whether or not justified, can spread rapidly through social media. To the extent that we are unable to respond timely and appropriately to negative publicity, our reputation and brand can be harmed.

Our brand and reputation might also be harmed by events that do not occur on our platform. For example, we may be associated with the actions of our drivers even at times when they are not performing services on our platform. If drivers on our platform are involved in accidents or other incidents or otherwise violate the law, we may receive unfavorable press coverage and our reputation and business may be harmed.

The successful maintenance of our brand will depend largely on maintaining a good reputation, minimizing the number of safety incidents, maintaining a high quality of service, and continuing our marketing and public relations efforts. Our brand promotion, reputation building, and media strategies have involved significant costs and may not be successful. If we fail to successfully maintain our brand in the current or future competitive environment, our brand and reputation would be further damaged and our business may suffer.

We have incurred significant losses since inception, and we may not achieve or maintain profitability.

We have incurred net losses for each fiscal year since our inception. We incurred operating loss of RMB1.9 billion, RMB1.6 billion, and RMB0.8 billion, and net losses of RMB2.0 billion, RMB2.0 billion, and RMB1.2 billion, in 2022, 2023, and 2024, respectively. We may not be able to achieve or maintain profitability in the future. Our ability to achieve profitability depends on, among others, our ability to manage our costs and expenses. We intend to control our costs and expenses but cannot assure you that we are able to achieve this goal. We may experience losses in the future due to our continued investments in purpose-built vehicles, passengers and drivers base, technology, talents and other initiatives. In addition, our ability to achieve and sustain profitability is affected by various factors, some of which are beyond our control, such as regulatory developments or competitive dynamics in the industry. Our expenses will likely increase in the future as we develop and launch new offerings and technologies, expand in existing and new markets, and continue to invest in our platform. These efforts may be more costly than we expect and may not result in increased revenues or growth in our business. Any failure to increase our revenues sufficiently to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive operating cash flow on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, financial condition, and results of operations could be adversely affected.

Non-compliance with or failure to respond to developments of the regulations or licensing regimes regarding the mobility service market may materially and adversely affect our business, financial condition, and results of operations.

The mobility service market is undergoing constant regulatory developments. The Interim Measures for the Management of Online Ride Hailing Operation and Service (《網絡預約出租汽車經營服務管理暫行辦法》) effective in November 2016 and last amended on November 30, 2022, regulate the ride hailing services and ensure the safety of passengers by establishing a regulatory system for the platforms, vehicles, and drivers engaged in ride hailing services. The Emergency Notice on Further Strengthening the Safety Management of the Online Ride

Hailing and Carpooling of Private Vehicles (《關於進一步加強網絡預約出租汽車和私人小客車合乘安全管理的緊急通知》) published in September 2018 requires enhanced background checks of drivers engaged in ride hailing and hitch of private vehicles, among others. Platforms are prohibited from allocating any orders to drivers who have not passed the background check. See "Regulations—Regulations on Online Ride Hailing Services." In addition, local authorities in China have promulgated rules to regulate and monitor platforms operating ride hailing services. See "Regulations—Regulations on Online Ride Hailing Services." As these regulations and rules may be constantly evolving and would be interpreted or implemented on an ad hoc basis depending on the facts and circumstances, we cannot assure you that we are always deemed in full compliance with these regulations and rules and we have been, and may continue to be, subject to claims, lawsuits, arbitrations, administrative actions, government investigations, and other legal and regulatory proceedings, which may in turn materially and adversely affect our business, financial condition, and results of operations.

An evolving market may also bring forth significant evolvements in the regulatory landscape. The level of regulatory scrutiny may increase on all mobility platforms, including ride hailing platforms. We cannot predict with certainty the interpretation or implementation of current laws and regulations or their future evolvement. We may fail to adapt to such evolvements timely and effectively, and we may incur significant compliance costs in this process. Any heightened regulatory scrutiny or action may impose conflicting obligations on us, which may impede our ability to continue our operations and, in turn, materially and adversely affect our business, financial condition, and results of operations.

Our limited operating history and our evolving business make it difficult to evaluate our future prospects and the risks and challenges that we may encounter.

We have offered ride hailing services since 2015, and our business has evolved. For example, we shifted our focus from high-end to affordable services in 2019 and started focusing on our purpose-built vehicles and auto solutions in 2021. We began deploying purpose-built vehicles for premier service in 2022 and purpose-built vehicles for express service in 2023. We launched our autonomous driving platform, CaoCao Smart Mobility, in February 2025. We regularly introduce new platform features, offerings, and services. Our limited operating history and evolving business make it difficult to evaluate our future prospects and the risks and challenges that we may encounter. These risks and challenges include our ability to:

- forecast our revenues and budget for and manage our expenses;
- attract new drivers and passengers and retain existing drivers and passengers in a cost-effective manner;

- comply with existing and new laws and regulations applicable to our business;
- anticipate and respond to macroeconomic changes and changes in the markets in which we operate;
- maintain and enhance the value of our reputation and brand;
- effectively manage our growth;
- successfully expand our geographic reach and overcome challenges particular to new geographical markets;
- hire, integrate, and retain talented people at all levels of our organization; and
- successfully develop new platform features, offerings, and services to enhance the experience of users.

If we fail to address the risks and difficulties that we face, our business, financial condition, and results of operations could be adversely affected. Further, because we have limited historical financial data and operate in a rapidly evolving market, any predictions about our future revenues and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. We have encountered in the past, and will continue to encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our business, financial condition, and results of operations could be adversely affected or materially differ from our expectations.

We may be required to defend or insure against product liability claims.

The automobile industry generally experiences significant product liability claims. Although we are not the manufacturer of our purpose-built vehicles, we may be subject to product liability claims as the seller of defective products. We face the risk of such claims in the event our purpose-built vehicles do not perform or are claimed to not have performed as expected, and our sales process contributed to or are claimed to have contributed to the performance issue. Our vehicles may be involved in accidents resulting in death or personal injury. Any product liability claim may subject us to lawsuits and substantial monetary damages, product recalls, or redesign efforts, and even a meritless claim may require us to defend it, all of which may generate negative publicity and be expensive and time-consuming.

We generally do not purchase third-party insurance to protect us against the risk of product liability claims. We have not experienced any successful product liability claims against us during the Track Record Period. In addition, if our sales process does not contribute to a vehicle's product defect which causes damage to others, we are entitled to claim the

manufacturer of the vehicle for any successful product liability claims related to the vehicle against us. Nonetheless, if our sales process contributed to a product defect which causes damage to others and the relevant product liability claim is successful, we will likely have to pay from our own funds rather than by insurance.

Illegal, improper, or otherwise inappropriate activity of drivers or passengers, whether or not occurring while utilizing our platform, could expose us to liability and harm our business, brand, financial condition, and results of operations.

Illegal, improper, or otherwise inappropriate activities by drivers or passengers, including the activities of individuals who may have previously engaged with our platform but are not then receiving or providing services offered through it, or individuals who are intentionally impersonating drivers or passengers of our platform, could adversely affect our brand, business, financial condition, and results of operations. These activities may include assault, abuse, theft, and other misconduct. While we have implemented various measures intended to anticipate, identify, and address the risk of these types of activities, these measures may not adequately address or prevent all illegal, improper, or otherwise inappropriate activity by these parties. Such conduct could expose us to liability or adversely affect our brand or reputation. At the same time, if the measures that we have taken to guard against these illegal, improper, or otherwise inappropriate activities are too restrictive and inadvertently prevent or discourage drivers or passengers from remaining engaged on our platform, or if we are unable to implement and communicate these measures fairly and transparently or are perceived to have failed to do so, the growth and retention of the number of drivers and passengers on our platform and their utilization of our platform could be adversely affected. Furthermore, any negative publicity relating to the foregoing, whether such incident occurred on our platform or on our competitors' platforms, could adversely affect our reputation and brand or public perception of ride hailing and other mobility services in general, which could adversely affect demand for platforms like ours, and potentially lead to increased regulatory or litigation exposure. Any of the foregoing risks could harm our business, financial condition, and results of operations.

If we fail to effectively manage our growth, our business, financial condition, and results of operations may be materially and adversely affected.

Since our inception, we have experienced rapid growth in our business, the number of drivers and passengers on our platform, and our geographic reach, and we expect to continue to experience growth in the future. This growth has placed, and may continue to place, significant demands on our management and our operational and financial infrastructure. Our ability to manage our growth effectively and to integrate new employees, technologies, and acquisitions into our existing business will require us to continue to expand our operating and financial infrastructure and to continue to retain, attract, train, motivate, and manage employees. Continued growth could strain our ability to develop and improve our operating, financial, and management controls, enhance our reporting systems and procedures, recruit, train, and retain highly skilled personnel and maintain user satisfaction. Additionally, if we do not effectively manage the growth of our business and operations, the quality of our offerings

could suffer, which could adversely affect our reputation and brand, business, financial condition, and results of operations. Our growth strategies may evolve and change from time to time. For instance, the autonomous driving industry is developing rapidly, and we intend to invest in autonomous driving technologies and the provision of robotaxi services to capitalize on the industry growth. However, investment in autonomous driving could be capital intensive in nature, while we have had recurring and increasing net current liabilities and total deficits during the Track Record Period. In particular, the growth rate of the robotaxi industry may be lower than we expected as a result of a number of factors beyond our control, including the technical challenges of developing sophisticated autonomous driving technologies that can be deployed for large-scale commercialization, and the availability of favorable government regulations and policies. We may also be less successful than other competitors engaged in the development of their robotaxi services. If our increased investments and expenditures in autonomous driving do not lead to the growth of our business as planned, our business, financial condition, and results of operations may be materially adversely affected.

To remain competitive in certain markets, we may continue to offer driver and passenger incentives, which may adversely affect our financial performance.

To remain competitive in certain markets and generate network scale and liquidity, we sometimes lower fares or service fees and offer significant driver and passenger incentives. We may engage in these practices to try to gain a leading position in a market or to try to protect a leading position against competitors. We may continue to offer these discounts and incentives on a large scale for an indefinite period of time if necessary. We cannot assure you that these practices would be successful in achieving their goals of attracting or maintaining the engagement of drivers and passengers, or that the positive impact of achieving those goals would outweigh the negative impact of these practices on our financial performance.

China has adopted new regulations governing the use of algorithms. If new or existing regulations restrict our ability to use algorithms in our business, our business, financial condition, results of operations, and prospects could be adversely affected.

We use algorithms in our operations. For example, we use algorithms to predict and identify fluctuations in supply and demand, such as during peak hours or between residential and commercial areas. In response to such fluctuations, our systems will dynamically adjust incentives and provide direct recommendations to drivers on our platform, leading drivers to move away from low-demand areas and toward high-demand areas. We also use algorithms and deep learning systems to match individual drivers and passengers efficiently, taking into account factors such as distance, wait times, and driver and passenger preferences. We rely on our matching algorithms to reduce pickup waiting times for users and idle driving times for drivers, with the goal of satisfying user demands and maximizing driver income. In addition, we have a technology and data advantage due to our large driver and passenger base, significant transaction volume, and fleet of purpose-built vehicles. This allows us to analyze data to power and improve our technology.

China has adopted new regulations governing the use of algorithms and algorithm-generated recommendation. The Anti-Monopoly Guidelines on Platform Economy effective on February 7, 2021, prohibit differentiated transaction prices or other transaction conditions without justifiable reasons, based on data analytics regarding users' paying capacity, consumption preference, and habits, among others. The Guidelines on Strengthening the Comprehensive Regulation of Algorithm for Internet Information Services issued on September 17, 2021, require competent regulatory authorities to monitor daily data use, application scenarios, and effects of algorithms, conduct security assessment of algorithms, establish an algorithm filing system, and promote classified security management of algorithms. The Provisions on the Administration of Algorithm Recommendation for Internet Information Services effective on March 1, 2022, require algorithmic recommendation service providers to fulfill their responsibilities for algorithm security, inform users in a conspicuous manner of their provision of algorithmic recommendation services, and publicize and regularly review the basic principles, purposes, and main operating mechanisms of algorithmic recommendation services in an appropriate manner. The Regulations on the Administration of Cyber Data Security, which took effect on January 1, 2025, stipulate that large network platform service providers are forbidden from using algorithms to give users unreasonable differential treatment, damaging their lawful rights and interests. See "Regulations—Regulations on Cybersecurity, Data Security, and Privacy Protection" and "Regulations—Regulations on Anti-Monopoly." The algorithms that we currently use adjust incentives to drivers based on objective information such as supply and demand in different areas across time, and does not adjust transaction prices to users based on their paying capacity or habits, which are prohibited by law. We have also conducted security assessment of our algorithms, completed relevant filings, publicly disclosed the basic principle, purposes, and main operating mechanisms of our algorithms, and provided users with convenient options to turn off algorithmic recommendation services within our apps. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we did not use any algorithmic recommendation technologies that are prohibited or restricted by law to provide internet information services, and have complied with relevant requirements on algorithmic recommendation management in all material respects. Nonetheless, if new or existing regulations restrict our ability to use algorithms in our business, we may be unable to leverage our competitive advantage to the same extent, and our business, financial condition, results of operations, and prospects could be adversely impacted.

If we fail to effectively manage our car partners or our relationship with car partners becomes disrupted, our business, financial condition, and results of operations may be materially and adversely impacted.

We collaborate with car partners which manage some of the drivers who provide service on our platform and usually independently hold vehicles. Our collaboration enables us to expand our geographical reach and enter new markets efficiently. However, we may not be able to effectively manage our car partners to ensure that their drivers provide service that meet our service standards. In addition, we may be unable to retain our car partners on satisfactory terms, or at all. If a significant number of our existing agreements with car partners are terminated early or are not renewed on satisfactory terms upon expiration, our results of

operation may deteriorate. If we cannot secure new car partners to replace those expired or terminated car partners and compensate for the loss of business, our results of operations could be materially and adversely affected.

Termination or deterioration of our partnerships may adversely affect our business.

We have established strategic cooperation relationships with certain business partners. For example, we have partnered with leading autonomous driving technology companies in the research and development of our autonomous driving capability. Furthermore, we collaborate with certain business partners to obtain information technology platform services, payment processing services, colocation services, and cloud communication services for our business. The contracts that we have entered into with these business partners are ordinary course of business contracts relating to the specific services that these partners provide to us. The duration of these contracts varies depending on the nature of the services. If we fail to maintain such relationships, or these business partners choose to terminate our relationships, we may need to source other alternative partners to provide such services, which may divert significant management attention from existing business operations. We may not be able to find alternative partners on favorable terms or at all, and our business may be adversely affected until we are able to find alternative partners.

We may not be able to secure additional financing on favorable terms, or at all, to meet our future capital needs.

Our ability to obtain additional capital in the future is subject to a number of uncertainties, including those relating to our future business development, financial condition, and results of operations, general market conditions for financing activities by companies in our industry, and macro-economic and other conditions regionally and globally. If we cannot obtain sufficient capital to meet our capital needs, we may not be able to execute our growth strategies, and our business, financial condition, results of operations, and prospects may be materially and adversely affected.

We may incur impairment losses in relation to prepayments, other receivables, and trade receivables.

Our prepayments, other receivables, and trade receivables primarily comprise (i) prepayments, primarily for insurance costs, (ii) other receivables, including deposits to trust institutions and rental and other deposits, and (iii) trade receivables, including outstanding amounts payable by aggregation platforms. As of December 31, 2024, we have prepayments, other receivables, and trade receivables of RMB309.2 million, RMB119.9 million, and RMB274.0 million, respectively. There is no guarantee that our suppliers will perform their obligations in a timely manner. If our suppliers fail to provide products and/or services in a timely manner or at all, we may be exposed to prepayment default and impairment loss risk in relation to the prepayment. This default and risk would in turn materially and adversely affect our business and financial position.

Changes in the carrying amount of convertible redeemable preferred shares issued to investors may affect our financial condition and results of operations.

We have issued convertible redeemable preferred shares to Series B investors, which were recognized as financial liabilities at fair value through profit or loss. In 2022, 2023, and 2024, we recorded losses of RMB14.1 million, RMB69.1 million, and RMB88.7 million from the changes in the carrying amount of the financial liabilities at fair value through profit or loss. We expect that the continual fluctuations in the carrying amount of our convertible redeemable preferred shares to affect our financial position until the [**REDACTED**], when the preferred shares will be re-classified from financial liabilities to equity as a result of the automatic conversion into ordinary shares.

Our company culture has contributed to our success and if we cannot maintain this culture as we grow, our business could be harmed.

We believe that our company culture has been critical to our success. We face a number of challenges that may affect our ability to sustain our corporate culture, including:

- failure to identify, attract, reward, and retain people in leadership positions in our organization who share and further our culture and values;
- the increasing size and geographic diversity of our workforce as we expand into new cities;
- competitive pressures to move in directions that may divert us from our vision and values;
- the increasing need to develop expertise in new areas of business that affect us;
- negative perception of our treatment of employees or our response to employee sentiment or actions of management; and
- the integration of new personnel and businesses from acquisitions.

If we are not able to maintain our culture, our business, financial condition, and results of operations could be materially and adversely affected.

Our business depends on retaining and attracting high-quality personnel, and failure to retain, attract, or maintain such personnel could adversely affect our business.

Our success depends in large part on our ability to attract and retain high-quality management, operations, engineering, and other personnel. These personnel are in high demand, are often subject to competing employment offers, and are attractive recruiting targets for our competitors. The loss of qualified executives and employees, or an inability to attract, retain, and motivate high-quality executives and employees required for the planned expansion

of our business, may harm our results of operations and impair our ability to grow. To attract and retain key personnel, we use equity incentives, among other measures. These measures may not be sufficient to attract and retain the personnel we require to operate our business effectively. If we are unable to attract and retain high-quality management and operating personnel, our business, financial condition, and results of operations could be adversely affected.

If we are unable to protect our intellectual property, or if third parties are successful in claiming that we are misappropriating the intellectual property of others, we may incur significant expense and our business may be adversely affected.

Our intellectual property includes the content of our websites, apps, registered domain names, software code, firmware, hardware and hardware designs, trademarks, copyrights, trade secrets, inventions (whether or not patentable), patents, and patent applications. We believe that our intellectual property is essential to our business and affords us a competitive advantage in the markets in which we operate. If we do not adequately protect our intellectual property, our brand and reputation may be harmed, drivers and passengers could devalue our service and product offerings, and our ability to compete effectively may be impaired.

To protect our intellectual property, we rely on a combination of copyright, trademark, patent, and trade secret laws, contractual provisions, end-user policies, and disclosure restrictions. Upon discovery of potential infringement of our intellectual property, we promptly take action to protect our rights as appropriate. We also enter into confidentiality agreements and invention assignment agreements with our employees and consultants and seek to control access to, and distribution of, our proprietary information in a commercially prudent manner. The efforts that we have taken to protect our intellectual property may not be sufficient or effective. In addition, it may be possible for other parties to copy or reverse-engineer our service and product offerings or obtain and use the content of our website without authorization. Furthermore, we may be unable to detect infringement of our intellectual property rights, and even if we detect such violations and decide to enforce our intellectual property rights, we may not be successful, and may incur significant expenses, in such efforts. Any failure to protect or any loss of our intellectual property may have an adverse effect on our ability to compete and may adversely affect our business, financial condition, and results of operations.

In addition, we cannot be certain that our operations or any other aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights, or other intellectual property rights held by third parties. We have been, and from time to time in the future may be, subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be other third-party intellectual property that is infringed by our services or other aspects of our business. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against these claims and proceedings is costly and time consuming and may divert management's time and other

resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine, or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, financial condition, and results of operations could be materially and adversely affected.

The successful operation of our business depends upon the performance and reliability of internet, mobile, and other infrastructures that are not under our control.

Our business depends on the performance and reliability of internet, mobile, and other infrastructures that are not under our control. Disruptions in internet infrastructure or GPS signals or the failure of telecommunications network operators, cloud service providers, and other third-party providers of network services that provide us with the bandwidth needed to provide our service and product offerings could interfere with the performance and availability of our platform. If our platform is unavailable when users attempt to access it, or if our platform does not load as quickly as users expect, users may not return to our platform as often in the future, or at all. In addition, we have no control over the costs of the services provided by national telecommunications operators. If mobile internet access fees or other charges to internet users increase, user traffic may decrease, which may in turn cause our revenues to significantly decrease.

Almost all access to the internet in China is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology. We primarily rely on a limited number of telecommunication service providers to provide us with data communications capacity through local telecommunications lines and internet data centers to host our servers. We have limited access to alternative networks or services in the event of disruptions, failures, or other problems with China's internet infrastructure or the fixed telecommunications networks provided by telecommunication service providers. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our platform. If the relevant telecommunication service providers cease to provide us with telecommunication networks or services, or do not allow us to continue to use the internet infrastructure and the fixed telecommunications networks in places where we have operations, our demands associated with the continued growth in internet usage will not be met.

Our business also depends on the efficient and uninterrupted operation of mobile communications systems. The occurrence of power outages, telecommunications delays or failures, security breaches, or computer viruses could result in delays or interruptions to our products, offerings, and platform, as well as business interruptions for us, our users, and our drivers. Any of these events could damage our reputation, significantly disrupt our operations, and subject us to liability, which could adversely affect our business, financial condition, and results of operations.

We rely on third parties maintaining open marketplaces to distribute our apps and to provide the software that we use in certain of our service and product offerings. If such third parties interfere with the distribution of our service and product offerings or with our use of such software, our business would be adversely affected.

Our platform relies on third parties maintaining open marketplaces, including the Apple App Store and other marketplaces on Android, which make applications available for download. We cannot assure you that such marketplaces will not charge us fees to list our applications for download. We rely upon certain third parties to provide software for our service and product offerings. We do not control all mapping functions employed by our platform or drivers using our platform, and it is possible that such mapping functions may not be reliable. If such third parties cease to provide access to the third-party software that we and drivers use, do not provide access to such software on terms that we believe to be attractive or reasonable, or do not provide us with the most current version of such software, we may be required to seek comparable software from other sources, which may be more expensive or inferior, or may not be available at all, any of which would adversely affect our business.

Our business depends upon the interoperability of our platform across devices, operating systems, and third-party applications that we do not control.

One of the most important features of our platform is its broad interoperability with a range of devices, operating systems, and third-party applications. Our platform is accessible from the web and from devices running various operating systems such as iOS and Android. We depend on the accessibility of our platform across these third-party operating systems and applications that we do not control. Moreover, third-party services and products are constantly evolving, and we may not be able to modify our platform to assure its compatibility with that of other third parties following development changes. The loss of interoperability, whether due to actions of third parties or otherwise, could adversely affect our business.

Increases in energy and other costs could adversely affect our business and results of operations.

Factors such as inflation, increased energy prices, and increased vehicle purchase, rental, or maintenance costs may increase the costs incurred by drivers when providing services on our platform. Many of the factors affecting driver costs are beyond their control. In many cases, these increased costs may cause drivers to spend less time providing services on our platform or to seek alternative sources of income. A decreased number of drivers on our platform would decrease our network liquidity, which could harm our business and results of operations.

Computer malware, viruses, spamming, and phishing attacks could harm our reputation, business, and results of operations.

We rely heavily on information technology systems across our operations. Our information technology systems, including mobile and online platforms, mobile payment systems and administrative functions, and the information technology systems of our third-party business partners and service providers contain proprietary or confidential information related to business and sensitive personal data, including personally identifiable information, entrusted to us by drivers, users, businesses, employees, and job candidates. Computer malware, viruses, spamming, and phishing attacks have become more prevalent in our industry, have occurred on our systems in the past, and may occur on our systems in the future. Various other factors may also cause system failures, including power outages, catastrophic events, inadequate or ineffective redundancy, issues with upgrading or creating new systems or platforms, flaws in third-party software or services, errors by our employees or third-party service providers, or breaches in the security of these systems or platforms. If we cannot resolve these issues in an effective manner, they could adversely impact our business and results of operations. Because of our prominence, the number of platform users, and the types and volume of personal data on our systems, we may be a particularly attractive target for such attacks. Although we have developed systems and processes that are designed to protect our data and that of platform users, and to prevent data loss, undesirable activities on our platform, and security breaches, we cannot assure you that such measures will provide absolute security. Our efforts on this front may be unsuccessful as a result of, for example, software bugs or other technical malfunctions, employee, contractor, or vendor error or malfeasance, or the appearance of new threats that we did not anticipate or guard against, and we may incur significant costs in protecting against or remediating cyber-attacks. Any actual or perceived failure to maintain the performance, reliability, security, and availability of our products, offerings, and technical infrastructure to the satisfaction of platform users and government regulators would likely harm our reputation and result in loss of revenues from the adverse impact to our reputation and brand, disruption to our business, and our decreased ability to attract and retain drivers and passengers.

Any significant disruptions in services on our platform, including those caused by third parties, malfunctions of our technology systems, errors and quality issues in our software, hardware, and systems, or human errors in operating these systems could materially and adversely affect our business, financial condition, and results of operations.

Our business depends on the ability of our information technology systems to process information and transactions in a consistently stable and timely manner. The satisfactory performance, reliability, and availability of our technology and underlying network infrastructure are critical to our operations, service quality, reputation, and ability to retain and attract users. We cannot assure you that access to our platform will be uninterrupted, error-free, or secure at all time. In addition, we use third-party services, such as cloud services, in connection with our business. We are therefore vulnerable to service interruptions experienced by third-party service providers. In the event of a partial or complete failure of any of our computer systems, including as a result of service interruptions experienced by our third-party service providers, our business activities would be materially disrupted. In addition, a prolonged failure of our information technology system could damage our reputation and materially and adversely affect our prospects and profitability.

We and our third-party service providers may experience system failures and other events or conditions from time to time that interrupt the availability or reduce or affect the speed or functionality of our offerings. These events may result in losses of revenue. A prolonged interruption in the availability or reduction in the availability, speed, or other functionality of our services could adversely affect our business and reputation and could result in the loss of users. Also, our and our third-party service providers' software and hardware systems may contain undetected errors that could materially and adversely affect our business, particularly where such errors are not timely detected and remedied. In addition, our platform and services use complex software, and may have coding defects or errors that may impair our users' ability to use our platform and services. The models and algorithms that we use for our platform and services also may contain design or performance defects that are not detectable even after extensive internal testing. We cannot assure you that we would be able to detect and resolve all such defects and issues through our quality control measures.

Any errors, defects, and disruptions in services, or other performance problems with our platform and services could hurt our reputation, affect user experience or cause economic loss or other types of damage to our users. Software and system errors or human errors could delay or inhibit order dispatching, matching of users, route calculation, settlement of payments, and reporting of errors, or prevent us from collecting service fees or providing services. Such issues could result in liabilities and losses, which could materially and adversely affect our business, financial condition, and results of operations. In addition, if we fail to adopt new technologies or adapt our apps, websites, and systems to changing user preferences or emerging industry standards, our business and prospects may be materially and adversely affected.

Our use of third-party open source software could adversely affect our ability to offer our service and product offerings and subjects us to possible litigation.

We use third-party open source software in connection with the development of our platform. From time to time, companies that use third-party open source software have faced claims challenging the use of such open source software and their compliance with the terms of the applicable open source license. We may be subject to suits by parties claiming ownership of what we believe to be open source software, or claiming non-compliance with the applicable open source licensing terms. While we employ practices designed to monitor our compliance with the licenses of third-party open source software and protect our valuable proprietary source code, we may inadvertently use third-party open source software in a manner that exposes us to claims of non-compliance with the applicable terms of such license, including claims for infringement of intellectual property rights or for breach of contract. In addition, there are more and more types of open-source software license, almost none of which have been tested in a court of law, resulting in a dearth of guidance regarding the proper legal interpretation of such licenses. If we were to receive a claim of non-compliance with the terms of any of our open source licenses, we may be required to publicly release certain portions of our proprietary source code or expend substantial time and resources to re-engineer some or all of our software.

Furthermore, the use of third-party open source software typically exposes us to greater risks than the use of third-party commercial software because open-source licensors generally do not provide warranties or controls on the functionality or origin of the software. Use of open source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to compromise our platform. Additionally, because any software source code that we contribute to open source projects becomes publicly available, our ability to protect our intellectual property rights in such software source code may be limited or lost entirely, and we would be unable to prevent our competitors or others from using such contributed software source code. Any of the foregoing could be harmful to our business, financial condition, and results of operations and could help our competitors develop service and product offerings that are similar to or better than ours.

Failure to be in full compliance with PRC laws and regulation relating to social insurance may subject us to penalties.

PRC laws and regulations require us to pay statutory social welfare benefits for our employees, including social insurance premium. During the Track Record Period, we did not make adequate contributions to the social insurance plan for our employees as required under applicable PRC law. As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, if we fail to make the full contribution of social insurance premiums as required, the local social insurance agencies may require us to pay the outstanding amount within a prescribed period and may impose a late payment fee equivalent to 0.05% of the overdue payment per day from the date on which the payment is payable. If such payment is not made within the prescribed period, the competent authority may further impose a fine from one to three times the amount of the overdue payment. For details, see " Business—Legal Proceedings and Compliance—Compliance Matters—Social Insurance." Although we did not receive any fines or penalties or order of correction from competent authorities as a result of our inadequate contribution to our employees' social insurance plan during the Track Record Period, if the relevant local authorities require us to pay the outstanding amount and impose late fees or fines on us, our business, financial condition, and results of operations could be adversely affected.

Certain issues relating to certain properties we lease may disrupt our occupancy and continued use of those properties.

We leased 37 properties for our business operations as of the Latest Practicable Date, all of which are used as office space for our business operations. For some of these leased properties, the landlords have not provided us with valid title certificates or authorization documents evidencing their rights to lease the properties to us, primarily due to the difficulty of getting in touch with and securing the cooperation of the properties' title holders. For details, see "Business—Properties." We cannot assure you that these landlords have the right to lease the properties to us. As advised by our PRC Legal Advisor, we may not be able to continue using these properties. If ownership of the properties that we have leased is disputed or the validity of the leases is challenged by third parties, we may not be able to continue to use these properties and have to relocate to other places, which could result in additional costs.

In addition, pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branches of the Ministry of Housing and Urban Development. As of the Latest Practicable Date, we did not complete lease registration or lease registration modification of the properties that we leased in China. Our PRC Legal Advisor has advised us that the lack of registration for the leases will not affect their validity under PRC law, and has also advised us that a maximum penalty of RMB10,000 may be imposed for each incident of non-compliance of lease registration requirements. In the event that any fine is imposed on us for our failure to register our leases, we may not be able to recover such losses from the lessors.

Our business and results of operations are subject to seasonal fluctuations.

We have experienced, and expect to continue to experience, seasonality in our business. For example, we generally experience less user traffic during the Chinese New Year holidays in the first quarter of each year. We generally experience higher user traffic during July, August, November, and December, when the weather is typically the warmest or the coldest during the year. Other seasonal trends that affect us or China's mobility industries may develop, and current seasonal trends may become more extreme, all of which would contribute to fluctuations in our results of operations. As a result, historical patterns of our results of operations may not be indicative of our future performance, and period-to-period comparisons of our results of operations may not be meaningful, especially given our limited operating history. Our results of operations in future quarters or years may fluctuate and deviate from the expectations of securities analysts and [**REDACTED**], and any occurrence that disrupts our business during any particular quarters could have a disproportionately material adverse effect on our liquidity and results of operations.

Our business would be adversely affected if drivers were classified as employees, workers, or quasi-employees.

Consistent with the practice of other companies in the online ride hailing industry in China, we treat drivers on our platform as independent contractors rather than employees, and our terms of use with drivers reflect such understanding. The status of drivers as independent contractors has not been challenged by government authorities. However, we cannot assure you that the independent contractor status of our drivers will not be challenged by legislators, government authorities, or private parties in the future. We may be required under new regulations to treat drivers on our platform as employees, sign full-time employment contract with them, or afford them protections in our service agreement that are similar to protections for full-time employees. We may become involved in legal proceedings, including lawsuits, demands for arbitration, charges, and claims before administrative agencies, and investigations or audits by labor, social security, tax, or other authorities that seek to claim that drivers should be treated as our employees rather than independent contractors. We may not be successful in defending the classification of drivers. In addition, the costs associated with defending, settling, or resolving pending and future lawsuits (including demands for arbitration) or government investigations relating to the classification of drivers could be material to our business and, regardless of outcome, could adversely affect our reputation. Furthermore, even if we prevail under current law, the law may be changed in the future in ways that are unfavorable to us.

If we were required under laws, regulations, or judicial or government decisions to classify drivers as employees, we would be required to fundamentally change our business model, with repercussions that are difficult to anticipate. Currently we do not require platform drivers to use our platform exclusively and many platform drivers simultaneously use our competing platforms. The number of hours spent by each driver on our platform also varies by individuals. If we were required to treat platform drivers as our employees, we might choose to reduce the number of drivers on our platform and retain the drivers who earn income primarily from our platform. We would become subject to additional regulatory requirements, such as those relating to tax and minimum wage and overtime, those relating to employee benefits, social security, workers' compensation, and unemployment, and those relating to anti-discrimination, anti-harassment, and anti-retaliation, among others. Compliance with such laws and regulations would require us to incur significant additional expenses. The reclassification of drivers also could increase the rate of employment-related claims being brought against us in the future, subject us to vicarious liability for any misconduct of drivers, or reduce our attractiveness to drivers given the loss of flexibility under an employee model. The foregoing could materially and adversely affect our business and financial condition, significantly increase our operating costs, or even make our current business model no longer sustainable.

We rely on third parties for elements of the payment processing infrastructure underlying our platform. If these third-party elements become unavailable or unavailable on favorable terms, our business could be adversely affected.

The convenient payment mechanisms provided by our platform are key factors contributing to the development of our business. We rely on third parties for elements of our payment-processing infrastructure to collect payments from users and to remit payments to drivers using our platform, and these third parties may refuse to renew our agreements with them on commercially reasonable terms or at all. If these companies become unwilling or unable to provide these services to us on acceptable terms or at all, our business may be disrupted.

Adverse litigation judgments or settlements resulting from legal proceedings or investigations in which we may be involved could expose us to monetary damages or limit our ability to operate our business.

We have been, and may in the future become, involved in private actions, collective actions, investigations, and various other legal proceedings by drivers, users, employees, commercial partners, competitors, or government authorities, among others. We are subject to litigation relating to various matters. See "Business—Legal Proceedings And Compliance—Legal Proceedings" for more details. The results of any such litigation, investigations, and legal proceedings are inherently unpredictable, and defending against them is expensive. Any claims against us, whether meritorious or not, could be time consuming, costly, and harmful to our reputation, and could require significant amount of management time and corporate resources. If any of these legal proceedings were to be determined adversely to us, or we were to enter into a settlement arrangement, we could suffer monetary damages or be forced to change the way in which we operate our business, which could adversely affect our business, financial condition, and results of operations.

We have granted and may continue to grant options and other types of awards under our share incentive plan, which may result in increased share-based compensation expenses.

We believe that the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel. We adopted the Pre-[**REDACTED**] Share Incentive Plan in November 2022. The maximum aggregate number of Shares that may be issued under the Pre-[**REDACTED**] Share Incentive Plan is 55,555,600 Shares. As of the Latest Practicable Date, we granted options to 556 grantees whose options were outstanding, representing the rights to subscribe for 51,533,214 Shares. After the [**REDACTED**], no further awards (options or other types of awards) will be granted pursuant to the Pre-[**REDACTED**] Share Incentive Plan. The principal terms of the Pre-[**REDACTED**] Share Incentive Plan are set out in "Statutory and General Information—Pre-[**REDACTED**] Share Incentive Plan" in Appendix IV. As a result, our expenses associated with share-based compensation may increase substantially, which may adversely affect our results of operations.

Our business depends heavily on insurance coverage for drivers and on other types of insurance for additional risks relating to our business.

We purchase automobile insurance for all of our owned vehicles and require drivers who use their vehicles to carry automobile insurance as well. If insurance carriers change the terms of their policies in a manner not favorable to us or the drivers, our or the drivers' insurance costs could increase. If the insurance coverage that we maintain is not adequate to cover losses that occur, we could be liable for significant additional costs.

We may be subject to claims of significant liability based on traffic accidents, injuries, or other incidents that are alleged to have been caused by drivers on our platform. Our insurance policies may not cover all potential claims relating to traffic accidents, injuries, or other incidents that are claimed to have been caused by drivers who use our platform, and may not be adequate to indemnify us for all liability that we could face. Even if these claims do not result in liability, we could incur significant costs in investigating and defending against them. If we are subject to claims of liability relating to the acts of drivers or others using our platform, we may be subject to negative publicity and incur additional expenses, which could harm our business, financial condition, and results of operations.

In addition, we are subject to local laws, regulations, and rules relating to insurance coverage. Any failure, or perceived failure, by us to comply with local laws, regulations, and rules or contractual obligations relating to insurance coverage could result in proceedings or actions against us. These lawsuits, proceedings, or actions may subject us to significant penalties and negative publicity, require us to increase our insurance coverage, increase our costs, and disrupt our business.

Misconduct and errors by our employees could harm our business and reputation.

We operate in an industry in which integrity and the confidence of our passengers and drivers are of critical importance. We are subject to the risk of errors, misconduct, and illegal activities by our employees. Errors, misconduct, and illegal activities by our employees, or even unsubstantiated allegations of them, could result in a material adverse effect on our reputation and our business. It is not always possible to identify and deter misconduct or errors by employees, and the precautions that we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. If any of our employees engages in illegal or suspicious activities or other misconduct, we could suffer economic losses and may be subject to regulatory sanctions and significant legal liability, and our ability to attract new passengers and drivers may be adversely affected as a result. If any sanction was imposed against an employee during his or her employment with us, even for matters unrelated to us, we may be subject to negative publicity, which could adversely affect our brand, public image, and reputation, and result in investigations or claims against us. We also could be perceived to have facilitated or participated in the illegal activities or misconduct, and therefore be subject to civil or criminal liability.

Our risk management and internal control systems may not be adequate or effective in all respects, which may materially and adversely affect our business, financial condition, and results of operations.

We seek to establish risk management and internal control systems consisting of policies and procedures that we consider appropriate for our business operations. See "Business—Risk Management and Internal Control." However, due to the inherent limitations in the design and implementation of risk management and internal control systems, we cannot assure you that our risk management and internal control systems will be able to identify, prevent, and manage all risks. Our internal control procedures are designed to monitor our operations and ensure their overall compliance. However, our internal control procedures may be unable to identify all non-compliance incidents in a timely manner, or at all. It is not always possible to timely detect and prevent fraud and other misconduct, and the precautions we take to prevent and detect such activities may not be effective.

Our risk management and internal controls also depend on the effective implementation by our employees. However, we cannot assure you that such implementation will not be subject to any human errors or mistakes, which may materially and adversely affect our business, financial condition, and results of operations. As we are likely to offer a broader and more diverse range of services in the future, the diversification of our services will require us to continue to enhance our risk management and internal control capabilities. If we fail to timely adapt our risk management and internal control policies and procedures to our changing business, our business, financial condition, and results of operations could be materially and adversely affected.

Our business could be adversely affected by natural disasters, public health crises, economic downturns, or other unexpected events.

A significant natural disaster, such as an earthquake, fire, hurricane, tornado, flood, or significant power outage, could disrupt our operations, mobile networks, the internet, or the operations of our third-party technology providers.

The COVID-19 pandemic materially and adversely affected the global economy. Our results of operations suffered as both the demand for mobility services and the supply of drivers on our platform were adversely affected in general.

Any other unforeseen public health crises economic downturns or other unexpected events could adversely affect our operations or the economies of the markets where we operate. The impact of any natural disaster or other disruption to us or our third-party providers' abilities could result in decreased demand for our offerings or a delay in the provision of our offerings, which could adversely affect our business, financial condition, and results of operations. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate. Disruptions or downturns in global or national or local economic conditions may cause discretionary spending and demand for ride hailing and other mobility services to decline. An economic downturn resulting in a prolonged recessionary period would have a material adverse effect on our business, financial condition, and results of operations.

The current tensions in international trade and rising political tensions, particularly between the United States and China, may adversely affect our business, financial condition, and results of operations.

Political tensions between the United States and China have escalated due to, among other things, trade disputes, tensions over Taiwan, and various restrictions related to the Chinese semiconductor industry imposed by the U.S. government. For example, on April 2, 2025, President Trump announced that the United States would impose a 10% tariff on all countries, effective on April 5, 2025, and an individualized reciprocal higher tariff on countries with which the United States has the largest trade deficits. As of the Latest Practicable Date, the United States imposed a total tariff rate of 145% on goods imported from China, and China imposed a retaliatory 125% tariff on goods imported from the United States. These policies have adversely affected the global economy and financial markets, such as significant declines in the global stock markets. We believe that such tariffs have no material impact on our business operations, but as relevant policies are rapidly evolving, it may be difficult to evaluate their potential future impacts. Geopolitical conflicts like this may also lead to volatility in the financial markets and declines in the trading price of our Shares.

Rising political tensions could reduce levels of trades, investments, technological exchanges, and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on our business, prospects, financial condition, and results of operations.

In addition, the United States has threatened to impose further export controls, sanctions, trade embargos, and other heightened regulatory requirements on China and Chinese companies for alleged activities both inside and outside of China. These have raised concerns that there may be increasingly regulatory challenges or enhanced restrictions against China or Chinese technology companies, in a wide range of areas such as applications that could be deployed for surveillance or military purposes. If we, our business partners or other parties that have collaborative relationships with us or our affiliates become targeted under sanctions or export control restrictions, we may experience significant business interruptions, regulatory investigations, or reputational harms. On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Final Rule, to implement the executive order of August 9, 2023 which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau), collectively defined as "Covered Foreign Persons," that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "covered transactions." We believe we are not a "Covered Foreign Person" as defined in the Final Rule. However, if we were to be deemed a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations, our ability to raise capital would be significantly and negatively affected.

A severe or prolonged downturn in the Chinese or global economy could materially and adversely affect our business and financial condition.

COVID-19 had a severe and negative impact on the Chinese and the global economy from 2020 through 2022, and the global macroeconomic environment still faces numerous challenges. The growth rate of the Chinese economy has been slowing since 2010 and the Chinese population began to decline in 2022. The Federal Reserve and other central banks outside of China have raised interest rates. The Russia-Ukraine conflict, the Hamas-Israel conflict, and the attacks on shipping in the Red Sea have heightened geopolitical tensions across the world. The impact of the Russia-Ukraine conflict on Ukraine food exports has contributed to increases in food prices and thus to inflation more generally. There have been concerns about the relationship between China and other countries, which may potentially have economic effects. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, financial condition, and results of operations.

RISKS RELATING TO OUR CORPORATE STRUCTURE

If the PRC government finds that the agreements that establish the structure for operating certain of our operations in China do not comply with PRC laws and regulations relating to the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or the nullification of the Contractual Arrangements or be forced to relinquish our interests in those operations.

Foreign ownership of certain businesses is prohibited or subject to restrictions under current PRC laws and regulations. Specifically, foreign investors are restricted to conduct value-added telecommunications services (except for electronic commerce, domestic multi-party communication, store-and-forward, and call center). In addition, certain of our subsidiaries hold vehicles for the provision of online ride hailing business and are required to collect and transmit information of drivers, vehicles, and data in relation to, among others, orders, operations, and service quality to the Online Ride Hailing Supervision Information Exchange Platform (網約車監管信息交互平台). Under the privacy and data security regulations, we are required to maintain cybersecurity and prevent leakage of data, and the VIE Structure is crucial in achieving such purpose. We are a Cayman Islands exempted company. Suzhou Youxing is our PRC subsidiary, which we refer to as our WFOE in this document, and it is a wholly foreign-owned enterprise under PRC laws. To comply with PRC laws and regulations, we conduct our business in China mainly through Hangzhou Youxing and its subsidiaries, based on a series of contractual arrangements by and among, among others, our WFOE, Hangzhou Youxing, and its shareholders. For a description of these contractual arrangements, see "Contractual Arrangements." As a result of these contractual arrangements, we exert control over our Consolidated Affiliated Entities and consolidate their financial results in our financial statements under the IFRS.

In the opinion of King & Wood Mallesons, our PRC Legal Advisor, (i) each agreement under the Contractual Arrangements has been duly executed by each party; (ii) each agreement under the Contractual Arrangements would not fall within the circumstances that violate the mandatory provisions of the PRC Civil Code (《中華人民共和國民法典》), which would lead the Contractual Arrangements to be deemed invalid under the Civil Code; (iii) none of the Contractual Arrangements violates any provisions of the articles of association of WFOE or Hangzhou Youxing; and (iv) the execution and effectiveness of each agreement under the Contractual Arrangements are not subject to the approval of, registration with, or filing with any PRC government authority and are binding under PRC laws, except for the dispute resolution provisions of the Contractual Arrangements regarding the remedies that may be awarded by the arbitration tribunal and the power of overseas courts to grant interim remedies in support of the arbitration may not be recognized or enforced by PRC courts. However, we have been further advised by our PRC Legal Advisor that the interpretation and application of current or future PRC laws and regulations in relation to the Contractual Arrangements may be determined on a case by case basis depending on the facts and circumstances. If the PRC

competent authorities otherwise find that we are in violation of any existing or future PRC laws or regulations or lack the necessary permits or licenses to operate our business, the relevant government authorities would have broad discretion in dealing with such violation, including, without limitation:

- revoking the business licenses and/or operating licenses of such entities;
- imposing fines on us;
- confiscating any of our income that they deem to be obtained through illegal operations;
- terminating or placing restrictions or onerous conditions on our operations of our Consolidated Affiliated Entities;
- placing restrictions on our right to collect revenues;
- imposing additional conditions or requirements on our operations with which we may not be able to comply;
- requiring us to restructure our ownership structure or operations;
- shutting down our servers or blocking our apps and websites; and/or
- taking other actions against us that adversely affect our business.

Any of these events could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition, and results of operations. If occurrences of any of these events results in our inability to direct the activities of our Consolidated Affiliated Entities in China that most significantly impact its economic performance, and/or our failure to receive the economic benefits and residual returns from our Consolidated Affiliated Entities, and we are unable to restructure our ownership structure and operations in a satisfactory manner, we may not be able to consolidate the entity in our consolidated financial statements in accordance with the IFRS.

We rely on contractual arrangements with our Consolidated Affiliated Entities and their shareholders for our business operations, which may not be as effective as direct ownership in providing operational control.

We have relied and expect to continue to rely on contractual arrangements with Hangzhou Youxing, its subsidiaries, and its shareholders to operate our business in China. These contractual arrangements may not be as effective as direct ownership in providing us with control over our Consolidated Affiliated Entities. For example, our Consolidated Affiliated

Entities and their shareholders could breach their contractual arrangements with us by, among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests.

If we had direct ownership of Hangzhou Youxing in China, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of Hangzhou Youxing, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by Hangzhou Youxing and its shareholders of their obligations under the contracts to exercise control over Hangzhou Youxing. The shareholders of Hangzhou Youxing may not act in the best interests of our Company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate certain portion of our business through the contractual arrangements with Hangzhou Youxing. If any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and arbitration, litigation and other legal proceedings and we cannot assure you that such legal proceedings will always be recognized by the PRC courts. See "—Any failure by our Consolidated Affiliated Entities or the Registered Shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business." Therefore, our contractual arrangements with our Consolidated Affiliated Entities may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership would be.

Any failure by our Consolidated Affiliated Entities or the Registered Shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business.

If our Consolidated Affiliated Entities or the Registered Shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies, including seeking specific performance or injunctive relief, and contractual remedies, which we cannot assure you will be sufficient or effective under PRC law. For example, if the shareholders of our Consolidated Affiliated Entities were to refuse to transfer their equity interests in our Consolidated Affiliated Entities to us or our designee if we exercise the exclusive call option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

All the agreements under our contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. There are very few precedents and little formal guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. These uncertainties

could limit our ability to enforce these contractual arrangements. In addition, under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our Consolidated Affiliated Entities, and our ability to conduct our business may be negatively affected.

***Contractual arrangements in relation to our Consolidated Affiliated Entities may be subject to scrutiny by the PRC tax authorities and they may determine that we or our Consolidated Affiliated Entities owe additional taxes, which could negatively affect our financial condition and the value of your* [REDACTED].**

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. We could face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements in relation to our Consolidated Affiliated Entities were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust income of our Consolidated Affiliated Entities in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by our Consolidated Affiliated Entities for PRC tax purposes, which could in turn increase its tax liabilities without reducing our PRC subsidiary's tax expenses. In addition, the PRC tax authorities may impose late payment fees and other penalties on our Consolidated Affiliated Entities for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if our Consolidated Affiliated Entities' tax liabilities increase or if it is required to pay late payment fees and other penalties.

We may lose the ability to use and enjoy assets held by our Consolidated Affiliated Entities that are material to the operation of certain portion of our business if the entity goes bankrupt or becomes subject to a dissolution or liquidation proceeding.

As part of our contractual arrangements, our Consolidated Affiliated Entities hold or in the future may hold certain assets that are material to the operation of certain portion of our business, including permits, licenses of prohibited/restricted businesses in PRC, vehicles, domain names and most of our intellectual property rights. If our Consolidated Affiliated Entities become insolvent and all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition, and results of operations. Under the contractual arrangements, our Consolidated Affiliated Entities may not, in any manner, sell, transfer, mortgage or dispose of its assets or legal or beneficial interests in the business without our prior consent. If our Consolidated Affiliated Entities undergo a

voluntary or involuntary liquidation proceeding, the independent third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition, and results of operations.

Uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

On March 15, 2019, the National People's Congress approved the PRC Foreign Investment Law, which took effect on January 1, 2020. On December 26, 2019, the State Council issued the Implementation Regulations on the PRC Foreign Investment Law of the People's Republic of China, which took effect on January 1, 2020.

The Foreign Investment Law, together with the Implementation Regulations on the PRC Foreign Investment Law stipulates three forms of foreign investment, but does not explicitly stipulate whether contractual arrangements should be deemed as a form of foreign investment. In addition, the definition contains a catch-all provision which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council to provide for contractual arrangements as a form of foreign investment. In any of these cases, it will be uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment under the PRC laws and regulations. Furthermore, if future laws, administrative regulations or provisions prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. In the extreme case scenario, we may be required to unwind the Contractual Arrangements and/or dispose of Hangzhou Youxing, which could materially and adversely affect our current corporate structure, corporate governance and business operations.

We may rely on dividends paid by our WFOE to fund cash and financing requirements. Any limitation on the ability of our WFOE to pay dividends to us could have a material adverse effect on our ability to conduct our business and to pay dividends to holders of our Shares.

We are a holding company, and we may rely on dividends to be paid by our WFOE for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If our WFOE incurs debt on its own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, wholly foreign-owned enterprises in the PRC, such as our WFOE, may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its after-tax profits each year, after

making up previous years' accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. At the discretion of the board of directors of the wholly foreign-owned enterprise, it may allocate a portion of its after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends. Any limitation on the ability of our Consolidated Affiliated Entities to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

The shareholders of Hangzhou Youxing may have potential conflicts of interest with us.

The shareholders of Hangzhou Youxing may have actual or potential conflicts of interest with us. These shareholders may breach, or cause Hangzhou Youxing to breach, or refuse to renew, the Contractual Arrangements we have with them and Hangzhou Youxing, which would have a material and adverse effect on our ability to effectively control Hangzhou Youxing and receive economic benefits from them. For example, the shareholders may be able to cause our agreements with Hangzhou Youxing to be performed in a manner adverse to us by, among other things, failing to remit payments due under the Contractual Arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise any or all of these shareholders will act in the best interests of our Company or such conflicts will be resolved in our favor. If we cannot resolve any conflict of interest or dispute between us and such shareholders of Hangzhou Youxing should it arise, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings. These uncertainties may impede our ability to enforce the Contractual Arrangements with Hangzhou Youxing and their shareholders. If we are unable to resolve any such conflicts, or if we experience significant delays or other obstacles as a result of such conflicts, our business and operations could be severely disrupted, which could materially and adversely affect our results of operations and damage our reputation.

RISKS RELATING TO DOING BUSINESS IN CHINA

Changes in China's economic, political, or social conditions or government policies could have a material adverse effect on our business and operations.

All of our revenues are sourced from China. Accordingly, our results of operations, financial condition and prospects are influenced by economic, political and social developments in China. Similar to many other countries and regions, China regulates its economy through imposing and adjusting industrial, fiscal or monetary policies from time to time. The overall economic growth is influenced by the governmental regulations and policies in relation to resources allocation, monetary policies, regulations of financial services and institutions, preferential treatment to a particular industries or companies or others. Any adverse change in economic conditions in China, in the policies of the PRC government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such development could adversely affect our business and operating results,

lead to reduction in demand for services and adversely affect our competitive position. Our business has been and would continue to be affected by China's economy, which in turn is increasingly influenced by the global economy. The uncertainties in the global economy and the geo-political or social environment in various regions around the world would continue to influence China's economic growth and may cause uncertainties in our prospects. Future changes in economic, political, social, and regulatory conditions may continue to influence our business, financial condition, results of operations and prospects.

The PRC legal system is evolving, and failure to respond to such evolvement could affect us.

Our operations in China are governed by PRC laws and regulations. The PRC legal system is a civil law system based on statutes. Unlike the common law system, prior court decisions may be cited for reference but may have limited precedential value.

As the legislation in China and the PRC legal system has continued to evolve over the past few decades and the PRC government has made significant progress in promulgating laws and regulations related to economic affairs and matters, for example, such laws and regulations have significantly enhanced the protection afforded to various forms of foreign investments in China. However, many of these laws and regulations are relatively new, and we may need to take certain corresponding measures to maintain our regulatory compliance, such as adjusting the relevant business or transactions and introducing compliance experts and talents, which may incur additional related costs and adverse impact on our business. Any failure to respond to evolvement in the regulatory environment in China could materially affect our business and impede our ability to continue our operations.

Regulations on currency conversion and changes in the exchange rate between RMB and other currencies could negatively affect our financial condition, operations and our ability to pay dividends.

The conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. As we may convert our revenue in RMB into other currencies to meet our foreign currency obligations, such as payments of dividends on our Shares, there is no assurance that we will have sufficient foreign exchange to meet these requirements. Our PRC subsidiaries are subject to the PRC rules and regulations on currency conversion. In the PRC, SAFE regulates the conversion of RMB into foreign currencies. Foreign invested enterprises are required to apply for Foreign Exchange Registration Certificates.

Under relevant PRC foreign exchange laws and regulations, payment of current account items, including profit distributions and interest payment are permitted to be made in foreign currencies without prior government approval but are subject to certain procedural requirements. Approval from appropriate government authorities may be required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses in accordance with applicable PRC laws and regulations.

Certain PRC regulations establish procedural requirements for some acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) adopted by six PRC regulatory agencies in 2006 and amended in 2009, and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements. In addition, the Implementation of the Safety Review System for Merger and Acquisition of Domestic Enterprises by Foreign Investors issued by the Ministry of Commerce that took effect in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to review by the Ministry of Commerce, and the rules prohibit any activities attempting to bypass a security review. On December 19, 2020, the National Development and Reform Commission, or the NDRC and the Ministry of Commerce jointly promulgated the Measures on the Security Review of Foreign Investment, effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment. The Office of the Working Mechanism of the Security Review of Foreign Investment, or the Office of the Working Mechanism, will be established under the NDRC, who will lead the task together with the Ministry of Commerce. Foreign investor or relevant parties in China must declare the security review to the Office of the Working Mechanism prior to the investments in, among other industries, important cultural products and services, important information technology and internet products and services, important financial services, key technologies and other important fields relating to national security, and obtain control in the target enterprise. In addition, the PRC anti-monopoly enforcement agencies have in recent years strengthened enforcement under the PRC Anti-Monopoly Law (《中華人民共和國反壟斷法》). For example, on January 22, 2024, the State Council released the Provisions of the State Council on the Threshold for the Filing of Concentration of Undertakings, which provides that, if there is evidence indicating that the concentration of business operator has or may have an effect of excluding or limiting competition, the anti-monopoly authority may order the relevant operators to file for clearance, regardless of the threshold standard for the filing of concentration of undertakings. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the Ministry of Commerce or its local counterpart or anti-monopoly law enforcement agency may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We are subject to filing procedures of the CSRC, and may be subject to other requirements of the CSRC or other PRC government authorities, in connection with this* [REDACTED] *and our future capital raising activities.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**"), and the relevant five guidelines, which took effect on March 31, 2023. The Overseas Listing Trial Measures require PRC domestic enterprises that directly or indirectly [**REDACTED**] or [**REDACTED**] their securities in an overseas market to file with the CSRC within three business days after submitting their [**REDACTED**] application documents to the relevant regulator in the place of intended [**REDACTED**]. Failure to complete such filing may subject a PRC domestic enterprise to an order of rectification, a warning or a fine between RMB1 million and RMB10 million, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. Pursuant to these regulations, a domestic enterprise applying for [**REDACTED**] abroad shall, among others, complete record filing procedures and report relevant information to the securities regulatory authority as required. For details, see "Regulations—Regulations on Mergers and Acquisitions and Overseas Listings." Our PRC Legal Advisor has advised us that this [**REDACTED**] is considered as an indirect overseas securities [**REDACTED**] and [**REDACTED**] under the Overseas Listing Trial Measures, and we are subject to the filing requirements of the CSRC in connection with this [**REDACTED**]. We are in the process of completing the required filing procedures. However, there is no assurance that we can complete the filing procedures on a timely basis, or at all.

We may also be subject to filing requirements with the CSRC under the Overseas Listing Trial Measures with respect to our future [**REDACTED**], [**REDACTED**] or any other capital raising activities. We cannot assure you that we could meet the filing requirements for our future capital raising activities in a timely manner or at all. Such failure may subject us to fines, penalties or other sanctions which may have a material adverse effect on our business and financial condition. In addition, we cannot guarantee that new rules or regulations promulgated in the future pursuant to the Overseas Listing Trial Measures and any other related PRC rules and regulations will not impose any additional requirement on us or otherwise tightening the regulations on companies with a VIE structure. If it is determined that we are subject to any additional CSRC approval, filing, other governmental authorization or requirements for future capital raising activities, we may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial conditions.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the* [REDACTED] *of our* [REDACTED] *to make loans to or make additional capital contributions to our PRC subsidiaries and Consolidated Affiliated Entities, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiaries and Consolidated Affiliated Entities. We may make loans to our PRC subsidiaries and Consolidated Affiliated Entities, or we may make additional capital contributions to our PRC subsidiaries and Consolidated Affiliated Entities, or we may establish new PRC subsidiaries and Consolidated Affiliated Entities and make capital contributions to these new PRC subsidiaries and Consolidated Affiliated Entities, or we may acquire offshore entities with business operations in China in an offshore transaction. Most of these ways are subject to PRC regulations and approvals. We may not be able to obtain these government approvals or complete such registrations on a timely basis, if at all, with respect to future capital contributions or foreign loans by us to our PRC subsidiaries or Consolidated Affiliated Entities. If we fail to receive such approvals or complete such registration or filing, our ability to use the [**REDACTED**] of our [**REDACTED**] and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

SAFE promulgated Circular on the Reform of the Management Method of the Settlement of Foreign Currency Capital of Foreign-invested Enterprises, or SAFE Circular 19, which was last amended on March 23, 2023. According to SAFE Circular 19, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign- invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans, the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third party. Although SAFE Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within China, it also reiterates the principle that RMB capital converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account, or SAFE Circular 16, last amended on December 4, 2023, which reiterates some of the rules set forth in SAFE Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of SAFE Circular 19 and SAFE Circular 16 could result in administrative penalties. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer any foreign currency we hold to our PRC subsidiaries or Consolidated Affiliated Entities, which may adversely affect our liquidity and our ability to fund and expand our business in China. On October 23, 2019, SAFE promulgated the Notice of the Administration of Foreign Exchange on Further Promoting the Convenience of Cross-Border Trade and Investment, or SAFE Circular 28, last amended on December 4, 2023. The circular,

among other things, stipulates that non-investment foreign-invested entities may use foreign exchange capital or Renminbi funds converted from the foreign exchange capital to make domestic equity investments, provided that such investments should comply with the Negative List and other relevant PRC laws and regulations. Even though SAFE Circular 28 allows all foreign-invested enterprises (including those without an investment business scope) to utilize and convert their foreign exchange capital for making equity investment in China if certain requirements prescribed therein are satisfied, uncertainties still exist in relation to its interpretation and implementation.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiary or Consolidated Affiliated Entities or with respect to future capital contributions by us to our PRC subsidiary or Consolidated Affiliated Entities. If we fail to complete such registrations or obtain such approvals, our ability to use the [**REDACTED**] we received from our [**REDACTED**] and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Failure to comply with PRC regulations regarding the registration requirements for employee stock ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly listed companies due to their position as director, senior management or employees of the PRC subsidiaries of the overseas companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. Our directors, executive officers and other employees who are PRC residents and who have been granted share-based awards may follow SAFE Circular 37 to apply for the foreign exchange registration before our Company becomes an overseas [**REDACTED**] company. In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plans of Overseas Publicly Listed Company, or SAFE Circular 7. Under SAFE Circular 7 and other relevant rules and regulations, PRC residents who participate in stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants of a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of such overseas publicly listed company or another qualified institution selected by such PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. Such participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of share-based awards, the purchase and sale of corresponding shares or interests and fund transfers. We and our PRC employees who have been granted share-based awards are subject to SAFE Circular 7 and other relevant rules and regulations. Failure of our PRC share-based award holders to complete their

SAFE registrations may subject these PRC residents to fines and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiaries or Consolidated Affiliated Entities, limit our PRC subsidiary's or Consolidated Affiliated Entities' ability to distribute dividends to us, or otherwise materially adversely affect our business.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with its "de facto management body" within the PRC is considered a "resident enterprise" and will be subject to PRC enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the State Taxation Administration issued a circular, known as STA Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the State Administration of Taxation's general position on how the "de facto management body" text should be applied in determining the tax resident status of all offshore enterprises. According to STA Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that our Company is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises. In addition, non-resident enterprise shareholders may be subject to PRC tax on gains realized on the sale or other disposition of our shares at a rate of 10%, if such income is treated as sourced from within the PRC. Furthermore, if PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, dividends paid to our non-PRC individual shareholders and any gain realized on the transfer of our shares by such shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source by us), if such dividends or gains are deemed to be from PRC sources. These rates may be reduced by an applicable tax treaty, but it is unclear whether non-PRC shareholders of

our Company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that our Company is treated as a PRC resident enterprise. Any such PRC tax may reduce the returns on your [**REDACTED**] in our Shares.

It may be difficult to effect service of process upon us or our Directors or executive officers who reside in China or to enforce against them in China any judgments obtained from non-PRC courts.

A majority of our executive Directors and executive officers reside within China, and all of our assets are located within China. Therefore, it may be difficult to effect service process upon us or our executive Directors and officers inside China or to enforce against us or them in China any judgement obtained from non-PRC courts. The recognition and enforcement of foreign judgments are provided for under PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of PRC Civil Procedures Law based either on treaties or similar arrangements between China and the jurisdiction where the judgment is made or on principles of reciprocity between jurisdictions. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of the Cayman Islands and many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision is unpredictable.

On July 14, 2006, Hong Kong and the Supreme People's Court of China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned, or the 2006 Arrangement, and promulgated on July 3, 2008, pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China. Similarly, a party with a final judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the 2006 Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in China if the parties in dispute have not agreed to enter into a choice of court agreement in writing. Although the 2006 Arrangement took effect on August 1, 2008, the outcome and effectiveness of any action brought under the 2006 Arrangement may still be uncertain.

On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region, or the 2019 Arrangement, effective January 29, 2024. The 2019 Arrangement supersedes the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The

2006 Arrangement will remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement taking effect. However, there remains uncertainties as to the outcome of any applications to recognize and enforce such judgments and arbitral awards in China.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our Shares prior to the* [REDACTED]*, and you may not be able to resell our Shares at or above the price you pay, or at all.

Prior to the completion of the [**REDACTED**], there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after completion of the [**REDACTED**]. The [**REDACTED**] is the result of negotiations between our Company and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), which may not be indicative of the price at which our Shares will be traded following completion of the [**REDACTED**]. The [**REDACTED**] of our Shares may drop below the [**REDACTED**] at any time after completion of the [**REDACTED**].

The* [REDACTED] *of the Shares may be volatile which could result in substantial losses to you.

The [**REDACTED**] of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. A number of China-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards China-based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the [**REDACTED**] and volatility of our Shares, regardless of our actual operating performance, and may result in losses on your [**REDACTED**] in our Shares.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors and substantial shareholders, could adversely affect the* [REDACTED] *of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors and substantial shareholders, or the perception or anticipation of such sales, could negatively impact the [**REDACTED**] of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate.

The Shares held by certain of our substantial shareholders are subject to certain lock-up periods beginning on the date on which [**REDACTED**] in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. In addition, certain existing shareholders of our Shares are not subject to lock-up agreements. Market sale of Shares by such shareholders and the availability of these Shares for future sale may have negative impact on the [**REDACTED**] of our Shares. See "History, Reorganization and Corporate Structure—Pre-[**REDACTED**] Investments" for more details of the existing shareholders not subject to lock-up agreements.

You will incur immediate and substantial dilution and may experience further dilution in the future.

As the [**REDACTED**] of our Shares is higher than the net tangible book value per share of our Shares immediately prior to the [**REDACTED**], [**REDACTED**] of our Shares in the [**REDACTED**] will experience an immediate dilution. If we issue additional Shares in the future, [**REDACTED**] of our Shares in the [**REDACTED**] may experience further dilution in their shareholding percentage.

If securities or industry analysts cease to publish research or reports about our business, or if they adversely change their recommendations regarding our Shares, the [**REDACTED**] ***for our Shares and trading volume could decline.***

The trading market for our Shares will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our Shares, the [**REDACTED**] for the Shares would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the [**REDACTED**] or trading volume for our Shares to decline.

We cannot assure you that we will declare and distribute any amount of dividends in the future and you may have to rely on price appreciation of our Shares for return on your [**REDACTED**]**.**

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a dividend policy with respect to future dividends. Therefore, you should not rely on an [**REDACTED**] in our Shares as a source for any future dividend income.

Our board of Directors has discretion as to whether to distribute dividends, subject to certain restrictions under the Cayman Islands law and the Articles of Association, namely that our Company may only pay dividends either out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts at they fall due in the ordinary course of business. In

addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of Directors. Even if our board of Directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of Directors. Accordingly, the return on your [**REDACTED**] in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you purchased the Shares. You may not realize a return on your [**REDACTED**] in our Shares and you may even lose your entire [**REDACTED**] in our Shares.

There can be no assurance of the accuracy or completeness of certain facts, forecasts, and other statistics obtained from various government publications, market data providers and other independent third-party sources, including the industry expert reports, contained in this document.

This document, particularly the section headed "Industry Overview," contains information and statistics relating to the China's shared mobility market. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible and other publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials. The information has not been independently verified by us, the Joint Sponsors or any other party involved in the [**REDACTED**], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

You may face difficulties in protecting your interests, and your ability to protect your rights through Hong Kong courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act and the common law of the Cayman Islands. The rights of shareholders to take action against our Directors, actions by our minority shareholders and the fiduciary duties of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding,

on a court in the Cayman Islands. The laws of the Cayman Islands may differ from those of Hong Kong or other jurisdictions where our [**REDACTED**] may be located. As a result, minority Shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the register of mortgages and charges, of such companies). Our Directors have discretion to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders save that our register of members must be kept open for inspection by any shareholder without charge and any shareholder may require the provision to him of copies or extracts of our register of members pursuant to our Memorandum and Articles of Association, but are otherwise not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our [**REDACTED**] may have more difficulty in protecting their interests in the face of actions taken by management, our Directors or controlling shareholders than they would as [**REDACTED**] of a company incorporated in Hong Kong. For a discussion of significant differences between the provisions of the Companies Act and the laws applicable to companies incorporated in Hong Kong and their shareholders, see "Summary of the Constitution of our Company and Cayman Islands Company Law" in Appendix III to this document.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the **[REDACTED].**

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to the publication of this document, there has been press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.

In preparation for the [**REDACTED**], we have sought the following waivers from strict compliance with the Listing Rules and exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. We do not have sufficient management presence in Hong Kong for the purposes of Rule 8.12 of the Listing Rules.

Our Group's management headquarters, senior management, business operations and assets are primarily based outside Hong Kong, in mainland China. The Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, our Company has appointed and will continue to maintain two authorized representatives who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or email to deal promptly with enquiries from the Stock Exchange. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange. At present, our two authorized representatives are Mr. Xin Gong, our executive Director, and Mr. Chung Shing Lee, one of our joint company secretaries;

(b) pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact information (including their mobile phone numbers, office phone numbers and email addresses (if available)) to the Stock Exchange and to the authorized representatives. This will ensure that the Stock Exchange and the authorized representatives should have means for contacting all Directors promptly at all times as and when required;

(c) we will endeavour to ensure that each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period;

(d) pursuant to Rule 3A.19 of the Listing Rules, our Company has retained the services of Altus Capital Limited as compliance advisor (the "**Compliance Advisor**"), who will act as an additional channel of communication with the Stock Exchange. The

Compliance Advisor will provide our Company with professional advice on ongoing compliance with the Listing Rules. We will ensure that the Compliance Advisor has prompt access to our Company's authorized representatives and Directors. In turn, they will provide the Compliance Advisor with such information and assistance as the Compliance Advisor may need or may reasonably request in connection with the performance of the Compliance Advisor's duties. The Compliance Advisor will also provide advice to our Company when consulted by our Company in compliance with Rule 3A.23 of the Listing Rules; and

(e) meetings between the Stock Exchange and the Directors can be arranged through the authorized representatives or the Compliance Advisor, or directly with the Directors within a reasonable time frame. We will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives, the Directors and/or the Compliance Advisor in accordance with the Listing Rules.

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

(c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience," the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other issuers and the roles they played;

(b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company appointed Mr. Chung Shing Lee of Computershare Hong Kong Investor Services Limited, and Mr. Xueyin Zhong, general counsel of the Company, as joint company secretaries of our Company. See the section headed "Directors and senior management—Joint company secretaries" for their biographies.

Mr. Chung Shing Lee is an associate member of the Hong Kong Institute of Certified Public Accountant and a fellow member of the Association of Chartered Certified Accountants, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules.

The Company's principal business activities are outside Hong Kong. We believe that it would be in the best interests of our Company and the corporate governance of our Group to have as its joint company secretary a person such as Mr. Zhong, who has been the general counsel of the Company and who has day-to-day knowledge of the Company's affairs. Mr. Zhong has the necessary nexus to the Board and close working relationship with management of our Company in order to perform the function of a joint company secretary and to take the necessary actions in the most effective and efficient manner.

Accordingly, while Mr. Zhong does not possess the academic or professional qualifications required of a company secretary under Rules 3.28 and 8.17 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Mr. Zhong may be appointed as a joint company secretary of our Company.

The waiver [was granted] for a three-year period from the [**REDACTED**] on the conditions that: (i) Mr. Lee is appointed as a joint company secretary to assist Mr. Zhong in discharging his functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules; the waiver will be revoked immediately if Mr. Lee, during the three-year period, ceases to provide assistance to Mr. Zhong as a joint company secretary; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by our Company. In addition, Mr. Zhong will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the three-year period from the [**REDACTED**]. Our Company will further ensure that Mr. Zhong has access to the relevant training and support that would enhance his understanding of the Listing Rules and the duties of a company secretary of an [**REDACTED**] on the Stock Exchange. Before the end of the three-year period, the qualifications and experience of Mr. Zhong and the need for on-going assistance of Mr. Lee will be further evaluated by our Company. We will liaise with the Stock Exchange to enable it to assess whether Mr. Zhong, having benefited from the assistance of Mr. Lee for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVER AND EXEMPTION IN RELATION TO THE PRE-[REDACTED] SHARE INCENTIVE PLAN

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribes certain disclosure requirements in relation to the share options granted by our Company (the "**Share Option Disclosure Requirements**"):

(a) Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in this document. The Company is also required to disclose in this document full details of all outstanding options and their potential dilution effect on the shareholdings upon [**REDACTED**] as well as the impact on the earnings per share arising from the exercise of such outstanding options;

(b) Paragraph 27 of Appendix D1A to the Listing Rules requires the Company to set out in this document particulars of any capital of any member of the Group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee; and

(c) Under paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the document.

As of the Latest Practicable Date, our Company had granted options that remain outstanding under the Pre-[**REDACTED**] Share Incentive Plan to 556 grantees (including Directors, senior management and other employees of our Group), to subscribe for an aggregate of 51,533,214 Shares. As of the Latest Practicable Date, among the outstanding options, [**REDACTED**] were held by two Directors, [**REDACTED**] were held by three members of the senior management of the Company (who are not Directors) and 19,195,078 were held by the 551 other grantees who are not connected persons. The Shares underlying the granted outstanding options represent [**REDACTED**]% of the total number of Shares in issue immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Share Incentive Plan). For further details of our Pre-[**REDACTED**] Share Incentive Plan, see the section headed "Statutory and general information—Pre-[**REDACTED**] Share Incentive Plan" in Appendix IV to this document.

We [have applied] to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules and (ii) the SFC for an exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with the disclosure of certain details relating to the options and certain grantees in this document on the ground that the waiver and the exemption will not prejudice the interest of the [**REDACTED**] and strict compliance with the Share Option Disclosure Requirements would be unduly burdensome for our Company for the following reasons:

(a) as of the Latest Practicable Date, we have granted outstanding options to a total of 556 grantees under the Pre-[**REDACTED**] Share Incentive Plan to acquire an aggregate of 51,533,214 Shares, representing approximately [**REDACTED**]% of the total number of Shares in issue immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Share Incentive Plan).

(b) it would be unduly burdensome to disclose in the document full details of all the options granted by us to each of the grantees as required under the Share Option Disclosure Requirements, which would significantly increase the cost and time required for information compilation and document preparation for strict compliance with such disclosure requirements. For example, the Company would need to collect and verify the addresses of 556 grantees to meet the disclosure requirement. Further, the disclosure of the personal details of each grantee, including their names, addresses and the number of options granted, may require obtaining consent from the grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for the Company to obtain such consents given the number of grantees;

(c) material information on the options has been disclosed in the document to provide prospective [**REDACTED**] with sufficient information to make an informed assessment of the potential dilutive effect and impact on earnings per Share of the options in making their [**REDACTED**] decision, and such information includes:

  (i) a summary of the principal terms of the Pre-[**REDACTED**] Share Incentive Plan;

  (ii) the aggregate number of Shares subject to the options and the percentage of our Shares of which such number represents;

  (iii) the dilutive effect and the impact on earnings per Share upon full exercise of the options immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Share Incentive Plan);

(iv) full details of the options granted to Directors, members of the senior management of our Company and other connected persons, on an individual basis, including all the particulars required under the Share Option Disclosure Requirements;

(v) with respect to the options granted to other grantees (other than those referred to in (iv) above), the number of such grantees and the number of Shares subject to the options, the consideration paid and the exercise period and the exercise price will be disclosed in the document; and

(vi) the particulars of the waiver and exemption granted by the Stock Exchange and the SFC, respectively;

(d) the 551 grantees who are not Directors, members of the senior management or connected persons of the Company, have been granted options under the Pre-[**REDACTED**] Share Incentive Plan to acquire an aggregate of 19,195,078 Shares, which is not material in the circumstances of our Company, and the exercise in full of such options will not cause any material adverse change in the financial position of our Company; and

(e) a full list of all the grantees containing all the particulars as required under the Share Option Disclosure Requirements will be made available for physical public inspection in accordance with "Documents delivered to the Registrar of Companies and Available on Display—Documents available for inspection" in Appendix V of this document.

In light of the above, our Directors are of the view that the grant of the waiver and exemption sought under this application and the non-disclosure of the required information will not prejudice the interests of the [**REDACTED**].

The Stock Exchange [has granted] to our Company a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules with respect to the options granted under the Pre-[**REDACTED**] Share Incentive Plan on the condition that:

(a) on an individual basis, full details of the options granted under the Pre-[**REDACTED**] Share Incentive Plan to each of the Directors, the senior management of the Company and the other connected persons of the Company, will be disclosed in the section headed "Statutory and General Information—Pre-[**REDACTED**] Share Incentive Plan" in Appendix IV as required under the applicable Share Option Disclosure Requirements;

(b) in respect of the options granted under the Pre-[**REDACTED**] Share Incentive Plan to grantees other than those set out in (a) above, disclosure will be made on an aggregate basis, including (1) the number of the grantees other than those set out in (a) above and the number of Shares subject to the options, (2) the consideration paid, and (3) the exercise period and the exercise price;

(c) the number of Shares underlying the outstanding options and the percentage of the Company's total issued share capital represented by such number of Shares as of the Latest Practicable Date will be disclosed in this document;

(d) the dilutive effect and impact on earnings per Share upon the full exercise of the options will be disclosed in the section headed "Statutory and General Information—Pre-[**REDACTED**] Share Incentive Plan" in Appendix IV to this document;

(e) a summary of the major terms of the Pre-[**REDACTED**] Share Incentive Plan will be disclosed in the section headed "Statutory and General Information—Pre-[**REDACTED**] Share Incentive Plan" in Appendix IV to this document;

(f) the particulars of this waiver will be disclosed in this document;

(g) a full list of all the grantees containing all the particulars as required under the applicable Share Option Disclosure Requirements will be made available for physical public inspection in accordance with "Documents delivered to the Registrar of Companies and Available on Display—Documents available for inspection" in Appendix V of this document; and

(h) the grant of certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting the Company from the disclosure requirements provided in paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The above is consistent with the conditions ordinarily expected by the Stock Exchange in similar circumstances as set out in Chapter 3.6 of the Guide.

The SFC [has agreed to grant] to our Company the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the options granted under the Pre-[**REDACTED**] Share Incentive Plan exempting the Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that:

(a) full details of the options under the Pre-[**REDACTED**] Share Incentive Plan to each of the Directors, the senior management of the Company and other connected persons will be disclosed in the section headed "Statutory and General Information—Pre-[**REDACTED**] Share Incentive Plan" in Appendix IV to this document as required by paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted under the Pre-[**REDACTED**] Share Incentive Plan to grantees other than those referred to in (a) above, disclosure will be made on an aggregate basis, including (1) the aggregate number of the grantees and the number of Shares subject to the options granted to them under the Pre-[**REDACTED**] Share Incentive Plan, (2) the consideration paid for the grant of the options under the Pre-[**REDACTED**] Share Incentive Plan, and (3) the exercise period and the exercise price for the options granted under the Pre-[**REDACTED**] Share Incentive Plan;

(c) a full list of all the grantees containing all the particulars as required under the applicable Share Option Disclosure Requirements will be made available for physical public inspection in accordance with "Documents delivered to the Registrar of Companies and Available on Display—Documents available for inspection" in Appendix V of this document; and

(d) the particulars of this exemption will be disclosed in this document and that this document will be issued on or before [**REDACTED**].

Further details of the Pre-[**REDACTED**] Share Incentive Plan are set forth in the section headed "Statutory and General Information—Pre-[**REDACTED**] Share Incentive Plan" in Appendix IV to this document.

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions of our Company under the Listing Rules following the completion of the [**REDACTED**]. We have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with (where applicable) (i) the announcement requirement, (ii) the independent shareholders' approval requirement, (iii) the annual cap requirement, and (iv) the requirement of limiting the term of the continuing connected transactions set out in Chapter 14A of the Listing Rules for such continuing connected transactions. For further details in this respect, see the section headed "Connected Transactions."

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Director		
Mr. Xin Gong (龔昕)	Room 102, Unit 4, Block 4 Xixi Lixi Garden Xihu District, Hangzhou Zhejiang, China	Chinese
Non-executive Directors		
Mr. Jian Yang (楊健)	Room 702, Unit 1, Building 19 Lakeside Kuandi Zhongyangjun Xiubo Road Xiuboyuan Community Chengxiang Avenue Xiaoshan District, Hangzhou Zhejiang, China	Chinese
Mr. Quan Zhang (張權)	Room 1102, No. 13 Lane 2600, Zhangyang Road Pudong New Area Shanghai, China	Chinese
Mr. Jinliang Liu (劉金良)	Room 601, Building 1 No. 168 Liyi Road Xiaoshan District, Hangzhou Zhejiang, China	Chinese
Mr. Yang Li (李陽)	Room 1502, Building 9, Area 3 Shuanghuayuan South Lane Chaoyang District Beijing, China	Chinese
Ms. Xiaohong Zhou (周肖虹)	Room 603, Block 23, Wuyue Lingxiu Songling Town Wujiang District, Suzhou Jiangsu, China	Chinese

Name	Address	Nationality
Independent Non-executive Directors		
Ms. Xin Liu (劉欣)	Room 505, Unit 1, Building 7 Area 4, Yuandayuan Shijicheng Haidian District Beijing, China	Chinese
Ms. Ning Liu (劉寧)	20A, Building N2 Prince Bay Bayhouse No. 38 Qinhai Road Cruise Avenue, Merchants Street Nanshan District, Shenzhen Guangdong, China	Chinese
Mr. Qiang Fu (付強)	Room 601, Unit 2, Building 2 Yuanyang Wanhecheng No. 2 Chenghui Road Chaoyang District Beijing, China	Chinese

Further information about the Directors and other senior management members are set out in the section headed "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Central, Hong Kong

ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

GF Capital (Hong Kong) Limited
27/F, GF Tower
81 Lockhart Road
Wanchai
Hong Kong

[**REDACTED**]

[**REDACTED**]

Legal Advisors to our Company

As to Hong Kong and U.S. laws
Skadden, Arps, Slate, Meagher & Flom and affiliates
42/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Central, Hong Kong

	As to PRC law **King & Wood Mallesons** 28th Floor, China Resources Tower 2666 Keyuan South Road Nanshan District, Shenzhen Guangdong, China
	As to Cayman Islands law **Appleby** Suites 4201-03 & 12, 42/F One Island East, Taikoo Place 18 Westlands Road, Quarry Bay Hong Kong
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong and U.S. laws* **Latham & Watkins LLP** 18th Floor, One Exchange Square 8 Connaught Place Central, Hong Kong
	As to PRC law **Han Kun Law Offices** 9/F, Office Tower C1 Oriental Plaza 1 East Chang An Avenue Dongcheng District Beijing, China
Auditor and Reporting Accountant	**PricewaterhouseCoopers** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 22/F, Prince's Building Central, Hong Kong
Industry Consultant	**Frost & Sullivan (Beijing) Inc.** Unit 2401-02, Level 24, China World Office 2 1 Jianguomenwai Avenue, Chaoyang District Beijing, China
	[REDACTED]

Headquarters	Tower 1, Xinhuihu Building 66 Lugang Road, Gaotie Xinchen Xiangcheng District, Suzhou Jiangsu, China
Principal place of business in Hong Kong	46F, Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Registered office in the Cayman Islands	P.O. Box 31119, Grand Pavilion Hibiscus Way, 802 West Bay Road Grand Cayman, KY1-1205 Cayman Islands
Company website	**www.caocao.com.cn** *(the information contained on this website does not form part of this document)*
Joint company secretaries	**Mr. Xueyin Zhong (鍾雪垠)** 868 Dongguan Road Binjiang District, Hangzhou Zhejiang, China **Mr. Chung Shing Lee (李忠成)** *(CPA of HKICPA, FCCA of ACCA)* 46F, Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong
Authorized representatives	**Mr. Xin Gong (龔昕)** Tower 1, Xinhuihu Building 66 Lugang Road, Gaotie Xinchen Xiangcheng District, Suzhou Jiangsu, China **Mr. Chung Shing Lee (李忠成)** *(CPA of HKICPA, FCCA of ACCA)* 46F, Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong
Audit committee	Ms. Xin Liu (劉欣) (*chairperson)* Mr. Quan Zhang (張權) Ms. Ning Liu (劉寧)

Remuneration committee	Mr. Qiang Fu (付強) (*chairperson*) Mr. Xin Gong (龔昕) Ms. Xin Liu (劉欣)
Nomination committee	Mr. Jian Yang (楊健) (*chairperson*) Ms. Ning Liu (劉寧) Mr. Qiang Fu (付強)

[**REDACTED**]

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OVERVIEW OF CHINA'S MOBILITY INDUSTRY

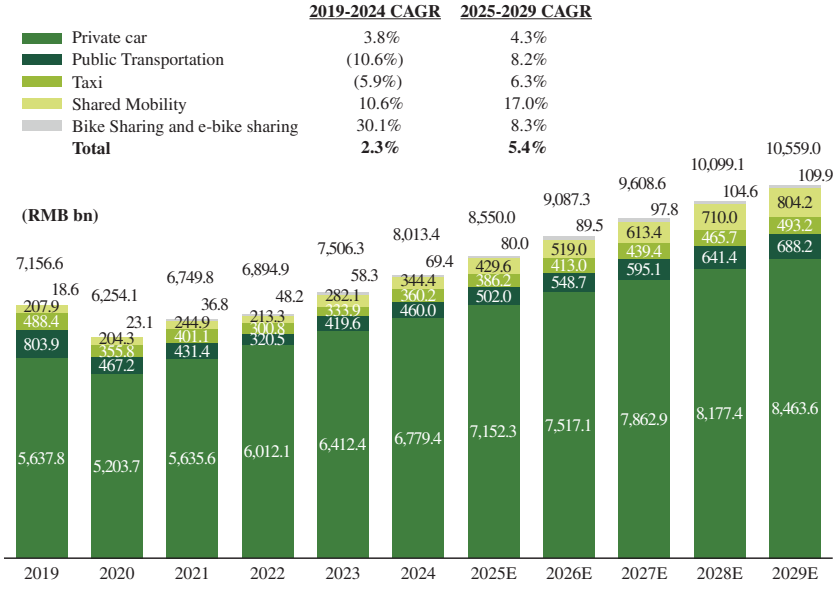
Mobility is essential to people's daily lives and has a massive business opportunity. As the world's second largest economy with the second largest population and a large number of concentrated and dense cities, China is the world's largest mobility market today with a market size of RMB8.0 trillion in 2024.

China's mobility industry consists of transportation using different types of vehicles for personal transport, including public transportation such as bus and rail transportation to move masses, traditional taxis for spontaneous one-way trips, shared mobility that provides convenient access to mobility services without vehicle ownership, private vehicles for personal transport that are always available, and modes of transportation such as two-wheelers to meet various mobility needs of consumers at different price points.

The size of China's mobility market grew from RMB6.9 trillion in 2018 to RMB7.2 trillion in 2019. From 2020 to 2022, due to the COVID-19 pandemic, there was a decrease in consumer demand for mobility, which disturbed the market's growth trajectory. In spite of the negative impact of the COVID-19 pandemic, the size of China's mobility market only slightly decreased from RMB7.2 trillion in 2019 to RMB6.9 trillion in 2022.

In 2023, as the economy recovered from the impact of the COVID-19 pandemic, China's mobility market made a strong comeback and grew by 8.9% to RMB7.5 trillion from 2022. The market size further increased to RMB8.0 trillion in 2024. From 2025 onwards, driven by increasing consumer demand for mobility in lower-tier cities, a growing consumer preference for BEVs, and reviving business activities. China's mobility market is expected to increase from RMB8.6 trillion in 2025 to RMB10.6 trillion in 2029, representing a CAGR of 5.4%. In particular, shared mobility is expected to enjoy the fastest growth among the different mobility options from 2025 to 2029.

The Market Size of China's Mobility Industry, 2019-2029E



Source: Frost & Sullivan, the PRC Ministry of Transport, and China Association of Automobile Manufacturers

Note:

(1) The market size of private vehicles is calculated by aggregating consumer spending on the vehicle purchase, energy replenishment, insurance, maintenance, and parking.

OVERVIEW OF CHINA'S SHARED MOBILITY MARKET

Massive Market Size and High Growth Potential

Shared mobility provides users with access to customized trips without vehicle ownership, creating a hybrid between private vehicle ownership and public transportation. By doing so, shared mobility alleviates urban congestion, lowers the cost per kilometer compared with private vehicle ownership, and improves the mobility experience with convenience and efficiency compared with public transportation.

China's shared mobility consists of ride hailing and hitch. Ride hailing leverages online platforms to match the demand from platform users and the available supply from drivers and vehicles registered on the platforms in real time. Hitch refers to the sharing of journeys in which private vehicle owners share information of their upcoming trips online in advance, allowing others with similar itineraries to join.

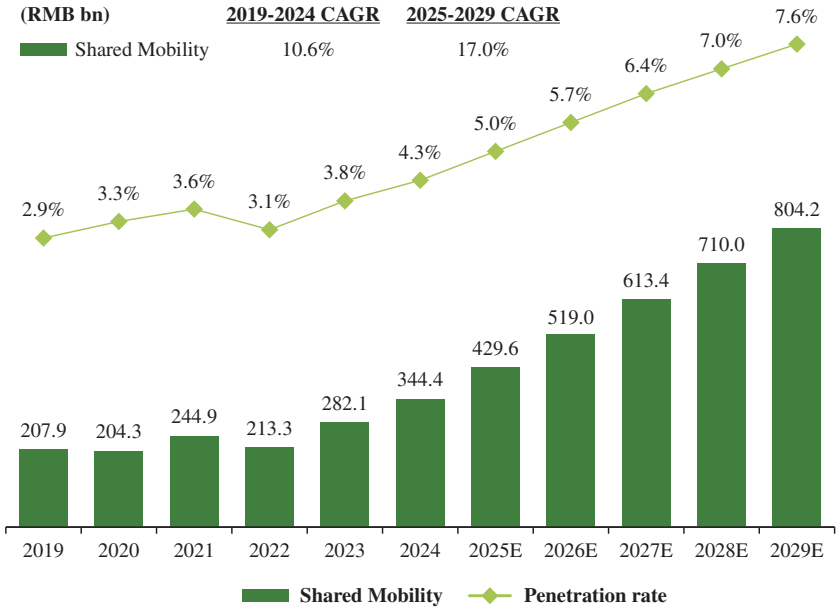
China is a market uniquely positioned to benefit from shared mobility. China has a large number of highly populated and dense cities that present challenges to the existing mobility infrastructure and give rise to demand for mobility solution upgrades. For example, many municipal governments across China restrict vehicle ownership or limit driving to certain days of a week to improve traffic and air quality. Parking lots are in short supply in many cities. In

addition, along with continued urbanization and consumption upgrade, consumers in China are becoming more demanding in terms of the mobility experience. Furthermore, private vehicles primarily serve for daily work commuting in China and are often left parked for extended periods, leading to a significant waste of resources as the average utilization rate of private vehicles in China is less than 30% in 2024. As a result, shared mobility that features lower cost and increased service quality for consumers, and improved efficiency for society has a massive business opportunity in China.

The rapid development of the shared mobility industry has garnered government support for digital transformation in the traditional taxi sector through various favorable policies. These policies foster the co-development of taxi and ride hailing services and the integration of traditional taxis with online ride-hailing modes, reducing taxi idle driving time, enhancing taxi operating efficiency, and improving passenger experience. Leading shared mobility service providers are integrating traditional taxis into their platforms and promoting taxi online hailing solutions and the traditional taxi industry is looking to upgrade their service offerings. In addition, as part of this co-development between traditional taxis and ride hailing services, taxi companies will need to modernize their fleets. This involves acquiring purpose-built vehicles that are equipped with intelligent features and designed to optimize vehicle TCO and enhance passenger experience. Such taxi fleet replacement process presents significant opportunities for companies specialized in developing these purpose-built vehicles. The convergence of upgraded taxi services and innovative ride hailing services is expected to further stimulate the growth of China's shared mobility industry.

Although China's shared mobility market already has a massive market size, there is still significant room for growth. From 2025 to 2029, penetration of shared mobility within the broader mobility industry, calculated as the GTV of shared mobility divided by the GTV of mobility for a given period, is expected to increase significantly from 4.3% in 2024 to 7.6% in 2029, driven by increasing consumer demand for value-for-money mobility options and the growing penetration of shared mobility in lower-tier cities. As shared mobility accounts for an increasing share within the broader mobility industry, the size of China's shared mobility market is expected to enjoy substantial growth to RMB804.2 billion in 2029 at a CAGR of 17.0% from 2025, which is comparable to the growth CAGR of 21.1% from 2016 to 2019 before the outbreak of the COVID-19 pandemic.

The Market Size of China's Shared Mobility Industry, 2019-2029E



Source: Frost & Sullivan, the PRC Ministry of Transport, and China Association of Automobile Manufacturers

Development Trends of China's Shared Mobility Market

Traffic Decentralization

Through years of development, China's shared mobility market has transformed from one where a single player dominated the market to one where user traffic is more diversely distributed. Compared with eight years ago when nearly 90% of total number of orders completed for ride hailing was generated by the largest shared mobility service provider in China, user traffic is now more decentralized, with the largest shared mobility service provider contributing to around 70% of total number of orders completed.

The decentralization of user traffic was partly attributable to the rise of aggregation platforms. Aggregation platforms include mapping and navigation apps and local life service apps, such as Amap (高德), Meituan (美团), Tencent Mobility (騰訊出行), and Baidu Map (百度地圖), which integrate user traffic and channel it to mobility service providers. From 2019 to 2024, the proportion of ride hailing orders fulfilled through aggregation platforms increased from 7.0% to 31.0%, and is expected to further grow to 53.9% in 2029.

The rise of aggregation platforms provided space for emerging mobility service providers to grow, as they can attract and retain users with high qualities of service even without the scale and the network effect enjoyed by the largest player.

Regulatory Enhancement

The rapid evolution of China's shared mobility market is marked with increasing regulatory requirements in recent years. There are multiple layers of compliance requirements placed on mobility service providers and aggregation platforms regarding the drivers, vehicles, and online platforms that provide shared mobility service.

Currently, there is no major shared mobility service provider with a 100% compliance rate, as there are numerous practical difficulties for obtaining the requisite permits and licenses. Over time, the competition dynamics in the shared mobility market has shifted from competing over user traffic on the demand side to competing for compliant vehicles and drivers on the supply side.

The lack of compliant drivers and vehicles partially contributed to the slower growth of the shared mobility market from 2019 to 2024, as mobility service providers bore increasing compliance cost in light of increasing regulatory requirements. As the market starts to gain more compliant drivers and vehicles, the shared mobility market may expand further. Moreover, primarily due to non-compliance and safety issues as well as the impact from COVID-19, hitch has seen limited room for growth in recent years. Ride hailing has become the key driver for growth of the entire shared mobility market.

Mobility Operating Vehicles

Features of Mobility Operating Vehicles

Mobility operating vehicles include vehicles used in shared mobility and traditional taxi services and are distinct from private vehicles in many aspects. Firstly, mobility operating vehicles tend to depreciate at a much faster rate compared with private vehicles, accelerating the replacement cycle and creating a consistent and growing demand for new vehicles. Secondly, a substantial number of local government authorities in China promulgate compliance standards requiring certain vehicle parameters for mobility operating vehicles, including number of seats, satellite position devices installation, requirement on wheelbase. Consequently, there is an emerging need for mobility operating vehicles that meet these compliance standards, and purpose-built vehicles that were specifically designed to meet such requirements on vehicle parameters imposed by governmental authorities across China are increasingly in demand as they better satisfy these compliance standards. Lastly, there is a recent trend that a significant number of mobility operating vehicles are purchased by businesses (including both shared mobility service providers and taxi service providers) rather than individual persons. In 2024, 85.4% of mobility operating vehicles were purchased by businesses.

TCO Comparison Among Shared Mobility Operating Vehicles

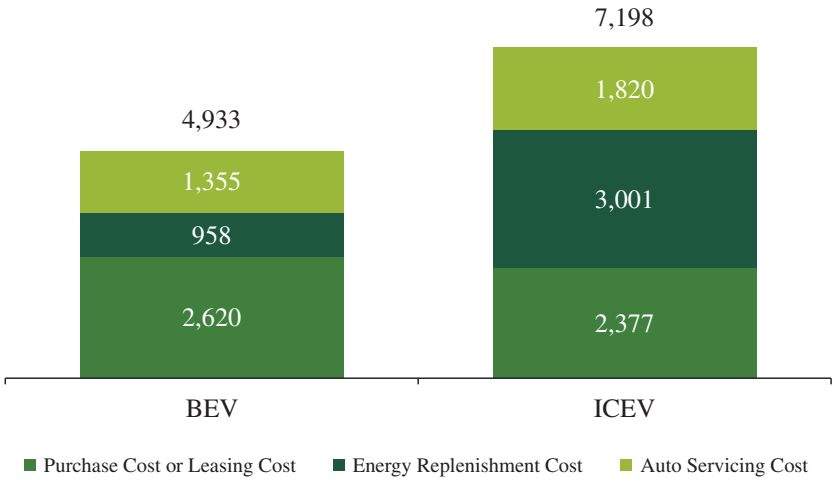
In the shared mobility value chain, vehicle TCO is the largest cost component that affects drivers' income and mobility service providers' profitability. In 2024, vehicle TCO accounts for approximately 55% of a driver's average gross income. Reduction in vehicle TCO has become the key to improving drivers' earning potential and mobility service providers' profitability.

The vehicle TCO consists of (i) its purchase cost or leasing cost, (ii) energy replenishment cost, and (iii) auto servicing cost. Purchase cost or leasing cost is allocated evenly over its service life. Energy replenishment cost measures direct cost associated with refueling, charging, or battery swap. Auto servicing cost includes insurance cost and maintenance and repair cost.

There are a wide variety of vehicle models used in shared mobility. BEVs generally enjoy a much lower vehicle TCO compared to ICE vehicles. The lower TCO of BEVs is primarily attributable to its lower energy replenishment costs and maintenance costs, as a result of the lower prices of electricity and the simpler body structure of BEVs. However, the purchase cost of BEVs is often higher than that of ICE vehicles because the research and development cost for BEVs is still relatively high. With the continued improvement of battery technology and increasing economics of scale of BEV manufacturers, the average marginal cost for producing a BEVs is expected to continue to decline, translating to further declining purchase cost of BEVs. In addition, BEVs with battery swap capabilities afford drivers with benefits beyond TCO savings, including reduced time needed for energy replenishment and thus greater operating time, and lower initial purchase price accomplished through the separation of vehicles and batteries.

The following diagram sets forth an illustrative comparison of vehicle TCO composition among ICE vehicles, BEVs under the vehicle purchase model, considering multiple most commonly used vehicle models for shared mobility premier services in China in the respective categories.

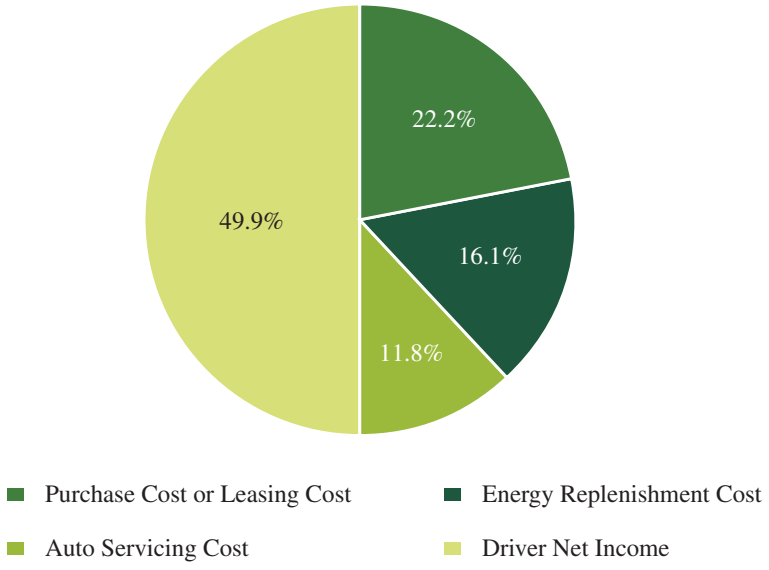
A Comparison of TCO per Month of Vehicle Types in Shared Mobility



Source: Frost & Sullivan, the PRC Ministry of Transport

The diagram below further sets forth an illustrative breakdown of BEV drivers' gross income by TCO and net income, considering the most commonly used BEV models for shared mobility services in China:

A Breakdown of BEV Drivers' Gross Income by TCO and Net Income in Shared Mobility Industry



Source: Frost & Sullivan, the PRC Ministry of Transport

The Company's Maple 80V and CaoCao 60 are considered two of the most cost efficient vehicle models for the shared mobility services. Maple 80V and CaoCao 60 have respective estimated TCO of RMB0.53 per kilometer and RMB0.47 per kilometer, both equipped with battery swap capabilities. The following table further sets forth a TCO comparison of Maple 80V, CaoCao 60, and other typical mobility operating vehicle models:

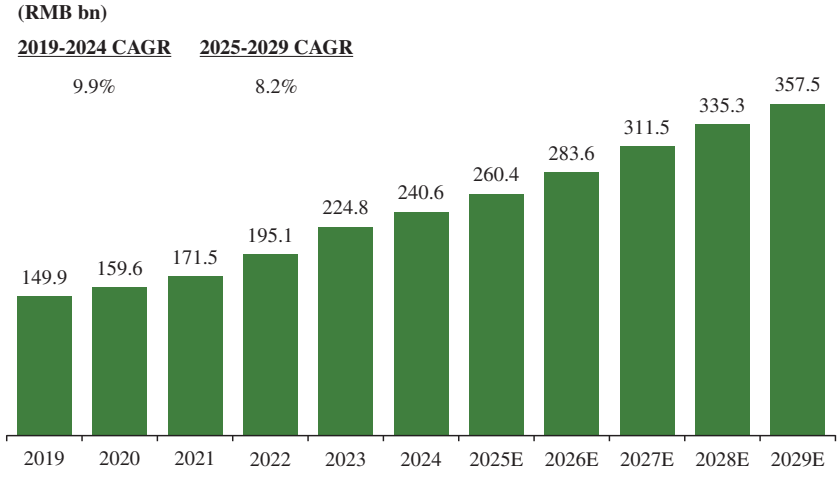
	Maple 80V	CaoCao 60	Purpose-Built BEV (Battery Swap)	BEV (Charging)	ICE Vehicle
Range (km)	600,000	600,000	600,000	497,000	560,000
Amortized Monthly Purchase Cost (RMB)	1,629	1,482	2,498	2,742	2,377
Monthly Energy Replenishment Cost (RMB)	976	928	928	987	3,001
Monthly Auto Servicing Cost (RMB)	716	545	1,427	1,284	1,820

Source: Frost & Sullivan, the PRC Ministry of Transport

Market Opportunities for Mobility Operating Vehicle Sales

The mobility operating vehicle sales market has seen a substantial increase in recent years measured by total sales of vehicles used in mobility services, and this upward trajectory is expected to maintain its momentum. The market size of mobility operating vehicle sales grew from RMB149.9 billion in 2019 to RMB240.6 billion in 2024, and are expected to further grow at a CAGR of 8.2% from RMB260.4 billion in 2025 to RMB357.5 billion in 2029.

The Market Size of China's Mobility Operating Vehicle Sales, 2019-2029E



Source: Frost & Sullivan, the PRC National Bureau of Statistic, the PRC Ministry of Transport, China Association of Automobile Manufacturers

A key for success in mobility operating vehicle sales is the opportunity to access to drivers in mobility services, who inherently are potential customers and end-users for such vehicles. For a shared mobility service provider that has a vast pool of drivers in mobility services, this translates to a natural advantage, positioning such shared mobility service provider favorably in the mobility operating vehicle sales market.

Challenges of China's Shared Mobility Market

For Users – The Dilemma to Choose Between Price and Experience

Currently, express and premier are the two predominant types of service lines in China's current shared mobility market, while users often face the dilemma to choose between price and experience. The lack of good value-for-money options with consistently high-quality and intelligent ride experience remain as the major pain point for users.

While premier mobility service typically provides superior user experience, its high price results in a low penetration rate in the shared mobility market. Express shared mobility service, on the other hand, currently features a large number of vehicle models of various quality. There are currently more than 200 different express vehicle models employed by the largest shared mobility service provider alone for the provision of express shared mobility service in China. With a wide variety of vehicle models, users may not be assured a consistent ride hailing experience by each ride.

For Drivers – High Vehicle TCO and the Lack of Driver-Care Features

Vehicle TCO accounted for around 55% of a driver's gross income on average. High vehicle TCO hinders drivers from increasing their net income. This situation often results in low driver retention rates on shared mobility service providers, presenting considerable challenges for the industry.

Amortized monthly purchase cost or monthly leasing cost is the biggest component of a vehicle TCO. Drivers often lack the opportunity to choose a mobility operating vehicle model that offers considerably lower vehicle TCO, thereby restricting their ability to achieve cost efficiency.

Energy replenishment cost for drivers is considerably high whether they drive ICE vehicles or BEVs. Mobility operating vehicles, which are in operation for long hours, typically need to replenish energy about 1.1 times daily for both types of vehicles. Such replenishment need results in significant gasoline costs for traditional ICE vehicles. Meanwhile, BEVs take much longer time to fully charge as compared to ICE vehicles that only require gas refills. The charging time also translates to low operating efficiency. In addition, although some BEVs have lower energy replenishment cost compared with ICE vehicles, BEVs typically have significantly lower durability, which is a major concern for drivers when selecting a vehicle.

Another major component of vehicle TCO is the auto servicing cost including insurance and maintenance and repair cost. Insurance cost of a driver represents insurance charges collected by insurance companies and depends on the frequency of car accidents where this car driver bears legal liability for the associated damages and the severity of such accidents. In addition, auto maintenance and repair services typically require significant down-time that cannot be controlled by drivers. Auto servicing shops also typically lack transparency of pricing and service quality guarantee. These factors significantly increase a driver's operating cost.

In 2024, Chinese shared mobility drivers worked around 10 hours on average in a vehicle each working day. Traditional vehicles typically lack driver-care features that are critical to drivers' health and convenience, including driver seat ventilation, adjustable waist support, driver rest mode, and traffic heatmap to support order in-take.

For Shared Mobility Service Providers – High Compliance Cost and Shortage of Compliant Drivers and Vehicles

Shared mobility service providers also face a high compliance cost and a shortage of compliant drivers and vehicles, as there is increasing regulatory scrutiny on the industry. Average order compliance rate is approximately 69% across the industry in 2024.

Key Growth Drivers of China's Shared Mobility Market

Supply Side

Purpose-Built Vehicles

The increasing deployment of purpose-built vehicles is expected to fuel the expansion of China's shared mobility market.

Vehicles are traditionally designed for the use and enjoyment of their owners. However, vehicles used in shared mobility need to primarily cater to both drivers and passengers. Drivers in shared mobility services view vehicles as tools of production, prioritizing productivity over features designed for the personal enjoyment of private vehicle owners. As a result, traditional vehicles, which often come with high TCO, fail to deliver cost-effectiveness for drivers and a satisfactory experience for passengers, making them unsuitable for shared mobility.

Purpose-built vehicles, on the other hand, offer significantly lower TCO, enhancing income for drivers and improving profitability for shared mobility service providers. Purpose-built vehicles are tailored to meet the practical needs of drivers and passengers and improve operational efficiency for shared mobility service providers. Purpose-built vehicles typically not only incorporate features to improve experience for drivers and passengers, such as seat heating and extra legroom, but also integrate advanced technologies, such as intelligent cabin features and app connectivity. By focusing on customized features for shared mobility and omitting certain superfluous functions, purpose-built vehicles provide a good value-for-money option for drivers and satisfactory ride experience for passengers, driving the growth of the shared mobility industry.

Battery Electric Vehicles

BEVs are poised to play a central role in the future of shared mobility given their cost-effectiveness and environmental friendliness compared with traditional ICE vehicles. The cost per kilometer for a traditional ICE vehicle is RMB1.2 while the cost per kilometer for a BEV is RMB0.8. BEVs are more cost-efficient when it comes to auto servicing. Increasing adoption of BEVs would allow for more room to improve drivers' income, thereby attracting more drivers and improving driver retention. BEVs with battery swap capability can achieve even more vehicle TCO improvements. They can improve drivers' productivity by decreasing the down time needed for charging.

There has been an accelerated adoption of BEVs in general. The sales volume of BEVs in China increased from 1.0 million vehicles from 2019 to 7.7 million vehicles in 2024, and is forecasted to further increase to 23.6 million vehicles in 2029. By 2029, it is estimated that 61% of all new vehicles sold will be BEVs, as compared to 25% in 2024.

In 2024, approximately 35% of the vehicles in operation in the shared mobility market are traditional ICE vehicles, while nearly 80% of vehicles that began operation in the shared mobility market in 2024 are BEVs. Leveraging BEVs' significant advantage in energy replenishment cost, it is expected that BEVs will continue to replace ICE vehicles in the future and expect such replacement to occur at an increasing pace.

Autonomous Driving

Over the long run, autonomous driving is expected to drive a structural transformation of China's shared mobility market.

In the long term, as autonomous driving technology becomes more advanced and widely adopted, rides with autonomous driving technology will also become more economical for consumers. Autonomous driving is also expected to help supply the shared mobility market with more compliant and cost-effective vehicles, elevate user experience, and attract a larger user base.

Not all mobility service providers with autonomous driving technology can commercialize autonomous driving massively. The successful commercialization of autonomous driving for shared mobility, however, requires more than the development and use of autonomous driving technology on a software level. Deployment of autonomous driving requires the full integration of software technology with vehicle hardware. Only mobility service providers with strong control of vehicles can fully integrate autonomous driving technology onto their platforms and provide large scale services in a commercial setting.

Partnership between Shared Mobility Platforms and Aggregation Platforms

Aggregation platforms serve as a crucial driver of shared mobility market development by enhancing users' travel experiences. The proportion of ride hailing orders fulfilled through aggregation platforms in China increased from 7.0% to 31.0% between 2019 to 2024, and is expected to further grow to 53.9% in 2029. Aggregation platforms integrate resources from multiple shared mobility platforms, optimizing order matching accuracy and efficiency, thereby reducing user wait times and increasing vehicle utilization rates. Specifically, the order response time, defined as the duration from when a user places an order until a driver accepts it, averages about 3 minutes on aggregation platforms compared to around 4 minutes on shared mobility platforms. Furthermore, the passenger wait time, which is the period from when a driver accepts the order until the passenger is picked up, averages about 6 minutes on aggregation platforms, whereas it is approximately 8 minutes on shared mobility platforms. These metrics suggest that aggregation platforms are more efficient in order matching and provide shorter passenger wait times. Meanwhile, cooperation with aggregation platforms

helps shared mobility platforms reduce operational costs, expand market share, and improve service quality. Through resource sharing and partnership between shared mobility platforms and aggregation platforms, the shared mobility industry is expected to achieve sustainable growth in the future.

Accelerating Issuance of Ride-Hailing Operating Licenses and Permits

The shared mobility industry is poised for growth as regulatory bodies accelerates the issuance of licenses and permits for ride hailing services. This has boosted employment opportunities, as the development of shared mobility services has created more job opportunities for residents, fostering a flexible employment model in the sector. In recent years, the government authorities have published a number of policies to support the rapid expansion of compliant shared mobility services, and have repeatedly proposed to simplify and optimize the administrative approval process for the licenses and permits for ride hailing services. As a result, there has been a notable uptick in permits issued for drivers and vehicles, with Online Ride Hailing Driver's License growing from 2.9 million in 2020 to 6.6 million in 2023, and Transportation Permits rising from 1.1 million to 2.8 million in the same period, representing a CAGR of 31.5% and 35.6%, respectively. In some cities, particularly first- and second-tier cities, local authorities have implemented dynamic adjustment mechanisms to manage the number of vehicles engaging in online ride hailing services, as a result of which some shared mobility platforms have sought to increase the number of their compliant vehicles through the acquisition of local companies that already owns compliant vehicles. Nonetheless, the overall acceleration in the issuance of licenses and permits has fortified the market's supply side, enhancing compliance, responsiveness and operational efficiency for shared mobility platforms. In particular, improved compliance for shared mobility platforms not only fosters passenger trust and satisfaction but also enables hared mobility platforms to manage risks and uphold quality and safety standards more effectively. With a greater number of compliant drivers and vehicles, shared mobility platforms are expected deliver more stable and efficient services, meeting escalating demand, and propelling industry growth.

Demand Side

Paradigm Shift from Vehicle Ownership to Shared Mobility

Unlike many developed countries, shared mobility is a more cost-effective option to car ownership in China. For the vast population, the cost of vehicle ownership is much higher than the cost of shared mobility, making shared mobility a preferred method of transportation. In many Chinese cities, cost of vehicle ownership goes far beyond the purchase cost. In particular, many municipal governments across China restrict vehicle ownership or limit driving to certain days of the week to improve traffic and air quality. License plates can only be obtained through a lottery or public bidding system in some first-tier cities in China. Parking lots are in short supply in many cities and parking costs are considerably high. In 2024, the cost per kilometer

for using shared mobility service on a typical vehicle is RMB2.7, nearly 40% less than the cost per kilometer of RMB4.5 for owning the car privately. Thus, a good value-for-money shared mobility option could represent a paradigm shift, causing consumers to give up ownership of private vehicles.

Penetration into Lower-tier Cities and Reaching a Vast Consumer Base

The growth of the shared mobility market is accelerated by its widening reach, especially its expansion from tier-one cities to tier-two and lower-tier cities, mainly driven by well-established infrastructure for shared mobility in these cities. This trend highlights the nationwide appeal of shared mobility services and enables shared mobility platforms tap into an extensive consumer base, infusing fresh energy into the market. Lower-tier cities in China have a significant population and are experiencing consistent economic development and urbanization, while transportation options are often limited. As a result, there is a growing demand among residents in lower-tier cities for convenient and efficient mobility options. Shared mobility services, recognized for the adaptability, ease of use, and affordability, are increasingly becoming the preferred mobility option in these cities. In recent years, compliant shared mobility services in most lower-tier cities have grown at a faster rate than the national average. For instance, between 2020 and 2023, the number of Transportation Permits issued in Haikou and Weihai has increased at a CAGR of over 43% and 56%, respectively, which is higher than the national average of 35.6% during the same period. In this context, the trend of booking rides via apps in low-tier cities is rising, which is a testament to the growing preference for personalized and on-demand travel solutions in lower-tier cities. Share mobility platforms are fine-tuning their offerings and pricing models to align with the spending habits of lower-tier cities and are employing localized marketing strategies to draw in more customers.

Better User Experience

The popularity and adoption of shared mobility has significantly increased in recent years. Users can enjoy the convenience of shared mobility, avoiding the stress of driving, with a number of service lines at different price points to cater to their specific needs. With the emergence of multiple players in the market, users are also able to enjoy services at more competitive prices. Over time, the industry has seen increased emphasis on enhancing user experience and delivering good value for money. In particular, mobility service providers have continually improved user experience by enabling users to optimize across preferences over cost, comfort, and timeliness to attract more users to opt for shared mobility, which in turn drives the growth of the industry.

COMPETITIVE LANDSCAPE OF CHINA'S RIDE HAILING MARKET

Competitive Landscape Overview

The shared mobility market is composed of ride hailing and hitch. Ride hailing is the largest sector with significant growth potential, representing around 90% of total shared mobility market size in 2024. The competitive landscape of ride hailing service providers is led by one player in the market with 70.4% market share in terms of GTV in 2024, followed by several major players. The top five players in the market contributed 86.0% market share in terms of GTV in 2024. The Company has been ranked in the top three ride hailing platforms in China in the last three years in terms of GTV.

Ranking of China's Leading Market Players by GTV in Billions, 2024

Company	GTV	Market Share in terms of GTV
	(RMB in billions)	(%)
Company A[(1)]	219.6	70.4
CaoCao	16.9	5.4
Company B[(2)]	16.7	5.3
Company C[(3)]	8.9	2.8
Company D[(4)]	6.6	2.1
Total Market Share by Top Five Players	**86.0%**	

Source: Frost & Sullivan

Notes:

(1) Company A, established in 2012 and headquartered in Beijing, China, is a mobility technology platform. Company A provides ride hailing, taxi online hailing, hitch, driver service, corporate transportation service, bicycle sharing, electric scooter sharing, vehicle care, delivery and payment services in Asia, Latin America and Australia. Company A's American depositary shares have been quoted on OTC Pink.

(2) Company B, established in 2019 and headquartered in Nanjing, China, is a shared mobility platform, mainly providing ride hailing services in China. Company B is a private company.

(3) Company C, established in 2015 and headquartered in Beijing, China, is a mobility service provider that offers mobility services and serves as a service provider for major online travel agencies (OTAs), airlines, hotels, and other corporate clients in China. Company C is a private company.

(4) Company D, established in 2018 and headquartered in Shanghai, China, is a mobility service provider that integrates the resources and technologies of its parent company in China. Company D is a private company.

Shared mobility is a business with heavy on-the-ground operations, indicating that each city represents a unique market with its own set of challenges and opportunities. This local nature stems from variations in consumer preferences, infrastructure, and market competition. This aspect underscores the importance of understanding and adapting to local conditions for achieving operational success in the shared mobility industry. In 2024, the Company was one of the top three ride hailing platforms in China's first-tier and second-tier cities in 2024 in terms of GTV.

Ranking of China's Leading Market Players in Tier-One and Tier-Two Cities by 2024 GTV

Company	GTV in Tier-One Cities	GTV in Tier-Two Cities
	(RMB in billions)	(RMB in billions)
Company A[(1)]	48.3	81.2
CaoCao	6.0	9.8
Company B[(2)]	3.9	11.0
Total Market Share by Top 3 Players	**85.4%**	**88.3%**

Source: Frost & Sullivan

Notes:

(1) Company A, established in 2012 and headquartered in Beijing, China, is a mobility technology platform. Company A provides ride hailing, taxi online hailing, hitch, driver service, corporate transportation service, bicycle sharing, electric scooter sharing, vehicle care, delivery and payment services in Asia, Latin America and Australia. Company A's American depositary shares have been quoted on OTC Pink.

(2) Company B, established in 2019 and headquartered in Nanjing, China, is a shared mobility platform, mainly providing ride hailing services in China. Company B is a private company.

SOURCES OF INFORMATION

We commissioned Frost & Sullivan, an independent global consulting firm that offers industry research and market strategies and provides growth consulting and corporate training to conduct a detailed research on and analysis of the shared mobility industry in China. We have agreed to pay a fee of RMB600,000 to Frost & Sullivan in connection with the preparation of the Frost & Sullivan Report. We have extracted certain information from the Frost & Sullivan Report in this section, as well as in "Summary," "Risk Factors," "Business," "Financial Information," and elsewhere in this document to provide our potential [**REDACTED**] with a more comprehensive presentation of the industries where we operate.

During the preparation of the Frost & Sullivan Report, Frost & Sullivan performed both primary and secondary research, and obtained knowledge, statistics, information, and industry insights on the industry trends of the target research markets. Primary research involved interviewing industry insiders such as leading market players, suppliers, customers, and recognized third-party industry associations. Secondary research involved reviewing company reports, independent research reports, and data based on Frost & Sullivan's own research database. Frost & Sullivan has independently verified the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan's research may be affected by the accuracy of assumptions used and the choice of primary and secondary sources.

The Frost & Sullivan Report was compiled based on the following assumptions: (i) the Chinese economy will grow at a steady rate supported by favorable government policies as well as global economic recovery, among other factors; and (ii) the social, economic, and political stability in China will continue during the forecast period, which will ensure a sustainable and steady development of the shared mobility market in China.

OVERVIEW

We are a ride hailing platform in China originally incubated by Geely Group. We are known for our service quality, and have strengthened our brand image with a continually evolving fleet of purpose-built vehicles. According to Frost & Sullivan, we have ranked among the top three ride hailing platforms in China based on GTV in the last three years.

Our history begins with the establishment of Hangzhou Youxing by Mr. Li through Zhejiang Jidi on May 21, 2015, through which we commenced our operation. Mr. Li is the founder and chairman of Geely Automobile, a company listed on the Main Board of the Stock Exchange (stock code: 175 (HKD counter) and 80175 (RMB counter)), and controls Geely Holding and Zhejiang Jidi. Mr. Li has around 30 years of experience in the investment and management of the automobile and related business in China.

KEY BUSINESS MILESTONES

The following is a summary of our key business development milestones:

Year	Event
2015	Commenced business operations through establishment of Hangzhou Youxing.
2017	Obtained the required permit to operate as an online ride hailing platform that provides nationwide services, pursuant to the Interim Measures for the Management of Online Ride Hailing Operation and Service (《網絡預約出租汽車經營服務管理暫行辦法》), which took effect in late 2016.
2019	Became the official designated online ride hailing service provider for the Second National Youth Games
2021	Completed Series B financing of RMB1.8 billion and relocated our headquarter to Suzhou
2022	Deployed at scale our first-generation purpose-built vehicles, Maple 80V, in a number of cities in China.
2023	Launched our second-generation purpose-built vehicles, CaoCao 60.
2025	Launched our autonomous driving platform, CaoCao Smart Mobility.

CORPORATE DEVELOPMENT OF OUR GROUP

Our Major Subsidiaries

The principal business activities, place of establishment, and date of establishment of each member of our Group that made a material contribution to our results of operations during the Track Record Period are shown below:

Company	Principal business activities	Place of establishment	Date of establishment
Hangzhou Youxing	Online ride hailing service; vehicle leasing	China	May 21, 2015
Suzhou Geely Youxing Electronic Technology Co., Ltd. (蘇州市吉利優行電子科技有限公司)	Online ride hailing service; vehicle leasing	China	February 22, 2016

Establishment of Hangzhou Youxing and onshore equity financings

On May 21, 2015, Hangzhou Youxing was established as a limited liability company under the laws of the PRC with an initial registered capital of RMB150 million. The company was owned by Zhejiang Jidi (formerly known as Geely Group Co., Ltd. (吉利集團有限公司) and Geely Technology Group Company Limited (吉利科技集團有限公司) at the relevant time.

From October 2017 to August 2021, Hangzhou Youxing conducted three rounds of onshore financings, pursuant to which certain Pre-[**REDACTED**] Investors invested in our business. See "—Pre-[**REDACTED**] Investments" below for further details of the Pre-[**REDACTED**] Investments. Other than the Pre-[**REDACTED**] Investments, Mr. Li, through his controlled entities, Zhejiang Jidi and Geely Holding, also subscribed for an additional registered capital of approximately RMB184.6 million and RMB66.7 million respectively during the same period.

The capital structure of Hangzhou Youxing following such onshore financings and immediately prior to our Reorganization is set out below:

Name of Shareholder of Hangzhou Youxing[(1)]	Registered Capital Subscribed	Percentage of Shareholding
	(RMB)	
Zhejiang Jidi[(2)]	334,643,900	69.93%
Geely Holding[(3)]	66,721,800	13.94%
Xiangcheng Xiangxing VC	35,637,600	7.45%
SanJohn Fund	20,485,800	4.28%
ABC Investment (Suzhou)	7,636,600	1.60%
Paradise Silicon-valley Tiansheng	6,223,000	1.30%
Longqi Xinglu	3,111,500	0.65%
Dongwu Innovation	2,545,500	0.53%
Tongxiang Wuzhen Fund I	1,555,800	0.33%
Total	**478,561,500**	**100.00%**

Notes:

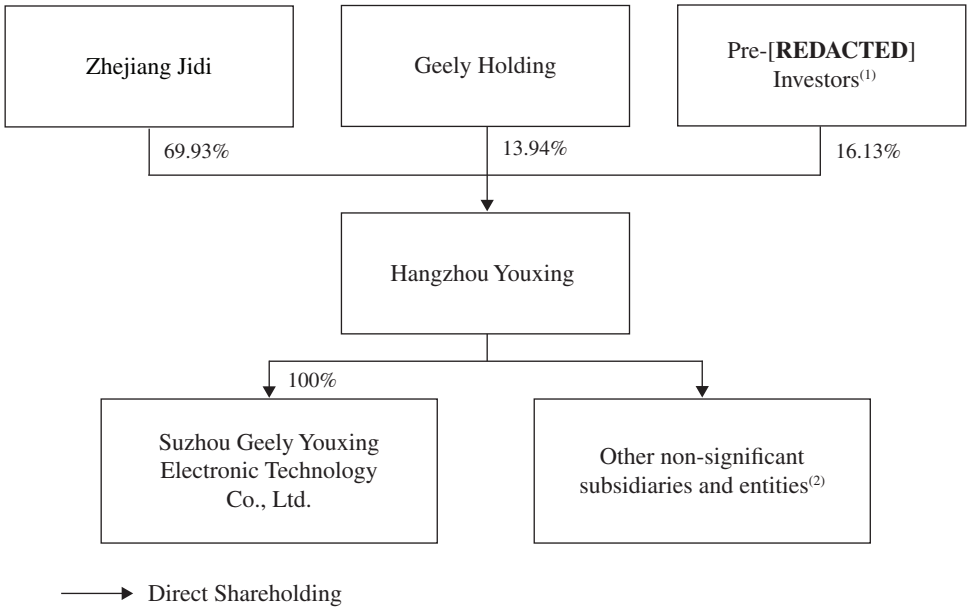
(1) All shareholders except for Zhejiang Jidi and Geely Holding are collectively referred to as Pre-[**REDACTED**] Investors.

(2) Zhejiang Jidi is owned as to 91% and 9% by Mr. Li and Mr. Xingxing Li, the son of Mr. Li, respectively.

(3) Geely Holding is owned as to approximately 82.23%, 8.06% and 9.71% by Mr. Li, Mr. Xingxing Li and Ningbo Yima Enterprise Management Partnership (Limited Partnership)* (寧波翊馬企業管理合夥企業(有限合夥)) ("**Ningbo Yima**"), respectively. Ningbo Yima is wholly owned by Mr. Li and his associates.

REORGANIZATION

In preparation for the [**REDACTED**], we underwent reorganization of our corporate structure (the "**Reorganization**"). The following chart sets forth the simplified corporate structure of our Group immediately prior to the commencement of the Reorganization:



Notes:

(1) See subsection headed "—Establishment of Hangzhou Youxing and onshore equity financings" for a list of Pre-[**REDACTED**] Investors and their respective shareholdings. See also subsection headed "—Information on the Pre-[**REDACTED**] Investors" for details.

(2) We have a complex group structure due to nature of the shared mobility industry and the geographical scope of our business. The corporate structure presented has been simplified.

Establishment of offshore corporate structure

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on November 8, 2021, with an authorized share capital of US$50,000 divided into 500,000,000 shares of a par value of US$0.0001 each. Upon incorporation, one Ordinary Share of US$0.0001 each was allotted and issued to the initial subscriber at par value, and was subsequently transferred, on the same day, to Ugo Investment Limited, a limited liability company incorporated in the British Virgin Islands, which is wholly owned by Mr. Li. On the same day, 738,691 Ordinary Shares of US$0.0001 each was allotted and issued to Ugo Investment Limited.

On November 12, 2021, CaoCao International Limited was incorporated in the British Virgin Islands as a limited liability company and a direct wholly owned subsidiary of our Company. On November 26, 2021, CaoCao Hong Kong Limited was incorporated in Hong Kong as a direct wholly owned subsidiary of CaoCao International Limited.

Establishment of WFOE and Entry into the Contractual Arrangements

Suzhou Youxing Qianli Network Technology Co., Ltd. ("**Suzhou Youxing**" or "**WFOE**") was established in the PRC on December 31, 2021, as a wholly owned foreign enterprise and a directly wholly owned subsidiary of CaoCao Hong Kong Limited.

The WFOE entered into various agreements which constitute the Contractual Arrangements with Hangzhou Youxing, Zhejiang Jidi, Geely Holding, and the Pre-[**REDACTED**] Investors, which were last amended on April 10, 2024. Through these Contractual Arrangements, WFOE is able to exercise control over the operations of Hangzhou Youxing and its subsidiaries, and enjoy 100% of the economic benefits of all equity interests in Hangzhou Youxing and its subsidiaries after the Reorganization. See "Contractual Arrangements" for further details.

Transfer of Limao Mobility from Yizhen Automobile to Hangzhou Youxing

On March 25, 2024, Hangzhou Youxing entered into an equity transfer agreement with Limao Mobility and Zhejiang Yizhen Automobile Co., Ltd. (浙江翼真汽車有限公司) ("**Yizhen Automobile**"), then shareholder of Limao Mobility, pursuant to which Yizhen Automobile agreed to transfer the entire equity interest of Limao Mobility to Hangzhou Youxing at a nominal consideration of RMB1. The consideration was determined after taking into account Limao Mobility's fair value at the time.

Yizhen Automobile is ultimately controlled by Mr. Li. Limao Mobility was established in the PRC on January 25, 2021. It is ultimately controlled by Mr. Li during the Track Record Period and primarily engaged in the provision of mobility services under the brand "Limao Mobility (禮帽出行)." Yizhen Automobile transferred the entire equity interest in Limao Mobility to Hangzhou Youxing to pursue synergistic opportunities and to combine our resources and expertise to improve operating efficiency. The equity transfer was legally and properly completed in March 2024 and the approvals from the relevant authorities have been obtained. Upon the completion of the equity transfer, Limao Mobility became a wholly owned subsidiary of Hangzhou Youxing. Accordingly, the consolidated financial statements of the Company were prepared as if Limao Mobility had been consolidated since the establishment of Limao Mobility on January 25, 2021.

Allotment and issuance of Shares by the Company

On April 10, 2024, in contemplation of the [**REDACTED**], all shareholders of Hangzhou Youxing or their affiliates entered into a shareholders agreement with, among others, our Company, to subscribe for Ordinary Shares or Preferred Shares (as the case may be) of the Company at nominal consideration in proportion to their respective shareholding in Hangzhou Youxing. The allotment and issue of Shares by the Company was completed on April 10, 2024.

During the Track Record Period and until the Latest Practicable Date, we did not conduct any major acquisitions, disposals, or mergers. A diagram illustrating our corporate structure after completion of the Reorganization and immediately prior to the [**REDACTED**] is set out under "—Corporate structure immediately before the [**REDACTED**]" in this section.

Compliance with PRC laws

Our PRC Legal Advisor confirmed that, (i) all necessary regulatory approvals or filings required under PRC Laws in relation to the Reorganization have been obtained or made in all material respects regarding the Reorganization; and (ii) all share transfers and changes in registered capital as part of the Reorganization has complied with all applicable PRC Laws in all material respects. The Registered Shareholders completed the registration of the Equity Pledge Agreement in November 2024 and December 2024.

PRE-[REDACTED] INVESTMENTS

Overview

Between 2017 and 2021, we carried out three rounds of onshore Pre-[**REDACTED**] financing. See "—Corporate Development of our Group—Establishment of Hangzhou Youxing and onshore equity financings" for details. See "—Capitalization of Our Company" for the capital structure of our Company after such Pre-[**REDACTED**] Investments and as of the Latest Practicable Date.

Principal terms of the Pre-[REDACTED] Investments

The table below shows summarizes the principal terms of the Pre-[**REDACTED**] Investments:

Series	Date of investment agreement	Date of settlement	Pre-money valuation	Approximate amount raised for our Group	Cost per share paid[(1)]	Discount to the [REDACTED][(2)]
Series A	October 2017	January 2018	RMB9,641,600,000	US$100,000,000	RMB30.75	[**REDACTED**]
Series A1	December 2017	March 2018	RMB10,300,000,000	RMB350,000,000	RMB30.76	[**REDACTED**]
Series B	August 2021	August 2021	RMB17,000,000,000	RMB1,800,000,000	RMB37.60	[**REDACTED**]

Notes:

(1) This is calculated based on the approximate [**REDACTED**] raised by our Group following the Pre-[**REDACTED**] Investment, taking into account the effect of the Reorganization.

(2) The discount to the [**REDACTED**] is calculated based on the assumption that the [**REDACTED**] is [**REDACTED**] per Share, being the midpoint of the indicative [**REDACTED**] range of [**REDACTED**] to [**REDACTED**].

Basis of consideration	The basis of consideration of each tranche of the Pre-[**REDACTED**] Investments was determined by the relevant Pre-[**REDACTED**] Investors through arm's-length negotiations between the parties based on the valuation of our Group at the time of the investment, taking into account the timing of the investment, the then status of the businesses carried out by our Group, the outlook/growth potential and financial performance of our Group, and the industry in which we operate in.
Use of proceeds from the Pre-[REDACTED] Investments	We utilized the proceeds from the Pre-[**REDACTED**] Investments for the operations of our Group and in accordance with the business plan or budget as approved by the Board. As of the Latest Practicable Date, all of the funds raised from the Pre-[**REDACTED**] Investments have been utilized.
Lock-up	The Shares held by the Pre-[**REDACTED**] Investors will be subject to lock-up arrangements ending on the date which is not less than 180 days following the [**REDACTED**].
Strategic benefits of the Pre-[REDACTED] Investments	At the time of the Pre-[**REDACTED**] Investments, our Directors were of the view that in addition to providing additional capital for our Group's continued growth and our Group could also benefit from the knowledge and experience of our Pre-[**REDACTED**] Investors. Moreover, our Directors were of the view that our Group could benefit from the Pre-[**REDACTED**] Investments as the Pre-[**REDACTED**] Investors' investments demonstrated their confidence in the operations of our Group and served as an endorsement of our Company's performance, strengths and prospects.

Special rights of the Pre-[REDACTED] Investors

Certain special rights were granted to our Pre-[**REDACTED**] Investors under the relevant agreements, such as anti-dilution rights, redemption rights, liquidation preferences, veto rights, right to appoint directors or observers on the board, rights of first refusal, and information and inspection rights. The redemption right shall be automatically terminated upon our first submission of an application for the [**REDACTED**] (the "**Submission**"), provided in the event where the Submission is withdrawn, rejected or lapses, or the Company fails to consummate the [**REDACTED**] within twelve months after the Submission, such redemption right shall

automatically be reinstated in full. All other special rights will terminate upon the completion of the [**REDACTED**] and no special rights granted to the Pre-[**REDACTED**] Investors will survive after the [**REDACTED**], in compliance with Chapter 4.2 under the Guide.

All of the Preferred Shares will be converted into Ordinary Shares on a one-on-one basis prior to the completion of the [**REDACTED**], at which time our share capital will comprise of one class of shares, namely the Ordinary Shares.

[**REDACTED**]

Upon the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the Pre-[**REDACTED**] Share Incentive Plan), Ugo Investment Limited will hold in excess of 10% of the issued shares of the Company and therefore its shares will not be counted towards the [**REDACTED**]. In addition, 21,403,500 Shares held by Oceanpine Marvel will not be counted towards the [**REDACTED**] in light of the voting rights entrustment arrangement as detailed below in the section headed "Voting Rights Entrustment Arrangement".

Save as provided above, upon the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the Pre-[**REDACTED**] Share Incentive Plan), the Pre-[**REDACTED**] Investors (excluding Oceanpine Marvel) and the remaining shareholders will collectively hold [**REDACTED**] Shares or approximately [**REDACTED**]% of the issued share capital of our Company. The Shares held by all the Pre-[**REDACTED**] Investors (excluding Oceanpine Marvel) will count towards the [**REDACTED**].

Compliance with the Pre-[REDACTED] Investment guidance

On the basis that (i) the consideration for the Pre-[**REDACTED**] Investments was settled more than 120 clear days before the date of the [**REDACTED**], (ii) the redemption rights granted to the Pre-[**REDACTED**] Investors were terminated upon the Submission, and (iii) all other special rights granted to the Pre-[**REDACTED**] Investors shall be terminated upon [**REDACTED**], the Joint Sponsors have confirmed that the Pre-[**REDACTED**] Investments are in compliance with Chapter 4.2 under the Guide.

Information on the Pre-[REDACTED] Investors

Set out below is a description of all of our Pre-[**REDACTED**] Investors. To the best knowledge of the Company, each of the Pre-[**REDACTED**] Investors, together with their ultimate beneficial owners, is an Independent Third Party.

Xiangcheng Xiangxing VC is a limited partnership incorporated under the laws of the PRC. Its general partner is Suzhou Xiangcheng Venture Capital Co., Ltd. (蘇州市相城創業投資有限責任公司) ("**Xiangcheng VC**"). Xiangcheng Xiangxing VC has four limited partners. Suzhou Huanxiuhu No. 1 Investment Co. Ltd. (蘇州環秀湖壹號投資有限公司) ("**Suzhou**

Huanxiuhu") holds approximately 35.7% of the economic interest in Xiangcheng Xiangxing VC as a limited partner. Suzhou Huanxiuhu is indirectly and wholly owned by Suzhou Gaotie Xincheng Management Committee (蘇州高鐵新城管理委員會). Xiangcheng VC and Suzhou Xiangcheng Industrial Investment Co., Ltd. (蘇州市相城實業投資有限公司) ("**Xiangcheng Industrial Investment**") collectively hold approximately 35.7% of the economic interest in Xiangcheng Xiangxing VC. Both Xiangcheng VC and Xiangcheng Industrial Investment are indirectly and wholly owned by Suzhou Xiangcheng District People's Government State-owned Assets Supervision and Administration Office (蘇州市相城區人民政府國有資產監督管理辦公室). None of the other partners of Xiangcheng Xiangxing VC holds more than one third of its economic interest.

Oceanpine Marvel is a company incorporated in Cayman Islands with limited liabilities. Oceanpine Marvel is wholly owned by SanJohn Fund, the manager of which is SanJohn Capital Limited, a Hong Kong company which is owned by Mr. Lizhong Chen. Other than Candiac Limited which holds 48.5% of the total holding of SanJohn Fund, and Oceanpine Capital Limited and Oceanpine Capital Inc. which collectively hold 44.9% of the total holding of SanJohn Fund, none of the other six holders holds more than one third of the total holding. Candiac Limited is wholly owned by Ms. Qing Tan. Both Oceanpine Capital Limited and Oceanpine Capital Inc. are owned as to 70% by Ms. Manguang Mao.

ABC Investment (Suzhou) is a limited liability company incorporated under the laws of the PRC. It is indirectly and wholly owned by Agricultural Bank of China Limited (中國農業銀行股份有限公司), which is a joint stock company incorporated under the laws of the PRC with limited liability, and a company listed on the Hong Kong Stock Exchange (stock code: 1288) and Shanghai Stock Exchange (stock code: 601288).

Paradise Silicon-valley Tiansheng is a limited partnership incorporated under the laws of the PRC. Its general partner is wholly owned by Paradise Silicon-valley Venture Capital Group Co., Ltd. (天堂硅谷創業投資集團有限公司), which is majority-owned by Silicon Paradise Industry Group Co. Ltd. (硅谷天堂產業集團股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 833044). Paradise Silicon-valley Tiansheng has 14 limited partners, among which Huzhou Taiqi Investment Partnership (Limited Partnership) (湖州泰琪投資合夥企業(有限合夥)) ("**Huzhou Taiqi**") holds 34.2466% of the economic interest and none of the other limited partners holds more than one third of the economic interest of Paradise Silicon-valley Tiansheng. Huzhou Taiqi has 23 partners and none of whom holds more than one third of the economic interest of Huzhou Taiqi.

Longqi Xinglu is a limited partnership incorporated under the laws of the PRC. Its general partner is Hangzhou Longqi Investment Management Co. Ltd. (杭州隆啟投資管理有限公司), which is majority-owned by Mr. Jian Lin (林鍵先生). Longqi Xinglu has 17 limited partners, none of which holds more than one third of the economic interest of Longqi Xinglu.

Dongwu Innovation is a limited liability company incorporated under the laws of the PRC. It is wholly owned by Soochow Securities Co., Ltd. (東吳證券股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601555).

Tongxiang Wuzhen Fund I is a limited partnership incorporated under the laws of the PRC. Its general partner is Tongxiang Zhejiang Merchant Wuzhen Internet Industry Investment Management Co. Ltd. (桐鄉浙商烏鎮互聯網產業投資管理有限公司), which is majority-owned by Zhejiang Merchant Venture Capital Co., Ltd. (浙商創投股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 834089). Tongxiang Wuzhen Fund I has one limited partner, Tongxiang Jinfenghuang Service Industry Development Group Co. Ltd. (桐鄉市金鳳凰服務業發展集團有限公司) ("**Tongxiang Jinfenghuang**"). Tongxiang Jinfenghuang holds 90.9% of the economic interest of Tongxiang Wuzhen Fund I, and is indirectly and wholly owned by Tongxiang Finance Bureau (桐鄉市財政局).

VOTING RIGHTS ENTRUSTMENT ARRANGEMENT

In order to streamline the internal approval procedure and enhance the decision-making efficiency at the Shareholders meetings of the Company, Oceanpine Marvel and Ugo Investment Limited entered into the Voting Rights Entrustment Agreement in January 2025, pursuant to which Oceanpine Marvel irrevocably entrusted Ugo Investment Limited to exercise the voting rights attached to 21,403,500 Shares held by it. The foregoing voting rights entrustment arrangement is effective for the period from the date of the Voting Rights Entrustment Agreement to (i) the expiration of one year from the [**REDACTED**], (ii) the date of which Oceanpine Marvel no longer holds any Shares of the Company or (iii) the date of termination upon mutual agreement between Oceanpine Marvel and Ugo Investment Limited (whichever is the earliest).

Immediately upon signing of the Voting Rights Entrustment Agreement, Mr. Li, through Ugo Investment Limited, was entitled to control, in aggregate, approximately 88.2% of our voting rights. Assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Share Incentive Plan, Mr. Li, through Ugo Investment Limited, will, in aggregate, control approximately [**REDACTED**]% of our voting rights immediately after the completion of the [**REDACTED**].

CAPITALIZATION OF OUR COMPANY

The following table sets out the shareholding structure of our Company as of the Latest Practicable Date and immediately upon the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the Pre-[**REDACTED**] Share Incentive Plan).

Shareholders	Ordinary Shares	Series A Preferred Shares[(1)]	Series A1 Preferred Shares[(1)]	Series B Preferred Shares[(1)]	Subtotal	Shareholding percentage as of the Latest Practicable Date	Number of Shares upon completion of the [REDACTED][(2)]	Shareholding percentage upon completion of the [REDACTED][(2)]
Controlling Shareholder								
Ugo Investment Limited	419,346,000	–	–	–	419,346,000	83.9%	[REDACTED]	[REDACTED]%
Pre-*[REDACTED]*Investors								
Xiangcheng Xiangxing VC	–	–	–	37,234,000	37,234,000	7.4%	[REDACTED]	[REDACTED]%
Oceanpine Marvel[(3)]	–	21,403,500	–	–	21,403,500	4.3%	[REDACTED]	[REDACTED]%
ABC Investment (Suzhou)	–	–	–	7,978,500	7,978,500	1.6%	[REDACTED]	[REDACTED]%
Paradise Silicon-valley Tiansheng	–	–	6,502,000	–	6,502,000	1.3%	[REDACTED]	[REDACTED]%
Longqi Xinglu	–	–	3,251,000	–	3,251,000	0.7%	[REDACTED]	[REDACTED]%
Dongwu Innovation	–	–	–	2,659,500	2,659,500	0.5%	[REDACTED]	[REDACTED]%
Tongxiang Wuzhen Fund I	–	–	1,625,500	–	1,625,500	0.3%	[REDACTED]	[REDACTED]%
Others								
Other public shareholders	–	–	–	–	–	–	[REDACTED]	[REDACTED]%
Total	**419,346,000**	**21,403,500**	**11,378,500**	**47,872,000**	**500,000,000**	**100.0%**	[REDACTED]	**100.0%**

Notes:

(1) Each Series A Preferred Share, Series A1 Preferred Share and Series B Preferred Share shall be converted into one Ordinary Share with effect from the [**REDACTED**].

(2) Assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the Pre-[**REDACTED**] Share Incentive Plan.

(3) Pursuant to the Voting Rights Entrustment Agreement, Oceanpine Marvel has entrusted Ugo Investment Limited to exercise the voting rights attached to the Shares held by it. For further details, see "Voting Rights Entrustment Arrangement" in this section.

PRC REGULATORY REQUIREMENTS

SAFE Registration

Pursuant to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (the "**SAFE Circular 37**"), promulgated by SAFE and which took effect on July 4, 2014, which replaced the Notice on Issues Relating to the Administration of Foreign Exchange in Fund-Raising and Round-Trip Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) (the "**SAFE Circular 75**"), (i) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the "**Overseas SPV**") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV's PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV's capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (the "**SAFE Circular 13**"), promulgated by SAFE and which took effect on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located, and the SAFE and its branches shall perform indirect regulation over the direct investment-related foreign exchange registration via banks.

As advised by our PRC Legal Advisor, as of the Latest Practicable Date, Mr. Li, who is a PRC resident, has completed the required registration with the local SAFE branch under the SAFE Circular 37.

Mergers and Acquisitions

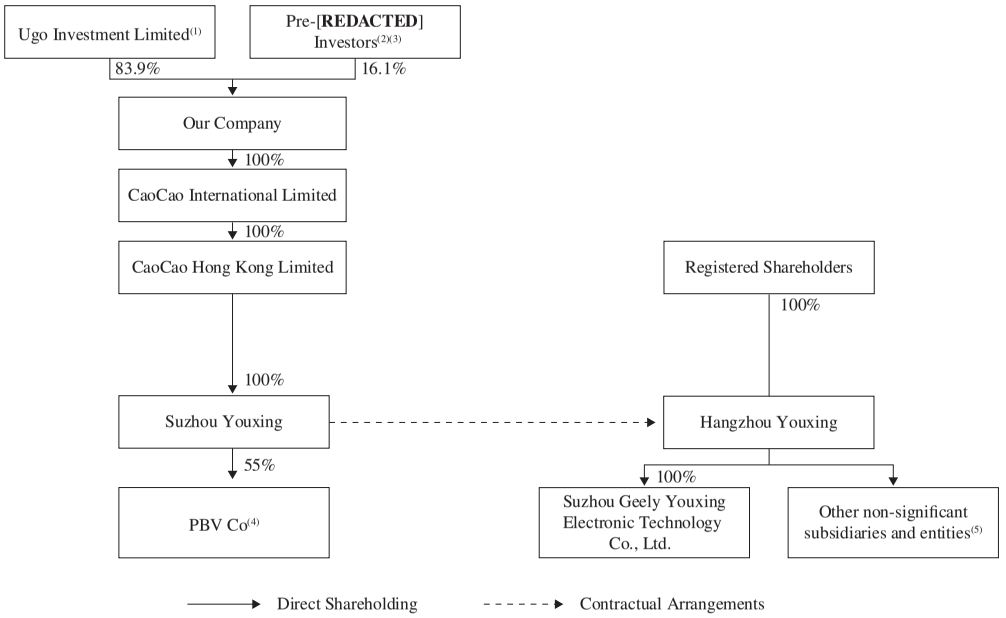
The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) jointly issued by the Ministry of Commerce, the SASAC, the STA, the CSRC, the State Administration for Industry and Commerce (currently known as the State Administration for Market Regulation) and the SAFE on August 8, 2006, effective as of September 8, 2006, and amended on June 22, 2009, with immediate effect, require that a special purpose vehicle, formed for overseas [**REDACTED**] purposes and controlled directly or indirectly by PRC companies or individuals through acquisitions of shares of or equity interests in PRC domestic companies, shall obtain the approval of the CSRC prior to the [**REDACTED**] and trading of such special purpose vehicle's securities on an overseas stock exchange.

Our PRC Legal Advisor is of the opinion that prior CSRC approval under the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) for this [**REDACTED**] is not required because (i) the CSRC currently has not issued any definitive rule or interpretation concerning whether [**REDACTED**] like ours under this document are subject to the aforementioned rules; (ii) our wholly owned PRC subsidiaries were not established through mergers or acquisitions of domestic companies owned by PRC companies or individuals as defined under these rules that are the beneficial owners of our Company; and (iii) that no provision in these rules clearly classified contractual arrangements as a type of transaction subject to these rules. However, our PRC Legal Advisor further advises that there is uncertainty as to how these rules will be interpreted or implemented or whether the relevant authorities would promulgate further requirements.

CORPORATE AND SHAREHOLDING STRUCTURE

Corporate structure immediately before the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Group immediately prior to the completion of the [**REDACTED**]:



Notes:

(1) Ugo Investment Limited is ultimately controlled by Mr. Li.

(2) See subsection headed "—Establishment of Hangzhou Youxing and onshore equity financings" for a list of Pre-**[REDACTED]** Investors. See also subsection headed "—Information on the Pre-**[REDACTED]** Investors" for details.

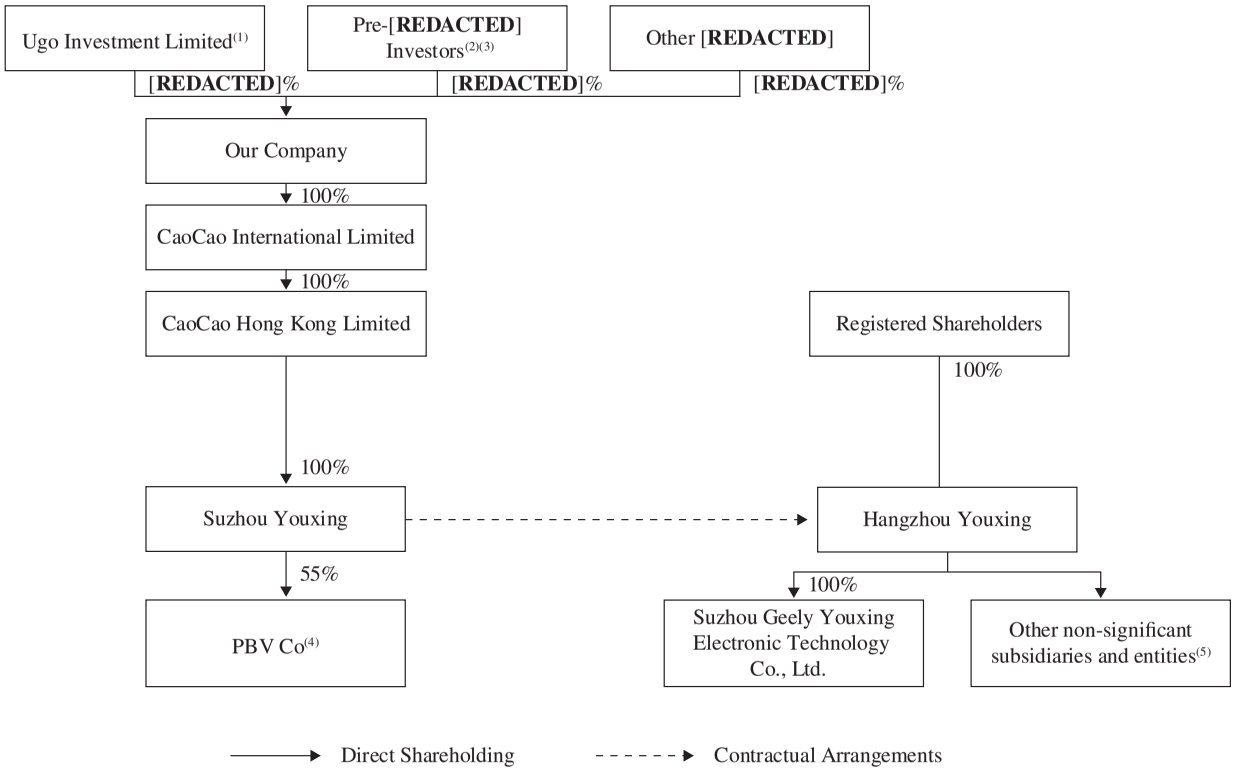
(3) Pursuant to the Voting Rights Entrustment Agreement, Oceanpine Marvel, one of the Pre-**[REDACTED]** Investors, has entrusted Ugo Investment Limited to exercise the voting rights attached to the Shares held by it, representing approximately 4.3% of the voting rights of the Company. For further details, see "Voting Rights Entrustment Arrangement" in this section.

(4) As at the Latest Practicable Date, the remaining 45% equity interest was held by Chongqing Ruilan Automobile Technology Co., Ltd., a company controlled by Mr. Li through his controlled entities.

(5) We have a complex group structure due to the nature of the shared mobility industry and the geographical scope of our business. The corporate structure presented has been simplified.

Corporate structure immediately following the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Group immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the Pre-[**REDACTED**] Share Incentive Plan):



Notes (1) to (5): Please refer to the details contained in the preceding page.

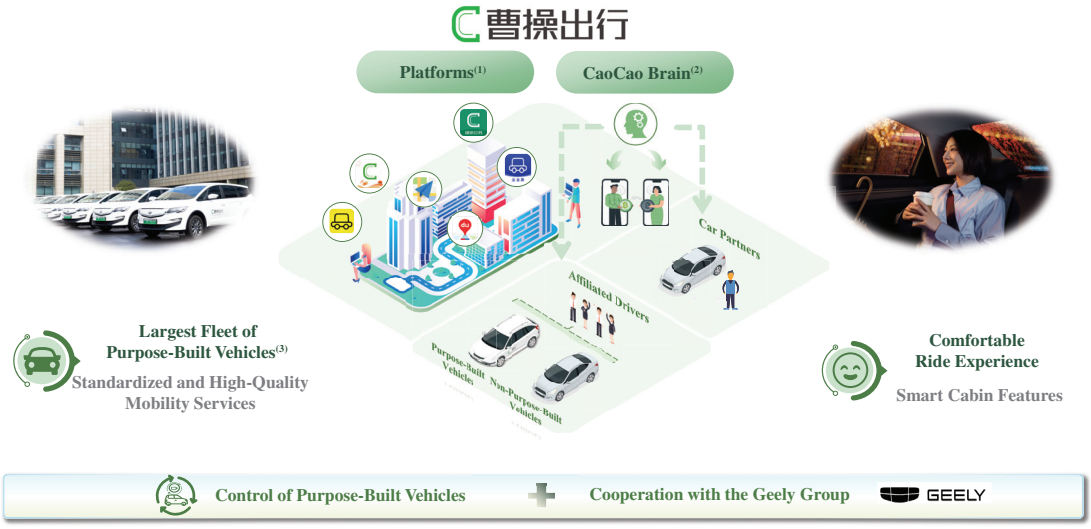
OVERVIEW

Our Business Model

We are a ride hailing platform in China originally incubated by Geely Group. We connect passengers and drivers to deliver consistent and high-quality ride experiences. We uphold a commitment to user experience, which is essential for our growth into one of China's largest ride hailing platforms. Today, we offer an array of safe, affordable, and convenient mobility services. We operated in 136 cities as of December 31, 2024. Our total GTV was RMB12.2 billion in 2023, representing an increase of 37.5% from 2022, and reached RMB17.0 billion in 2024, representing an increase of 38.8% from 2023 and 5.4% market share according to Frost & Sullivan. We are known for our service quality, and have strengthened our brand image with a continually evolving fleet of vehicles dedicated to mobility operations, which we refer to as purpose-built vehicles. We collaborate with car partners for a substantial portion of the orders completed, as car partners bring us additional service capacity and allow us to expand our coverage efficiently without the need to invest in procuring and managing vehicles. Meanwhile, we provide our own vehicles to certain drivers, which we refer to as affiliated drivers, who generally dedicate a greater amount of their time serving on our platform than car-partner drivers.

Our platform is uniquely positioned in the market due to our strategic relationship with the Geely Group and our comprehensive control of purpose-built vehicles. This strategic relationship has positioned us as a leader in the development of purpose-built vehicles, with a fleet of over 34,000 purpose-built vehicles across 31 cities as of December 31, 2024 for the use of our affiliated drivers – the largest of its kind in China according to Frost & Sullivan. We started deploying purpose-built vehicles since 2022. Orders fulfilled by purpose-built vehicles accounted for 25.1% of our GTV in 2024. This percentage is expected to further increase as we plan to ultimately provide all of our affiliated drivers with purpose-built vehicles and are increasing the sale of purpose-built vehicles to car partners. In 2024, we entered 85 new cities in collaboration with local car partners through selling them our purpose-built vehicles. These vehicles have become closely associated with our brand image and fortify our reputation for delivering consistently high-quality and intelligent ride experience.

Furthermore, our strategic relationship with Geely Group enhances our operating efficiency. We support our drivers with a suite of auto solutions, including implementing comprehensive driver safety incentives to lower insurance cost and adopting the Transparent Servicing program to reduce maintenance and repair costs. We leverage an expanding network of battery swap stations and auto servicing shops operated by Geely Group, which empowers our drivers with significant cost advantages, enhancing their net income. Our purpose-built vehicles also optimize economics and driving experience for drivers.



Notes:

(1) Refers to where our users may place ride hailing orders, including our own apps and the apps of third-party aggregation platforms.

(2) Refers to our proprietary, AI-powered decision-making system responsible for order dispatch and other tasks.

(3) As of December 31, 2024, according to Frost & Sullivan.

Our Achievement

Our commitment to excellence is reflected in CaoCao Mobility's No. 1 ranking in user recognition for "best service quality" among China's leading shared mobility platforms in five consecutive quarterly surveys of thousands of shared mobility users nationwide from the fourth quarter of 2023 to the fourth quarter of 2024 by an independent third party.

We have accomplished growth and improved our profitability at the same time. From 2022 to 2024, our revenue increased from RMB7.6 billion to RMB14.7 billion, and our gross profit margin improved from -4.4% to 8.1%.

Market Opportunity and Challenges in Shared Mobility

In 2024, the mobility market in China was valued at RMB8.0 trillion, with shared mobility services accounting for RMB344.4 billion, representing a penetration rate of 4.3%. This market is poised for a significant shift towards shared mobility, driven by two primary factors. Firstly, shared mobility costs approximately RMB2.70 per kilometer in China, nearly 40% less than the RMB4.50 per kilometer incurred by private vehicles. Secondly, the adoption of private vehicle ownership faces considerable challenges in urban areas, including restrictive license plate policies, limited parking availability, and prevalent traffic congestion.

The shared mobility market is expected to grow to RMB804.2 billion by 2029, reflecting a CAGR of 17.0% from 2025. This growth is projected to increase market penetration to 7.6%. The shared mobility market is highly concentrated where one player has captured significantly more market share than us. However, the market is evolving towards greater access to user traffic for shared mobility providers. Unlike past trends where a single app dominated user interactions, a diverse array of popular portals for mapping, navigation, and local services are now pivotal in directing user traffic, leading to the rise of various emerging players like us. In 2024, aggregation platforms contributed to 31.0% of total ride hailing orders, a significant increase from 7.0% in 2019.

Despite the growth opportunities, the shared mobility industry continues to face entrenched challenges:

- **Costly and Inconsistent User Experience.** Users are often forced to choose between a quality ride experience and affordability. Even within the same price range, ride experiences can vary significantly, sometimes resulting in substandard service due to lack of service and vehicle standardization.

- **Substantial Challenges for Drivers.** Drivers face substantial expenses relating to vehicle purchase, maintenance, and energy replenishment, which significantly curtail their earnings potential. Moreover, many drivers work in challenging conditions, often around 10 hours a day in vehicles that are not designed for such prolonged use.

- **Economic Bottlenecks for Service Providers.** Many shared mobility platforms struggle with improving unit economics due to limited control over their vehicle costs, which in turn hampers their ability to manage operating costs effectively.

These challenges underscore the need for a transformative approach in the shared mobility sector, prompting a re-evaluation of the role of vehicles beyond mere mode of transport and as an integral part of a broader mobility solution.

Our Competitive Strengths

Distinctive emphasis and control of vehicles through strategic relationship with Geely Group

Originally incubated by Geely Group, we benefit from distinctive discretion in the development of purpose-built vehicles, which provides a solid base to form the first vehicle brand in China dedicated to shared mobility.

Our deep engagement in the vehicle design process allows us to shape vehicle specifications that precisely meet the needs of passengers and drivers, including enhancing vehicle durability and serviceability, adopting battery swap architectures, and implementing smart cabin features. Our involvement extends across the vehicle lifecycle, ranging from design and deployment, pricing and sales, to operation and servicing, enabling us to optimize passenger experience, reduce vehicle TCO, and provide other benefits to drivers such as enhanced energy replenishment efficiency and better working conditions.

Our competitive edge is further solidified by our ability to deploy purpose-built vehicles. These vehicles benefit from substantial economies of scale and supply chain negotiating power, ensuring high cost efficiency. As of December 31, 2024, we have deployed a fleet of over 34,000 purpose-built vehicles across 31 cities for the use of our affiliated drivers, making it the largest of its kind in China, according to Frost & Sullivan. In addition, in 2024, we have entered 85 new cities in collaboration with local car partners through selling them our purpose-built vehicles.

Furthermore, integrating our expertise in ride hailing services and Geely Group's strength as a leading automotive-OEM and a frontrunner in the development of autonomous driving technologies, we launched our autonomous driving platform and commerced robotaxi services in two pilot cities in February 2025.

Differentiated user experience with strong brand recognition

We consistently deliver high-quality services on a large scale, positioning us as one of the premier ride hailing platforms in China. Our comprehensive driver management protocols incentivize all of our drivers, including those managed by car partners, to provide excellent and standardized services. CaoCao Mobility was recognized as the No. 1 brand in user recognition for "best service quality" among China's leading shared mobility platforms in five consecutive quarterly surveys of thousands of shared mobility users nationwide from the fourth quarter of 2023 to the fourth quarter of 2024 by an independent third party.

Our service to users is underpinned by a strong focus on safety. We adopt early-warning protocols, such as additional training for underperforming drivers, to preemptively resolve safety concerns. Our purpose-built vehicles are equipped with collision warning systems that provide active protection, and our technologies enable real-time monitoring of drivers to deter dangerous behaviors. Our orders had an accident rate of 45 and 37 accidents per million orders completed in 2023 and 2024, respectively, substantially lower than the industry average of 112 and 101, according to Frost & Sullivan.

Our user experience is differentiated by our fleet of purpose-built vehicles, smart in-cabin features, and high-quality services provided by professional drivers. These differentiators not only bolster our brand but also significantly enhance user satisfaction.

Driver empowerment through reduced TCO and enhanced operating efficiency

Our value proposition to drivers is the significant reduction in TCO and enhanced operating efficiency, achieved through our comprehensive auto solutions, CaoCao Brain, and purpose-built vehicles.

Our cost-effective auto solutions reduce TCO for all vehicles on our platform. We implement comprehensive driver safety incentives to lower insurance cost, and adopt the Transparent Servicing program to reduce maintenance and repair costs. In addition, CaoCao Brain, our proprietary, AI-powered decision-making system, streamlines order dispatch and reduces driver wait time, increasing their operating efficiency.

Furthermore, we offer our purpose-built vehicles, which are meticulously designed with a driver's needs in mind. The vehicles focus on reducing TCO while providing a comfortable and efficient work environment. We enhance driver comfort and productivity through features like ventilated seats and traffic heatmap assistance, specifically tailored to support long hours on the road. The vehicles' battery swap architecture allows energy replenishment to be completed in just 60 seconds, which significantly increases vehicle uptime and, consequently, driver income. Our purpose-built vehicles achieved a 36.4% lower average TCO compared to typical battery electric vehicles used in shared mobility, according to Frost & Sullivan.

Advanced and rapidly-evolving technologies

The CaoCao Brain plays a pivotal role in streamlining our operations. It efficiently manages order dispatch and allocates incentives for users, enhancing our growth in GTV. The transaction engine within the CaoCao Brain predicts future mobility demand, optimizes order dispatch, and maintains balance in mobility capacity to prevent fluctuations that lead to over- or under-utilization. It thus helps enhance driver earnings, reduce idle mileage, and decrease the average waiting time for passengers and drivers.

Our collaboration with Geely Group enhances our vehicle intelligence capabilities, allowing us significant control over purpose-built vehicles. This partnership enables us to leverage comprehensive data, optimizing and customizing vehicle functionalities to align with passenger and driver preferences such as implementing one-click ventilation function for passengers and order pick-up assistance for drivers.

Clear path of unit economics enhancement

We have systematically enhanced our unit economics by transforming the cost structure of our mobility services. In recent years, the AOV of our mobility service remained stable while we achieved enhancement in user acquisition efficiency. With CaoCao Brain's efficient distribution of user incentives, including across aggregation platforms that we partner with, our total user acquisition costs as a percentage of GTV decreased from 22.2% in 2022 to 18.1% in 2023. We have also reduced our reliance on driver incentives, as our scale and the resulting network effect ensures a high order density which reduced our drivers' idle rate and increased

their income per hour (IPH), and our comprehensive control over the full-lifecycle of vehicles reduces TCO for drivers. Our adjusted driver earnings and incentives as a percentage of mobility service revenue has decreased progressively from 84.2% in 2022 to 79.1% in 2023 and 79.0% in 2024, while our drivers' average IPH increased from RMB30.9 in 2022 to RMB36.1 in 2023 and slightly decreased to RMB35.7 in 2024, a year when driver IPH generally decreased across the industry due to increased competition and our driver IPH remained higher than other major participants, according to Frost & Sullivan. In the same period, we also entered a number of new cities and driver IPH is generally lower in the initial ramp-up period of new city entries, which contributed to the slight decrease in driver IPH. In 2023 and 2024, we achieved positive gross profit margins of 5.8% and 8.1%, respectively.

Forward-looking senior management embracing new mobility

Our senior management team, embodying a proactive mindset and a global vision, averages over 13 years of experience across the internet, mobility service, and automotive industries, with an average age of 43. Our executive director and chief executive officer, Mr. Xin Gong, brings a wealth of experience from his tenure at a leading shared mobility platform. Guided by a board composed of seasoned veterans, including our board chairman Mr. Jian Yang, who has over 12 years as vice chairman at Geely Holding, our leadership team is adept at identifying and addressing the critical needs of passengers and drivers, which significantly enhances the functionality and purpose of our vehicles.

Our Commitment to Social Responsibility

Our scale and technology afford us an opportunity to create significant value for society, and we are committed to doing so. Since our inception, we have created flexible income opportunities for a cumulative of approximately 3.9 million drivers, with total payment to drivers exceeding RMB40 billion.

We have pioneered new energy-focused shared mobility services in China in pursuit of sustainable mobility. All our purpose-built vehicles are BEVs, equipped for both charging and battery swapping. This not only significantly reduces emissions compared to ICE vehicles but also minimizes the carbon footprint through efficient battery use and recycling. Our vehicles are designed using environmentally friendly materials, further mitigating environmental impact.

Since 2015, our Carbon Space feature in the CaoCao Mobility app has allowed users to monitor their contributions to carbon reduction, enhancing community awareness of carbon neutrality and promoting our dedication to sustainable practices. By December 31, 2024, we had facilitated approximately 1.9 billion rides in new energy vehicles, achieving a cumulative reduction of over 3.1 million tons of carbon emissions. In 2023, we accomplished carbon-neutral operation in terms of greenhouse gas emissions and are on track to achieve net zero carbon emissions for all ride hailing orders by 2035.

Additionally, our control over vehicles has enabled us to cater to the needs of physically challenged individuals, including deploying the wheelchair-accessible LEVC TX5 equipped with numerous accessibility features. During the 2023 Asian Games and Asian Para Games in Hangzhou, we served as the official transportation provider, offering comprehensive services including the provision of approximately 300 LEVC TX5s to support the transportation of disabled athletes. We have launched barrier-free mobility services in multiple cities including Hangzhou, Dalian, and Suzhou.

OUR STRATEGIES

We are committed to advancing our position in the industry and achieving superior business growth through the following strategic initiatives:

Elevating service standards and bolstering our brand image to deepen user engagement and loyalty

We will continue to standardize service offerings leveraging our purpose-built vehicles, high-quality service by professional drivers, and proprietary technologies. Beyond increasing the penetration of purpose-built vehicles, we will continue to strengthen the regular training and operational support for drivers to ensure they provide high-quality service. We will also introduce more smart cabin features for users to enjoy their ride with us. Users can expect more vehicle control and more personalized yet consistent spatial experience. We plan to bolster our brand image through these measures and deepen user engagement and loyalty.

Enhancing and launching purpose-built vehicles to meet evolving market demands

We will continue to increase the penetration of our purpose-built vehicles to scale up our efforts to offer best value for money to users and reduce vehicle TCO for drivers, further strengthening our market positions. In the future, we plan to launch new models of purpose-built vehicles to further enhance our competitive advantage, including a new L4 level robotaxi model fully designed for serving on our autonomous driving platform by the end of 2026, and we will continue to upgrade the current models to track our latest development in vehicle intelligence.

We will deploy new purpose-built vehicles not only through our own fleet of mobility services, but also through our car partners with flexible options including sales and leases. In addition, we plan to increase the penetration of our purpose-built vehicles for express mobility services in cities where we maintain a leading position, and prudently expand coverage of purpose-built vehicles, stage by stage, to more cities nationwide.

Furthermore, we will allow more of our purpose-built vehicles to be deployed by third parties such as independent vehicle fleet operators, which provide their vehicles and drivers to various shared mobility platforms, and taxi companies. Not only will such sales add to our growth, increasing adoption of our purpose-built vehicles by third parties also helps strengthen the brand image of our own mobility services.

Expanding our geographical footprint and exploring innovative operational models

We expect to look for strategic opportunities to expand our geographical coverage to replicate our success. To this end, we intend to build dedicated local teams in new cities where we decide to enter and partner with local stakeholders to strengthen our on-the-ground capabilities. From 2022 to 2024, while we steadily increased our scale, we also improved our operating efficiency and built foundational technological capabilities. We have a proven track record of steadily increasing profitability. We plan to leverage our brand and goodwill, business resources, industry insights, and operational expertise to capitalize on the growth opportunities presented by the many cities that we have not yet covered. In particular, we expect to focus on lower-tier cities given their market potential. In 2024, we have entered 85 new cities with an asset-light model under which we supply local car partners with purpose-built vehicles and do not hold and deploy purpose-built vehicles ourselves. This asset-light model alleviates pressure on our working capital while ensuring the quality of service provided by our car partners. At the initial stages of entering a new market, we may deploy passenger and driver incentives aggressively in order to quickly gain market share, while taking into account the local market's competitive landscape and cost of living.

Improving our auto solutions to reinforce our advantage in full-lifecycle vehicle management

We will further improve our auto solutions to support our advantage in purpose-built vehicles. Meanwhile, we will continue to leverage our scale to deploy low-cost vehicle insurance and spare parts to reinforce the competitiveness of our auto solutions. We expect that the improvement in our auto solutions and the associated TCO savings will further increase the attractiveness of our purpose-built vehicles to third parties.

We will work with Geely Group and other business partners to further expand the geographic coverage of battery swap stations and auto servicing shops. We continually coordinate with the Geely Group to prioritize cities where we have significant operations for the expansion of their battery swap station network. For auto servicing shops, we will also focus on cities where we have significant presence. We will leverage data insights to enhance the effectiveness of the site selection. And we will track the latest battery swap technology to reduce average waiting time for drivers.

Advancing our technology to improve user experiences and increase operating efficiency

We will continue to invest in the development and iteration of vehicle intelligence technologies to enhance the cockpit experience for drivers and cabin experience for users. For drivers, we plan to introduce more driver assistance features. For users, we will continue to offer a personalized space with more upgraded interactive features. We will further invest in the AI algorithms and deep learning models of CaoCao Brain to enhance its data analysis and decision-making capabilities, which is expected to reduce wait times for passengers and drivers and enhance our operating efficiency through optimized incentive allocation. We will expand the coverage of our fleet management system aiming for optimal costs and maximum efficiency. We intend to refine the system based on the vehicle operation data we accumulate, which will also allow us to empower third parties more effectively.

Investing in autonomous driving technologies to seize future market opportunities

We plan to continue investing in transformative mobility technologies to advance our participation in autonomous driving development. On February 28, 2025, we launched CaoCao Smart Mobility, our autonomous driving platform, and announced the commencement of our robotaxi services in two pilot cities, Suzhou and Hangzhou. We will continue to invest in this platform to enhance our robotaxi operation capabilities, including order dispatch, route planning, resource allocation and asset maintenance. We will collaborate closely with Geely Group and our business partners to develop autonomous driving technology and purpose-built vehicles pre-installed with our proprietary autonomous driving components and related applications to ensure seamless compatibility with our autonomous driving platform, and expect to launch an L4 level robotaxi model fully designed for autonomous driving by the end of 2026. We will continuously expand our autonomous driving R&D team to strengthen our robotaxi operation and technological capabilities. Furthermore, we will look for opportunities to gradually expand our robotaxi coverage to more cites nationwide in order to accomplish the early-realization of large-scale robotaxi operation.

OVERVIEW OF OUR BUSINESS OPERATIONS

The following table sets forth the customers of our various service offerings.

Service Offering	Customer
Mobility Services (primarily ride hailing service for passengers and order dispatch service for drivers)	Passengers Drivers
Vehicle Leasing (for the provision of ride hailing services)	Car partners
Vehicle Sales (for the provision of ride hailing services)	Car partners Independent fleet operators Drivers

The following table sets forth the fees that we pay to various participants of our ride hailing service.

Participant	Fee Payable
Drivers	Driver earnings and incentives[(1)]
Passengers	User incentives[(2)]
Car Partners	Commission fee[(3)]
Aggregation Platforms	Commission fee[(4)]

Notes:

(1) In a dynamically adjusted amount.

(2) In a dynamically adjusted amount. Not actually paid to passengers but reflected as a reduction in the price charged to them.

(3) During the Track Record Period, we paid commissions to car partners at a rate between 2.5% and 2.7% of the GTV generated by our car-partner drivers.

(4) During the Track Record Period, we paid commissions to aggregation platforms at a rate between 7.2% and 7.5% of the GTV facilitated by aggregation platforms.

The following table sets forth licenses and permits required in relation to our ride hailing service.

Operator Side	License and Permit
CaoCao	Service Capability Recognition
	Platform Permits, in applicable cities
Drivers	Online Ride Hailing Driver's Licenses
Vehicles	Transportation Permits

The following table sets forth our mobile apps in relation to our ride hailing service.

User	Mobile App
Passengers	CaoCao Mobility
	CaoCao Enterprise
	Limao Mobility
	Limao Enterprise
Drivers	CaoCao Drivers
	Limao Mobility Drivers

KEY OPERATING METRICS

The following table sets forth certain key operating metrics of our business operations.

	For the Year Ended December 31,		
	2022	2023	2024
GTV (RMB in millions)	8,884	12,214	16,953
– express service of CaoCao Mobility	8,615	10,952	15,832
– premier service of CaoCao Mobility	245	1,195	1,061
– Limao Mobility	24	66	61
Average take rate[(1)]	84.1%	84.3%	80.0%
Order volume (in thousands)	383,429	447,778	598,052
AOV (RMB)	23.2	27.3	28.3
Daily order volume (in thousands)	1,050	1,227	1,634
Average monthly active users (in millions)	13.5	19.2	28.7
Average monthly active drivers (in thousands)	234	297	466
Order response rate[(2)]	87.4%	88.4%	88.1%
Average monthly driver retention rate[(3)]	68.9%	74.7%	70.8%

Note:

(1) Average take rate is calculated by dividing the revenue from mobility services in a given period by our GTV in the same period. Our average take rate decreased between 2023 and 2024 as we deployed user incentives more aggressively to increase our penetration in existing cities and enter into a number of new cities, recording a 38.8% increase in GTV between the same periods.

(2) Order response rate is calculated as the percentage of user requests accepted by drivers. According to Frost & Sullivan, the industry average order response rate was approximately 70% to 80% during the Track Record Period. While our order response rate slightly decreased between 2023 and 2024, we believe the change reflects normal statistical fluctuations and the rate remains above industry average.

(3) Our average monthly driver retention rate decreased between 2023 and 2024, primarily because we calculate monthly driver retention rate for a particular month based on the number of drivers retained in the following month and, since the Chinese New Year fell in February 2024 and January 2023, the holiday resulted in a lower-than-usual driver retention rate in January 2024 and December 2022, but no impact in 2023.

OUR ECOSYSTEM

We closely collaborate with Geely Group and introduced an ecosystem focusing on the supply side to change the shared mobility industry. This ecosystem differentiates us from other players in the market, featuring a growing fleet of purpose-built vehicles, a comprehensive suite of auto solutions, and CaoCao Smart Mobility, our autonomous driving platform.

Purpose-Built Vehicles

Our purpose-built vehicles are specifically designed for mobility service and consist of smart BEVs with both charging and battery swap capabilities. We operate two purpose-built vehicles, Maple 80V and CaoCao 60. As of December 31, 2024, we deployed a fleet of over 34,000 purpose-built vehicles for our affiliated drivers, including over 18,000 Maple 80Vs and over 16,000 CaoCao 60s, in 31 cities in China, making our fleet of purpose-built vehicles the largest among ride hailing platforms, according to Frost & Sullivan. In 2024, we have also entered 85 new cities in collaboration with local car partners by selling them our purpose-built vehicles. We expect our purpose-built vehicles to account for an increasingly large share of our fleet.

While our purpose-built vehicles are manufactured by Geely Group, we deeply engage in their design, development, deployment, sales, and operations. We have accumulated in-depth understanding of the needs of passengers and drivers in shared mobility, as we have completed hundreds of millions of rides since our inception. We leverage these insights for the design and development of our purpose-built vehicles. As we deploy and operate these vehicles, we also receive first-hand feedback on the vehicle's performance, and can thus continually iterate on our design philosophy. In January 2023, we established a subsidiary, or the PBV Co, dedicated to the design, development, sale, and marketing of purpose-built vehicles under the CaoCao vehicle brand.

We also collaborate with our car partners to deploy purpose-built vehicles in certain cities. Such collaborations enable us to leverage their valuable local know-how to scale up our operations efficiently without significant management burdens. We support our car partners with the sale and lease of our purpose-built vehicles as well as access to our proprietary fleet management system to digitalize their vehicle management efforts and improve their efficiency. See "—Our Technology—Fleet Management System."

Our purpose-built vehicles are designed for, and open to, any mobility service provider in China. As the traditional taxi industry looks to upgrade their service offerings, we are well-positioned to leverage our purpose-built vehicles, with smart cabin features that support remote and digitalized management, as well as our vehicle fleet management capabilities, to facilitate the transformation of the industry. For a discussion of co-development of taxi and ride hailing services, see "Industry Overview—Overview of China's Shared Mobility Market—Massive Market Size and High Growth Potential."

Purpose-Built Vehicles



Maple 80V
(for premier mobility service)



CaoCao 60
(for express mobility service)

First-Generation Model

The first-generation model, Maple 80V, is dedicated to our premier mobility service. We started operating Maple 80V in April 2022. We selected a mid-size electric MPV as our first model of purpose-built vehicles to tackle the challenges facing the industry.

Maple 80V provides drivers an attractive service tool for premier mobility. It uses a Geely battery swap architecture and also features shared mobility focused configurations. It has a low TCO of RMB0.53 per kilometer. For a comparison of vehicle TCO between Maple 80V and other typical vehicle models for shared mobility services, see "Industry Overview—Overview of China's Shared Mobility Market—Mobility Operating Vehicles—TCO Comparison Among Shared Mobility Operating Vehicles."

- *Battery Swap Architecture.* Maple 80V adopts a battery swap architecture which enables battery swaps within 60 seconds at any battery swap stations operated by Geely Group. Its batteries have a capacity of around 52-kilowatt-hour and can be charged from 30% to 80% state of charge within 30 minutes. For further details of TCO savings relating to our auto solutions, see "—Our Ecosystem—Auto Solutions."

- *Shared Mobility Focused Configurations.* We simplify unnecessary configurations suitable for private-use vehicles and reallocate the budget based on prioritized functions that promote drivers' comfort and productivity, such as driver rest mode and traffic heatmap assistance.

Despite its low TCO, Maple 80V offers users a spacious, intelligent, and safe ride experience.

- *Spacious.* Maple 80V is designed with extra backseat space and large trunk space for luggage. The vehicle has a wheelbase of 2,807 millimeters and a backseat headroom of 1,003 millimeters.

- *Intelligent*. Maple 80V affords users with direct control of their ride experience through our CaoCao Mobility app. Users can exercise control over in-cabin music, temperature, and ventilation, and enjoy free Wi-Fi.

- *Safe*. Maple 80V has built in abundant safety features. The cloud-based DMS detects driver fatigue and other cabin situations that may endanger the normal vehicle operations and send real-time vocal warnings, and the vision-based FCW system provides active protection against vehicle collision.

Second-Generation Model

The second-generation model, CaoCao 60, was launched in March 2023. CaoCao 60 is the first vehicle model under the CaoCao vehicle brand, a brand we independently manage. We are deeply involved in the design and development of vehicles under the CaoCao brand and are fully responsible for such vehicles' sales and marketing.

Within our platform, CaoCao 60 has been deployed for our express mobility service. With its deployment, we have full coverage by purpose-built vehicles of both express and premier mobility services, and users could expect to receive our consistently high-quality service regardless of the type of service that they choose.

CaoCao 60 is a compact electric crossover that adopts a more advanced battery swap architecture. Aiming towards express mobility service, the vehicle leverages our know-how from developing and deploying Maple 80V, and boosts the expansion of our ecosystem, with a TCO of RMB0.47 per kilometer.

- *Energy Consumption.* The energy consumption rate of CaoCao 60 is 6.3% lower than that of Maple 80V, as a result of the vehicle's energy efficient heat pump air conditioning, improved aerodynamic design, industry-leading electric motor efficiency, and low rolling resistance tires.

- *Service Life.* CaoCao 60 is designed with extra durability and reliability. It is tested for use over 600,000 kilometers. It comes with a one-year or 150,000-kilometer vehicle warranty, a five-year or 500,000-kilometer warranty for battery, and an eight-year or 200,000-kilometer warranty for electric drive and electric control systems, significantly superior than other options in the market.

- *Driver-Care Features.* To further improve the working condition for drivers, CaoCao 60 features driver seat ventilation and electric, four-way adjustable lumbar support to care for long hours of operations, and 163-degree driver seat recline for quick rests throughout the day. It retains all the convenience features of Maple 80V, such as traffic heatmap assistance.

- *Upgraded Battery Swap Architecture.* The upgraded version supports the use of batteries with high energy density, long lifecycle, and extra safety.

CaoCao 60 offers users enhanced ride comfort and smart cabin features exceeding those from the same class.

- *Ride Comfort*. CaoCao 60 prioritizes user comfort in a compact SUV. It provides 975 millimeters of backseat legroom comparable to a large sedan, with MPV-level headroom and elbowroom. The backseat includes practical features such as foldable cup holders, USB chargers, and a clothes hanger. The oversized, 500-liter trunk has a 1,000-millimeter depth and 980-millimeter width, capable of holding two 28-inch suitcases or three 26-inch suitcases. The acceleration and regenerative braking are carefully tuned to avoid motion sickness.

- *Smart Cabin Features.* CaoCao 60 shares all smart cabin features of our Maple 80V, affording our users an intelligent ride experience that matches our premier service at a more affordable price.

Wheelchair-Accessible Vehicles

Leveraging our collaboration with Geely Group, we also deployed a wheelchair-accessible vehicle, the LEVC TX5, under the brand of Limao Mobility. Designed and manufactured by the London EV Company, a British company under the Geely Group, and used as taxis in London, the vehicle has now been brought to China to serve a new user base.

LEVC TX5 is a mid-size electric MPV, made to deliver a comfortable and convenient ride experience to users. It provides a generous rear compartment with flexible seating for up to six passengers, a panoramic roof creating a bright and spacious ambiance, independent touch controls that allow users to adjust settings including temperature and fan speed, a partition between the driver's seat and the rear compartment to ensure privacy, and built-in two-way intercom to ensure clear communications between drivers and passengers.

The vehicle comes with various accessibility features, including a direct access ramp that can be swiftly deployed for wheelchair users or folded into the floorspace, a large door aperture for easy entry, a spacious interior with flexible seats that can be folded for additional space and built-in wheelchair restraints. In addition, the vehicle's digital intercom features an induction loop for hearing aid users, allowing them to hear drivers clearly. The rear apartment's control buttons are also braille-embossed, so that those with impaired vision can also easily use the various controls.

LEVC TX5



Auto Solutions

In 2024, there were over 1.5 million vehicles that took orders from our platform. To support these vehicles, we have developed a comprehensive suite of auto solutions, including an extensive auto solution infrastructure operated by Geely Group, to support our vehicles and reduce vehicle TCO.

Energy Replenishment

We focus on battery swap as an efficient energy replenishment method for our purpose-built vehicles. As of December 31, 2024, our purpose-built vehicles were supported by a large and fast-growing network of 378 battery swap stations in 26 cities in China. We continually coordinate with the Geely Group to prioritize cities where we have significant operations for the expansion of their battery swap station network.

All of our purpose-built vehicles support battery swaps within 60 seconds at any of the battery swap stations while maintaining the battery charging capability. We have designed an efficient and convenient battery swap process for our purpose-built vehicles. The battery swap hardware architecture directly feeds to the vehicle's software system and can be connected to our cloud-based data computing network and battery swap stations. Drivers can monitor the battery's state of charge through the vehicle's central control screen in real time and can be guided towards nearby battery swap stations when necessary. The battery swap station automatically detects the vehicle license plate upon arrival, directly assists the vehicle to complete the battery swap without requiring the driver to step out of the vehicle, and conducts a vehicle status check after the completion. Charges for the battery swap can be processed via CaoCao Mobility app after the driver leaves the battery swap station.

According to Frost & Sullivan, a mobility operating vehicle that supports battery swaps generally saves one hour per day for energy replenishment as compared to other mobility operating vehicles that supports charging only, which can translate to approximately RMB700 increased income per month.

Auto Servicing

We facilitated a network of 133 Geely-authorized auto servicing shops as of December 31, 2024, to provide cost-effective aftermarket maintenance and repair services to all of our vehicles. By the end of 2023, we have expanded our Transparent Servicing program to cover cities that generated most of our GTV in the year. The program empowers our auto servicing efficiency to further enhance drivers' time and cost savings. We have established digitalized and standardized process management protocols to optimize and streamline the workflow. In 2023, the average maintenance and repair time and average maintenance and repair cost for our vehicles decreased by 25% and 54% on a year-over-year basis.

As auto insurance cost accounts for a significant portion of the auto servicing cost, we have implemented a range of measures to reduce auto insurance cost for our fleet of vehicles. Our purpose-built vehicles' intelligent safety features, including DMS that detects driver fatigue and FCW system that warns against vehicle collisions, further reduces accidents rate. We also incentivize drivers to refrain from dangerous driving behaviors by tying their order assignment priority to their driving safety habits. As of December 31, 2024, the annual insurance cost of our Maple 80V in one city had been lowered to approximately RMB5,800 per vehicle, whereas the average annual insurance cost of a typical mobility operating vehicle is over RMB10,000 per vehicle, according to Frost & Sullivan.

Autonomous Driving Platform

On February 28, 2025, we launched CaoCao Smart Mobility, our autonomous driving platform, and announced the commencement of our robotaxi services in two pilot cities, Suzhou and Hangzhou. The CaoCao Smart Mobility platform is the latest product of our close collaboration with Geely Group, and combines our strengths as one of the largest ride hailing platforms in China with ample experience managing a large fleet of vehicles, and the strengths of Geely Group as a leading automotive-OEM and a frontrunner in the development of autonomous driving technologies. We believe these pooled resources give us a competitive edge in accomplishing the large-scale commercialization of robotaxi services, since doing so requires not only autonomous driving technologies but also strong control over the operating vehicles and extensive knowhow in the provision of ride hailing services.

In terms of operating vehicles, we have already had a track record of cooperating with the Geely Group to design and develop purpose-built vehicles suitable for the provision of ride hailing services. We intend to continue our collaboration in this regard, and currently plan to design and develop a vehicle model purpose-built for the provision of L4 level robotaxi services by the end of 2026. Our pilot robotaxi operations in Suzhou and Hangzhou currently make use of the Link Z10, a fully electric sedan pre-installed with autonomous driving components and applications and subsequently tailored for the provision of robotaxi services on our platform. We expect the next purpose-built vehicles to be pre-installed with all necessary autonomous driving components and applications for our robotaxi operations. We also intend to lower its TCO through, among others, the adoption of the battery swap structure, which can provide even more TCO savings to self-driving vehicles than it does for manned vehicles, since self-driving vehicles can operate for a substantially longer period of time. To improve user experience, we plan to design the vehicle's interiors in a way that make full use of the space saved from having human drivers, while build in necessary safety features and communication channels that allow us to respond to passenger demand in real-time just like a human driver can.

Meanwhile, we will leverage our existing knowhow in the provision of ride hailing services to continue developing our capability to manage a large-scale robotaxi operation, including order dispatch, route planning, vehicle maintenance and repair, energy replenishment, customer service, emergency response, and many others. While we are already familiar with these processes in the context of providing traditional ride hailing services, we understand that the transition towards robotaxi will likely present new and unexpected challenges, and remain confident that we are well-positioned to iterate on our existing processes to develop a safe, efficient and high-quality operating platform to move towards large-scale commercialization of robotaxi services.

The fact that our robotaxi ecosystem is closely integrated and consists solely of interest-aligned stakeholders within the Geely Group also means we can participate in the development of industry standards as a responsible service provider with a holistic point-of-view. As our ecosystem contains all crucial aspects of robotaxi operations, we believe we are a natural and convenient touchpoint for regulators to understand the latest developments of the robotaxi industry, and intend to collaborate closely with regulators to drive the development of the regulatory framework.

Our Collaboration with Geely Group

We collaborate closely with Geely Group throughout the vehicle lifecycle to develop our ecosystem.

Vehicle Design, Deployment, and Sales

We maintain a long-term strategic partnership with Geely Group that covers the design, deployment, and sales of our purpose-built vehicles. In January 2023, we established the PBV Co with Geely Group, dedicated to operating the CaoCao vehicle brand. The CaoCao vehicle brand is dedicated to shared mobility and distinguished from other brand names that sell private-use vehicles, which could increase our brand recognition.

We deeply engage in the design of purpose-built vehicles. Starting with Maple 80V, we leveraged our knowledge in the provision of online ride hailing services to independently design its smart cabin features. With the establishment of the PBV Co, we further strengthened our engagement in the design and development of CaoCao60, and had extensive control over various aspects of the purpose-built vehicle's design, ranging from determining the overall bill of materials (BOM) cost to the choice of vehicle types and the selection of specific smart cabin features.

Through our collaboration with Geely Group, we are able to bring to market our purpose-built vehicles at a fast pace, and benefit from the mature vehicle production capability of Geely Group such as its stringent quality control. We place orders monthly with an automobile factory under Geely Group for the production of our purpose-built vehicles, which can then be transferred to our operating entities for use or sold or leased to third parties.

The PBV Co directly sells CaoCao 60 to our customers and is responsible for building the CaoCao brand and marketing our vehicles to potential customers. PBV Co determines its procurement volume based on business needs and is not subject to any minimum purchase requirement from Geely Group. Geely Group bears the warranty liability for CaoCao 60.

Auto Solution Support

We support our purpose-built vehicles with battery swap stations under Geely Group and Geely-authorized auto servicing shops. We collect payments for battery swaps from drivers on behalf of Geely Group directly through the CaoCao Mobility app, and then transfer such payment in full to Geely Group. We also leverage centralized procurement by Geely Group to lower the overall spare part cost.

OUR SERVICE OFFERINGS

Predominantly, our revenues are generated from mobility services, particularly ride hailing. We provide vehicle leasing mainly to our car partners. Additionally, we engage in the sale of vehicles to these partners, independent fleet operators, and individual drivers. Our revenue from other services include advertising, intra-city delivery, and one-off services to Geely Group in connection with the 2023 Asian Games and Asian Para Games.

The following table sets forth a breakdown of our revenues both in absolute amount and as a percentage of our total revenues for the periods indicated.

	For the Year Ended December 31,					
	2022		2023		2024	
	(RMB in thousands, except percentages)					
Revenues:						
Mobility Services	7,467,295	97.9%	10,300,213	96.6%	13,566,590	92.6%
Vehicle Leasing	101,087	1.3%	150,571	1.4%	187,083	1.3%
Vehicle Sales	32,184	0.4%	114,564	1.1%	866,760	5.9%
Others	30,395	0.4%	102,546	0.9%	37,066	0.2%
Total	**7,630,961**	**100.0%**	**10,667,894**	**100.0%**	**14,657,499**	**100.0%**

Mobility Services

Under the brand of CaoCao Mobility, we offer two service lines: express and premier mobility services. The express mobility service serves as our core offering, providing an affordable, convenient, and comfortable solution for the everyday transportation needs of our users. Our premier mobility service, on the other hand, offers an enhanced level of comfort and superior service quality, featuring professionally trained drivers and a variety of amenities to ensure a premium travel experience. Under the Limao Mobility brand, we extend our services to include both online ride hailing and offline taxi services, catering to a broader range of customer preferences and needs. Drivers under the Limao brand go through separate trainings specifically designed for the brand.

While other shared mobility platforms in the market allow a wide variety of vehicle models that naturally are difficult to deliver consistent user experience, our mobility services use a focused number of vehicle models to provide consistently high-quality ride experience. In particular, our premier mobility service is provided exclusively with Maple 80V and our Limao Mobility service is provided exclusively with LEVC TX5. Following the launch of CaoCao 60 in March 2023, we have also steadily increased the latest purpose-built vehicles' penetration in our express mobility service, thereby enhancing the consistency of our quality of service.

All of our services are priced based on a variety of factors including the distance travelled for each trip, the vehicle model used, and the scarcity of available drivers. Our CaoCao Brain utilizes big data analytics capabilities to predict future supply and demand, and price user requests and deploy user incentives intelligently to optimize the order dispatch process. For more details, see "—Our Technology—CaoCao Brain." In 2022, 2023, and 2024 the average GTV per kilometer of our ride hailing service (including user incentives) was RMB3.25, RMB3.22, and RMB2.99, respectively, and the average GTV per minute of our ride hailing service (including user incentives) was RMB1.49, RMB1.55, and RMB1.54, respectively.

The following table sets forth our GTV from mobility services during the Track Record Period and a breakdown by vehicle types to show the increasing penetration rate of our purpose-built vehicles. For a further breakdown of GTV from purpose-built vehicles and other vehicles by our driver type, see "—Our Drivers—Our Driver Base".

	For the Year Ended December 31,					
	2022		2023		2024	
	(RMB in millions, except percentages)					
GTV						
Purpose-built vehicles (all BEVs)	469.5	5.3%	2,458.1	20.1%	4,254.3	25.1%
Others:						
– BEVs	7,007.7	78.9%	8,578.0	70.2%	11,345.2	66.9%
– ICEVs	1,406.9	15.8%	1,177.5	9.6%	1,353.6	8.0%
Subtotal of others	8,414.6	94.7%	9,755.5	79.9%	12,698.8	74.9%
Total	**8,884.1**	**100.0%**	**12,213.6**	**100.0%**	**16,953.1**	**100.0%**

As of December 31, 2024, we had an extensive network over 136 cities in China, currently focusing on tier-one and tier-two cities. We do not excessively rely on individual cities. The GTV from the top ten cities in which we operate in 2024 accounted for 60.2% of our total GTV in 2024. The following table sets forth our GTV during the Track Record Period by city tiers.

	For the Year Ended December 31,					
	2022		2023		2024	
	(RMB in millions, except percentages)					
GTV						
First-tier cities	2,322.7	26.1%	4,415.4	36.1%	6,024.1	35.5%
Second-tier cities	6,320.5	71.1%	7,558.0	61.9%	9,846.6	58.1%
Others	240.9	2.7%	240.2	2.0%	1,082.5	6.4%
Total	**8,884.1**	**100.0%**	**12,213.6**	**100.0%**	**16,953.1**	**100.0%**

We receive orders from individual users through our own channels or in partnership with established aggregation platforms including Amap and Meituan. In particular, we operate the CaoCao Mobility app, Limao Mobility app, and mini-programs on WeChat and Alipay for both CaoCao Mobility and Limao Mobility, all of which enable users to book our rides online. Our Limao Mobility vehicles also operate as taxis and take offline orders. In addition, we serve corporate customers and their employees primarily through our CaoCao Enterprise app and Limao Enterprise app.

Our Collaboration With Aggregation Platforms

We collaborate with aggregation platforms, including players that also directly provide ride hailing services, for a substantial portion of our GTV. In 2022, 2023, and 2024, the GTV of orders that we received from aggregation platforms were RMB4.4 billion, RMB8.9 billion, and RMB14.5 billion, representing 49.9%, 73.2%, and 85.4% of our total GTV for the respective period. We substantially increased our collaboration with aggregation platforms since 2023 as it allows us to receive significant user traffic and dedicate more of our management efforts to improving our quality of service and brand recognition. In addition, serving the large number of orders from aggregation platforms enables us to maintain a dense fleet of vehicles across cities, which is critical in achieving timely pick-up and great riding experience for our core users who place orders through our own channels. Furthermore, in recent years, there has been an industry-wide trend for shared mobility platforms to enhance their collaboration with aggregation platforms, according to Frost & Sullivan.

Material Terms of Our Agreements with Aggregation Platforms

We negotiate our service agreements with aggregation platforms on a case-by-case basis. Under such agreements:

- We typically pay the aggregation platforms commission fees based on the amount of user traffic they facilitate. In 2022, 2023, and 2024, the commission fees we paid to third-party aggregation platforms accounted for 7.3%, 7.5%, and 7.2% of the GTV they facilitated, respectively.

- The terms of our agreements typically last for one year and can be renewed with mutual agreement. The agreements are terminated if not renewed at expiration, and can be terminated by either party unilaterally with a 30-day advance notice.

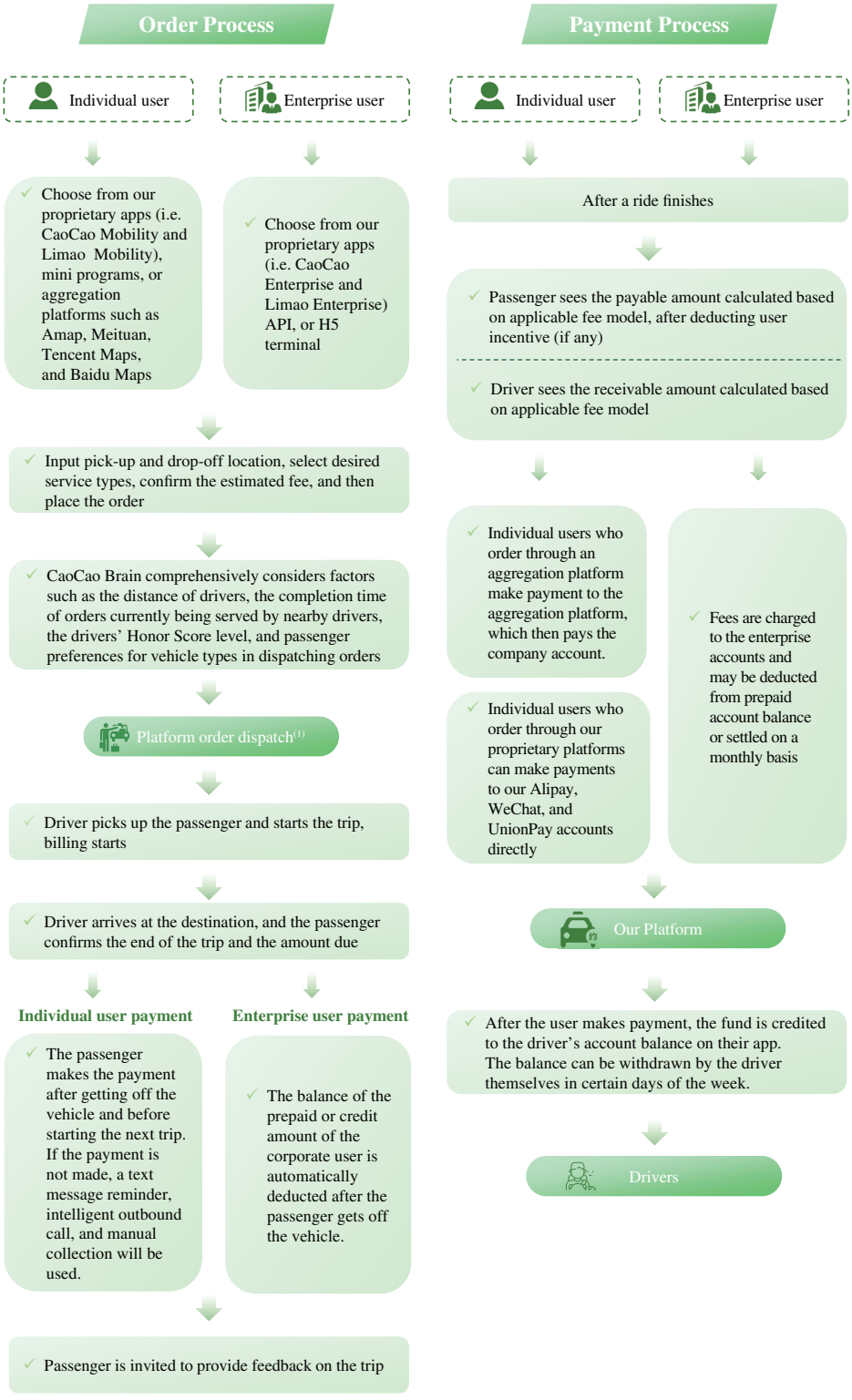
- We are typically responsible for resolving any driver-passenger disputes arising from the orders facilitated by the aggregation platforms. In 2022, 2023, and 2024, the total number of driver-passenger disputes on our platform, measured by the number of passenger complaints, were 941.9 thousand, 911.9 thousand, and 979.9 thousand respectively. Among these disputes, those arising from orders facilitated by aggregation platforms were 472.1 thousand, 656.7 thousand, and 731.9 thousand, respectively. All of our passenger complaints raised in 2022, 2023, and 2024 have been duly settled.

- In the event that an aggregation platform is held liable or subject to administrative penalties as a result of an accident during our order fulfillment, or that an aggregation platform suffers any economic loss in relation to our system or service issues (such as when a passenger disputes the fee or service quality of our rides and causes expenses to the aggregation platform), the aggregation platform is typically entitled to recover from us any economic loss. During the Track Record Period, aggregation platforms that we collaborated with have recovered such losses.

Our Service Delivery

We aim to provide simple and convenient service to our users regardless of whether they order through our proprietary apps and mini-programs or through aggregation platforms. Our users can quickly place orders for rides by inputting their destinations and selecting desired service types with the third-party aggregation platforms that we collaborate with, or with our apps and mini-programs. Once we receive such orders, our standardized matching algorithm automatically identifies nearby drivers to fulfill the orders. The algorithm is capable of efficient matching of supply and demand. In 2022, 2023, and 2024 our order response rate, which measures the percentage of user requests accepted by drivers, was 87.4%, 88.4%, and 88.1%, respectively. After a ride concludes, we receive payments for the ride after the user confirm the ride's completion. If the user does not confirm the ride's completion, we send reminders through text messages and phone calls, and may suspend a user's ability to place future orders if we detect malicious behavior. After user payment is received, we credit the corresponding compensation to our driver, which is determined based on the ride's fare and passenger and driver incentives. The compensation is credited to our drivers' account on their apps, and can be withdrawn in certain days of the week up to three times a week. Our drivers typically withdraw the funds on a weekly basis.

The following diagrams illustrate our order and payment processing procedures.

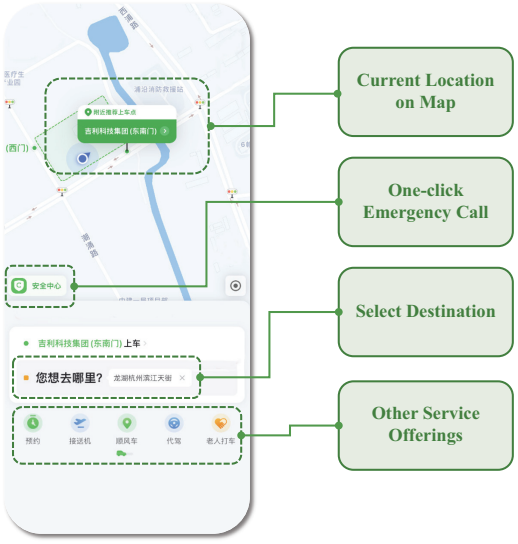


Note:

(1) When the platform dispatches orders, there is no difference between affiliated drivers and car-partner drivers.

Users who place orders with us through our apps or mini-programs can expect more features to improve their ride experience. For example, with our CaoCao Mobility app, we have designed a dedicated smart cabin feature interface where users can easily see and try out all of our smart cabin features before entering our vehicles. We have designed a one-click emergency call button to ensure user safety. We also integrate access to our other services, such as airport pick-up and drop-off, at the bottom of our app screen. We have launched a membership program through our app and designed various programs to engage our members. For example, we have implemented a tiered membership system where members can accumulate points based on their orders and join higher tiers that give extra rewards. The following diagrams illustrates the CaoCao Mobility app, its lock screen pop-up, and smart cabin feature interface.

CaoCao Mobility App



Lock Screen Pop-up



Smart Cabin Feature Interface





Our Enterprise Solutions

We also provide enterprises with a one-stop solution for managing the business rides of their employees when they ride with us. Enterprises and their employees get access to our proprietary apps, CaoCao Enterprise and Limao Enterprise, which are multi-purpose, convenient, and intelligent platforms that allow employees of our corporate customers to directly book rides. With our apps, enterprise administrators can easily set ride parameters, keep records, and request rides for conference attendees.

Our corporate customers include online platforms such as travel booking platforms, key accounts such as large internet companies, and small and medium-sized enterprises. We sign individual contracts with online platforms and key accounts, while small and medium-sized enterprises directly register for accounts on our apps and adopt our template service agreement. We usually enter into agreements with an initial term of one year, which is automatically renewed for equal and successive periods unless either party provides a thirty-day advance notice. We usually require our corporate customers to make monthly payments.

We have been serving enterprises since 2016 and have accumulated significant experience and customer goodwill. As of December 31, 2024, we had served over 13,500 enterprises and completed over 131 million rides for over 11 million employee users.

Our Deployment of Purpose-Built Vehicles

We operate two purpose-built vehicles, Maple 80V and CaoCao 60. These vehicles allow us to provide high-quality service to users and improved TCO to drivers. In 2022, 2023, and 2024, purpose-built vehicles contributed 5.3%, 20.1%, and 25.1% of our total GTV and fulfilled 4.8%, 18.9%, and 25.0% of our total orders. As of December 31, 2022 and 2023 and 2024, purpose-built vehicles accounted for 28.6%, 50.7%, and 64.0% of our affiliated vehicles, meaning vehicles we own which are mostly provided to our affiliated drivers and sometimes leased to car partners.

Maple 80V

As of December 31, 2024, we deployed a fleet of over 18,000 Maple 80V in 22 cities. In 2022, 2023, and 2024, the vehicle completed a total of 18.5 million, 66.7 million, and 78.3 million orders, respectively, and generated a GTV of RMB469.5 million, RMB1,984.6 million, and RMB2,324.2 million, respectively. The AOV of rides completed by Maple 80V was RMB25.4, RMB29.8, and RMB29.7 in 2022, 2023, and 2024, respectively.

CaoCao 60

As of December 31, 2024, we deployed a fleet of over 16,000 CaoCao 60 in 25 cities. In 2023 and 2024, the vehicles completed a total of 17.9 million and 71.3 million orders, respectively, and generated a GTV of RMB473.5 million and RMB1,930.0 million, respectively. The AOV of rides completed by CaoCao 60 was RMB26.4 and RMB27.1 in 2023 and 2024, respectively.

Vehicle Leasing

We lease vehicles primarily to our car partners to increase our platform's service capacity. Our car partners independently held and managed the vehicles and supplied them to our platform and sometimes to other shared mobility platforms. We had vehicle leasing revenue of RMB101.1 million, RMB150.6 million, and RMB187.1 million in 2022, 2023 and 2024, respectively.

Vehicle Sales

Before 2023, we occasionally sold vehicles purchased from Geely Group to our car partners as a part of our collaboration. We have vehicle sales revenue of RMB32.2 million in 2022.

Starting in 2023, we sold purpose-built vehicles through the PBV Co and placed greater strategic focus on vehicle sales. Our target customers include our car partners, third-party fleet operators (businesses that supply vehicles and drivers to shared mobility platforms other than us), individual drivers, and other businesses engaging in mobility services. We believe that there is a sizable market for mobility operating vehicles, and we are well-positioned to compete for this market given our unique strengths in designing and operating purpose-built vehicles. For details of the shared mobility vehicle market, see "Industry Overview—Overview of China's Shared Mobility Market—Mobility Operating Vehicle—Market Opportunities for Mobility Operating Vehicle Sales". In 2023, our vehicle sales increased modestly as we primarily provided our purpose-built vehicles to our own drivers while selling some vehicles externally. In 2024, our vehicle sales increased significantly as we dedicated a greater proportion of our purpose-built vehicles for external sales. In addition, we entered 85 new cities in collaboration with local car partners under an asset-light model, whereby instead of holding vehicles ourselves we sold purpose-built vehicles to the car partners. We had vehicle sales revenue of RMB114.6 million and RMB866.8 million in 2023 and 2024, respectively.

OUR USERS

We have built a dedicated and growing user base by delivering consistently high-quality and intelligent ride experience. In 2022, 2023, and 2024, our average monthly active users reached 13.5 million, 19.2 million, and 28.7 million, respectively.

User Acquisition and Retention

Our users request rides through our own platforms, including our apps and mini-programs on WeChat and Alipay, and through various aggregation platforms. Our partnership with aggregation platforms helps us get access to a large amount of user traffic without having to spend excessively on promotions. As a result, we have a keen focus on the quality of service that we deliver to our users, and compete to attract and retain users based on our quality of service.

User Safety

We believe the safety of our users is of utmost importance. We have been relentlessly enhancing security measures to provide users with peace of mind. In 2022, 2023, and 2024, the accident rate of our orders were 83, 45, and 37 accidents per million orders completed, respectively. In particular, accidents that resulted in injuries or fatalities accounted for 12.2%, 15.4%, and 14.8% of the total number of traffic accidents during the respective periods. In 2022, 2023, and 2024, we were held liable for RMB9.5 million, RMB8.4 million, and RMB33.7 million of monetary damages as a result of lawsuits related to traffic accidents involving our orders after accounting for our insurance coverage. We recorded a higher amount of monetary damages in 2024 as a few lawsuits that involved relatively high monetary claims and related to traffic accidents in 2022 and 2023 were not concluded until 2024 and we settled the resulting monetary damages in 2024. As of the Latest Practicable Date, we were involved in 105 unresolved safety incidents related to orders on our platform that have resulted in or may result in lawsuits against us. Based on the information we currently have, we expect to incur compensation expenses of around RMB40.9 million as a result of these safety incidents after accounting for insurance coverage as all these incidents get resolved.

To the best of our Directors' knowledge, during the Track Record Period and up to the Latest Practicable Date, there has not been any material incident of malicious violent crimes perpetrated during the fulfillment of orders on our platform. Considering the accident rate of our orders which is lower than industry average, our Directors are of the view that our safety measures are effective and comparable, if not better, than those adopted by our peers. Having considered the independent due diligence work conducted by the Joint Sponsors which included (i) discussion with the Company to understand, among others, the safety measures adopted by the Company, any safety incidents as well as claims or legal proceedings against the Company in connection with safety incidents during the Track Record Period and up to the Latest Practicable Date; (ii) a review of the supporting documents for the Company's safety measures; (iii) discussion with Frost & Sullivan to understand that the accident rates of the Company's vehicles are much lower than the industry average in the Track Record Period and the safety measures adopted by the Company are comparable with those adopted by its peers; (iv) interviews with drivers, car partners and users to understand safety measures taken by the Company and the measures adopted by the Company to handle safety incidents, among others; and (v) conducting background searches and obtaining a list of ongoing litigation of the Company and its subsidiaries and discussing with Company and Company's PRC Legal Advisor to understand that there have not been any material incident of malicious violent crimes perpetrated during the fulfillment of orders on the Company's platform, nor have there been any accidents resulting in material claims during the Track Record Period and up to the Latest Practicable Date, nothing has come to the attention of the Joint Sponsors that would cause them to reasonably cast doubt on the Directors' view that the Company's safety measures are effective and comparable, if not better, than those adopted by its peers.

The specific safety measures that we have adopted include the following:

- *Technology-Enabled Safeguards*. Built on the foundation of our in-vehicle cameras, cloud-computing capabilities, and big data analytics, we are able to accomplish the real-time monitoring of a portion of our drivers to identify dangerous driving behaviors such as driver fatigue and distraction, and send timely reminders such as audio warnings. In December 2024, a substantial majority of our affiliated vehicles are equipped with in-vehicle cameras and thus possess real-time monitoring capabilities, and we expect to replace the remaining vehicles with our purpose-built vehicles, all equipped with in-vehicle cameras, by 2026. These cameras are not legally required to be installed and not all our car-partner vehicles have these cameras. To ensure that our use of in-vehicle cameras comply with PRC data security and personal information protection laws and regulations, (i) we inform our users of the rules for collecting and utilizing in-vehicle video record and obtain their authorizations, (ii) the in-vehicle video records are stored in the cameras by default and only permitted to be accessed through an internal approval process in limited scenarios explicitly explained to users, and (iii) we adopt data desensitization technology for the users' personal information contained in in-vehicle video records, such as facial image, when such records need to be transferred to our platform. The cameras are turned on whenever the relevant vehicles are in operation (regardless of whether a trip is ongoing), but we adopt strict controls whenever video records need to be retrieved and reviewed. Through internet of vehicles (IOV) technology, we can also track the locations of each of our vehicles to ensure that they do not deviate from the original route. Once deviations are detected, our app for drivers automatically prompts drivers to input reasons for the deviation for our review. Facial recognition system is also installed on our app for drivers to ensure the vehicles are driven by the registered drivers.

- *Safety and Emergency Response Management System.* We have established a comprehensive and standardized safety and emergency response system, directly overseen by our safety management committee led by our chief executive officer, Mr. Xin Gong. Our safety and emergency response system governs all stages of our business cycle and set boundaries for our operations to operate in a safe and compliant manner. We conduct standardized management system audits every quarter to timely detect and solve safety risk issues.

- *Safety Center on CaoCao Mobility App*. We have developed a complete safety center on the CaoCao Mobility app, which includes pre-trip itinerary sharing, emergency contacts set-up, one-click alarm function in case of emergency during the trip, and a safety column where we regularly post safety reminders to enhance users' safety awareness. A user can easily click on the one-click alarm function to call the police at any time during a trip, and after the call is made we also (i) share the ride's itinerary with the user's emergency contact and (ii) if requested by the police, provide trip information including driver and vehicle information as well as current vehicle location to the police.

- *Screening, Training, and Assessment of Drivers*. We have formulated strict procedures and criteria for recruiting drivers on our platform. Applicants should, among others, have driving experience of no less than three years, good driving records, and be eligible to apply for the Online Ride Hailing Driver's License. We have also established a complete safety training system for drivers, which covers onboarding training and ongoing trainings with a stipulated minimum time requirement and assessments. We also set up blocking mechanism to restrict drivers from accepting orders before completing the required safety trainings.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any accidents resulting in material claims.

User Service

We have a keen focus on providing consistently high-quality service to our users. We have established standardized service protocols, and implemented comprehensive review processes to timely identify areas of improvements. We continuously monitor the NPS of our mobility services. In addition, we leverage technologies to enhance our service quality. In 2023, we launched an intelligent algorithm for our in-vehicle cameras which allowed us to automatically evaluate whether our drivers meet certain of our service requirements such as our dress code. The implementation of the algorithm enhanced the coverage and effectiveness of our driver review systems and reduced the need for manual reviews.

Our CaoCao Mobility app has various built-in functions to provide convenient customer service. For example, if our users forget their personal belongings in the vehicles, they can contact their drivers and request specific delivery methods within the app. Users can conveniently rate their drivers and file complaints in the app. User complaints are processed with a technology-enabled complaint handling system, where our smart algorithms combined with our in-vehicle cameras enable prompt assessments of responsibilities, subject to review by our customer service team. We receive user complaint from our apps, dedicated hotline, Weibo and Wechat account, and various other channels, and have established detailed protocols and standards for user complaint handling. In general, for user complaint received, we start by opening a ticket and conducting fact-findings. If we identify driver misbehavior during the fact-finding process, the finding is transmitted to the driver management team for appropriate actions. Meanwhile, we inform the user with our proposed solutions. If the user thinks the solution is not acceptable, the ticket will be escalated to more senior team members until we work out a solution acceptable to the user. After a user confirms acceptance of the solution, the ticket is closed, although we also arrange for a call-back some time after the ticket is closed to check whether the user has further feedback. In addition to the above general protocol, we are able to breakdown user complaints into specific categories and have developed detailed solutions tailored for each type of user complaint. Thanks to our continual efforts at improving service quality, the user complaint rate under CaoCao Mobility, measured as the number of complaints we receive divided by the number of orders completed, has decreased from 0.24% in 2022 to 0.20% in 2023 and 0.16% in 2024. In 2022, 2023, and 2024, we received a total of 941.9 thousand, 911.9 thousand, and 979.9 thousand user complaints, all of which have been duly settled.

We also have a dedicated hotline to assist our less tech-savvy users such as elder users in ordering ride hailing service. Users can simply call the hotline and inform our customer service team their pick-up locations and destinations, and our customer service team will book the rides on their behalf. With our wheelchair-accessible vehicle, LEVC TX5, we also provide barrier-free mobility services in certain cities.

OUR DRIVERS

Our Driver Base

We have a large driver base to fulfill the demands of our users, which may be categorized as (i) our affiliated drivers, meaning those who use vehicles provided by us and dedicate all or substantially all of their service time fulfilling orders on our platform, and (ii) our car-partner drivers, meaning those who use vehicles provided by our car partners or vehicles they own themselves and typically spend a relatively smaller portion of their time fulfilling orders from our platform.

- We provide our affiliated drivers with vehicles for their operations, deduct fees for the use of our vehicles from the compensations paid to affiliated drivers, and cover the vehicles' insurance cost and maintenance and repair cost in most circumstances. Specifically, each driver has on the CaoCao Driver app an account that includes their earnings which can be withdrawn, and we deduct from this account fees for the use of vehicles on a weekly basis. The amount of fees deducted for vehicle use is determined based on the cost of the vehicles, our expected returns for holding the assets, and incentive programs for drivers, with the latter two factors adjusted for city-level market conditions. Across all cities where we have operations, the vehicle use fee generally ranges between RMB2,500 and RMB5,000 per month. We encourage these drivers to take more orders from our platform as opposed to other platforms through various measures, although our service agreement with them does not require platform exclusivity. For example, our vehicle use agreement with drivers typically require them to generate a minimum amount of GTV per month on our platform or be subject to monetary penalties. In addition, our "honor score" driver evaluation system prioritizes order assignment to drivers that, among others, complete more orders, thereby incentivizing affiliated drivers to keep taking orders on our platform after meeting the GTV requirement. Furthermore we assign group leaders among our affiliated drivers who are responsible for, among others, encouraging group members to take more orders. To our knowledge, substantially all of our affiliated drivers spend most if not all of their working hours taking orders from our platform. The affiliated drivers are recruited through driver referrals, online advertisement placements, and collaboration with professional agencies.

- Instead of using vehicles we provide, our car-partner drivers use vehicles provided by our car partners or their own vehicles. In 2024, individual drivers that used their own vehicles contributed 5.9% of the GTV generated by car-partner drivers. We do not deduct fees related to vehicle use from our car-partner drivers' compensations,

and are not responsible for their vehicles' insurance or maintenance and repair. The car-partner drivers generally spend a larger portion of their time taking orders from other platforms. As we lease and sell vehicles to our car partners, some of our car-partner drivers also use vehicles that our affiliated drivers typically use.

The CaoCao Brain dynamically adjust the earnings and incentives provided to our drivers including both affiliated and car-partner drivers, across all the cities where we have operations, and across different aggregation platforms. The earnings and incentives are dynamically adjusted in order to optimize the matching between passengers and drivers, increase the number of orders accepted by drivers, and thus increase the income per hour of our drivers. Our adjusted driver earnings and incentives as a percentage of mobility service revenue decreased from 84.2% in 2022 to 79.1% in 2023 and 79.0% in 2024, while our drivers' average income per hour increased from RMB30.9 in 2022 to RMB36.1 in 2023 and slightly decreased to RMB35.7 in 2024, a year when driver IPH generally decreased across the industry due to increased competition and our driver IPH remained higher than other major participants, according to Frost & Sullivan. In 2022, 2023, and 2024, we paid RMB0.85, RMB0.50, and RMB0.70 of incentives per order to our drivers.

All of our drivers are independent contractors. Before the Track Record Period, certain drivers under the brand of CaoCao Mobility were employed under labor contracts. All of these drivers were converted to independent contractors by the end of 2022. Their status was converted since (i) it afforded the drivers greater flexibility to choose which platform to work with, when to work, and when to receive their compensation, and (ii) we were able to adjust their compensation structure to incentivize greater productivity. Under the independent contractor service agreement, drivers were no longer required to work full time and only take orders on our platform, nor are they compensated with monthly salaries. The change in status and compensation structure generally incentivized greater productivity of the drivers, which positively contributed to our business and financial performance. Our PRC Legal Advisor is of the view that the drivers will not be regarded as dispatched labors under applicable PRC laws and regulations.

The following tables set forth a breakdown of our active drivers during the Track Record Period.

	For the Year Ended December 31,					
	2022		2023		2024	
	(in thousands, except percentages)					
Average monthly active drivers[1]	**233.6**	**100.0%**	**297.2**	**100.0%**	**466.1**	**100.0%**
Affiliated drivers	38.3	16.4%	35.1	11.8%	35.3	7.6%
Car-partner drivers	195.4	83.6%	262.2	88.2%	431.0	92.5%
Total active drivers[1]	**600.1**	**100.0%**	**699.9**	**100.0%**	**1,488.5**	**100.0%**
Affiliated drivers[2]	60.2	10.0%	56.8	8.1%	59.6	4.0%
Car-partner drivers	544.2	90.7%	648.4	92.6%	1,434.8	96.4%

Notes:

(1) For a given year, the number of active drivers may be lower than the sum of active affiliated drivers and active car-partner drivers, as changes in driver status within a period may lead to double counting.

(2) The number of total active affiliated drivers decreased from 2022 to 2023 as we slightly reduced our geographical coverage in terms of number of cities covered to focus on growing our market share in a core group of cities. We began expanding our geographical coverage in 2024.

The following table sets forth a breakdown of our active vehicles during the Track Record Period. Affiliated vehicles refer to vehicles we own, most of which are provided to affiliated drivers and some are leased to car partners. Car-partner vehicles refer to vehicles owned by car partners or by car-partner drivers themselves.

	For the Year Ended December 31,					
	2022		2023		2024	
	(in thousands, except percentages)					
Total active vehicles[(1)]	**644.5**	**100.0%**	**733.1**	**100.0%**	**1,501.5**	**100.0%**
Affiliated vehicles	53.2	8.3%	54.1	7.4%	46.2	3.1%
Car-partner vehicles	592.5	92.0%	682.1	93.1%	1,457.1	97.0%

Note:

(1) For a given year, the number of active vehicles may be lower than the sum of active affiliated vehicles and active car-partner vehicles, as changes in vehicle status within a period may lead to double counting.

In 2022, 2023, and 2024, the daily average idle rates among affiliated vehicles, which measures the average percentage of affiliated vehicles that were ready for operation but were not provided to affiliated drivers for use in each day of the respective periods, were 11.2%, 13.6%, and 14.3%, respectively. The idle rate generally remained stable throughout the Track Record Period, although it increased in 2024 as our teams responsible for vehicle management took on the additional role of selling vehicles to car partners when entering new cities and thus could only commit less time on distributing vehicles to affiliated drivers. We routinely monitor the idle rate among affiliated vehicles to ensure efficient utilization of the assets, and expect it to remain generally stable going forward. The idle vehicles are housed in leased warehouses.

The following table sets forth a breakdown of our GTV from mobility services by driver type. While the proportion of affiliated drivers among all active drivers is relatively small, their GTV contribution is higher proportionally, since affiliated drivers generally spend a much larger portion of their time taking order from our platform instead of from other platforms.

	For the Year Ended December 31,					
	2022		2023		2024	
	(RMB in millions, except percentages)					
GTV						
Affiliated drivers	4,000.2	45.0%	4,526.4	37.1%	4,702.7	27.7%
Car-partner drivers	4,883.9	55.0%	7,687.2	62.9%	12,250.4	72.3%
Total	**8,884.1**	**100.0%**	**12,213.6**	**100.0%**	**16,953.1**	**100.0%**

We differentiate our service offering with purpose-built vehicles. Currently, we have provided a significant portion of our affiliated drivers with purpose-built vehicles, although some still use non-purpose-built vehicles. In 2022, 2023, and 2024, purpose-built vehicles contributed 5.3%, 20.1%, and 25.1% of our total GTV, respectively. Going forward, we expect to continue increasing the penetration of purpose-built vehicles, by (i) providing all of our affiliated drivers with purpose-built vehicles and (ii) selling purpose-built vehicles to car partners as we enter into new cities. The following table sets forth a breakdown of our GTV from purpose-built vehicles and non-purpose-built vehicles by driver type.

	For the Year Ended December 31,					
	2022		2023		2024	
	(RMB in millions, except percentages)					
GTV from purpose-built vehicles:						
Affiliated drivers	403.9	4.5%	2,392.4	19.6%	3,881.6	22.9%
Car-partner drivers	65.5	0.7%	65.7	0.5%	372.7	2.2%
Subtotal	469.5	5.3%	2,458.1	20.1%	4,254.3	25.1%
GTV from non-purpose-built vehicles:						
Affiliated drivers	3,596.2	40.5%	2,134.0	17.5%	821.2	4.8%
Car-partner drivers	4,818.4	54.2%	7,621.5	62.4%	11,877.7	70.1%
Subtotal	8,414.6	94.7%	9,755.5	79.9%	12,698.8	74.9%
Total	**8,884.1**	**100.0%**	**12,213.6**	**100.0%**	**16,953.1**	**100.0%**

Our Car Partners

Our car partners supply us with drivers and vehicles to take orders from our platform, including orders placed through aggregation platforms, in exchange for a management service fee that is proportional to the GTV their drivers generate. The car partners independently manage drivers and vehicles. Our collaboration with car partners enables us to increase the service capacity of our platform in a cost-effect way, efficiently scale up our operations, and enjoy increased economies of scale and improved profitability. During the Track Record Period, we paid commissions to car partners at a rate between 2.5% and 2.7% of the GTV generated by our car-partner drivers. In 2022, 2023, and 2024, we paid a total of RMB133.7 million, RMB192.0 million, and RMB308.9 million of commission fees to our car partners, respectively.

We also sell or lease vehicles to some of our car partners. For details of our vehicle sales and vehicle leasing business, see "—Our Service Offerings—Vehicle Leasing" and "—Our Service Offerings—Vehicle Sales." In connection with our vehicle sales to car partners, we provided rebates if certain criteria were met according to the sales contracts. In 2022, 2023, and 2024, we paid a total of RMB0.6 million, RMB3.9 million, and RMB4.5 million in rebates, respectively.

We closely monitor the quality of service provided by drivers and vehicles managed by our car partners, and dynamically adjust the size of our management service fee based on our car partners' quality of service. We provide periodic and regular safety trainings to our car partners and car-partner drivers to ensure they uphold our high safety standard. Our collaboration agreement with car partners typically include the following material terms.

- *Compliance.* Our car partners are responsible for ensuring that the drivers and vehicles they supply meet the local regulatory requirements and possess the required permits and licenses. If we are fined as a result of any non-compliance of the drivers and vehicles supplied by our car partners, our car partners may directly settle the fines or we will settle first and recover such fines from the corresponding car partners. In 2022, 2023, and 2024, we recovered RMB4.1 million, RMB0.5 million, and RMB1.4 million of fines from our car partners. The amount in 2022 was high as a group of our car partners had liquidity issues when they received fines, and we helped them settle the fines first before subsequently recovering the amount.

- *Insurance.* Our car partners should ensure that the vehicles they provide have purchased proper insurances, including the statutory automobile liability insurance, third-party liability insurance, passenger accident liability insurance, and others, and are responsible for any loss we incur in relation to their failure to purchase these insurances. To enforce compliance with this provision, we also require car-partner drivers to upload proof of their vehicles' insurances before they can register on our platform to take orders.

- *Provision of order information.* We are responsible for providing authentic, accurate, complete, and timely information regarding the orders that we receive from our users, and will timely notify our car-partner drivers whenever an order is changed or cancelled. We also provide our car partners with certain information on the car-partner drivers including their service time on our platform, number of order fulfilled, and user evaluations, etc.

- *Service quality control.* Our car partners agree to arrange for their drivers to attend our safety trainings and to study our service agreement with drivers, which sets out our expectations for the quality of service to be provided. Any order completed by car-partner drivers that involved a violation of our service agreement with drivers will not count towards the calculation of the management service fee that we pay to the car partners.

- *Operation liabilities.* If any accidents occur as a result of our car-partner drivers' fulfillment of our orders, including traffic accidents that caused harm to users, drivers, third parties, or the vehicles, and we receive administrative penalty as a result of the accidents, we are entitled to recover all relevant losses from the corresponding car partners.

We work with a large number of car partners and do not face concentration risks. In 2022, 2023, and 2024, the GTV attributable to our five largest car partners accounted for 7.8%, 6.9%, and 6.5% of our total GTV, respectively. To the best of our knowledge, save for acting as our car partners, none of our car partners have any past or present relationship (including, without limitation, family, business, financing, trust or otherwise) with us or our subsidiaries, provided that our controlling shareholder, Mr. Li, also controls a number of companies under the Geely Group which may has business relationships with our car partners beyond our knowledge. Regardless, we undertake to treat our car partners equally and will not grant favorable terms to car partners if they have relationship with us, our subsidiaries, or other companies controlled by Mr. Li.

Driver Management

We adopt a transparent "honor score" system for our drivers under the brand of CaoCao Mobility, under which drivers are more likely to receive orders if they perform well against our evaluations in terms of their quality of service and ride safety. Quality of service is measured by a number of criteria including user ratings, user complaint rate, driver cancellation rate, among others. Ride safety is measured by compliance status including the requisite licenses and permits and the frequency of the driver's dangerous or illegal driving behavior.

We have developed and continually improve a unique driver evaluation process. We recruit volunteer riders from our platform users through cell phone messages. Users who apply need to pass certain trainings and exams to became qualified. They then evaluate the service quality of our drivers from several dimensions, including the maintenance of satisfactory vehicle condition, a driver's service skills, and communication skills. We also leverage our in-vehicle cameras to monitor driver behavior and automatically detect violations of our service requirements.

To ensure driver safety, we have implemented various technology-enabled safeguards. For example, our in-vehicle cameras enable the real-time monitoring of drivers to identify dangerous driving behaviors such as driver fatigue and distraction, and we send timely reminders such as audio warnings. Our vehicles are also equipped with frontal collision warning capabilities to detect and help prevent traffic accidents.

We have established various channels to solicit driver feedback and address driver complaints. Our drivers may submit feedback to us via a dedicated hotline in relation to order cancellation, our handling of passenger complaint, driver-passenger disputes, among others, and the responsible staff will coordinate with relevant departments to promptly resolve issues to the extent possible. We also dedicate ourselves to addressing common driver feedback on a regular basis. Our senior management and mid-level staff often attend face-to-face meetings with our drivers to understand their concerns and, following such discussions, require relevant solutions to be implemented within a prescribed period of time. In 2022, 2023 and 2024, we received 298.5 thousand, 404.8 thousand and 765.9 thousand driver complaints among the 600.1 thousand, 699.9 thousand and 1,488.5 thousand total active drivers, respectively. The increase in the number of driver complaints is generally in line with the increasing number of total active drivers. In particular, there were more driver complaints in 2024 since there was increased competition among shared mobility platforms to attract drivers and more drivers chose to submit complaints to us to communicate their concerns and perceived areas for improvement regarding our driver management system. We believe these complaint submissions serve as an effective communication channel between us and our drivers and aim to address the complaints promptly and effectively. All of the above complaints have been duly settled.

OUR TECHNOLOGY

Technology is the foundation of our operations and supports our growing user base and superior user experience. We invest significant resources in research and development to improve our technology and develop solutions supporting our operations.

CaoCao Brain

We have developed our proprietary, AI-powered CaoCao Brain for the efficient operation of our online platform. It primarily includes an algorithmic transaction engine that manages daily order dispatch to connect drivers with users and an intelligent marketing engine that supports digitalized marketing and promotional activities.

The transaction engine is capable of (i) prediction of future mobility demand, (ii) combinatorial optimization of order dispatch that intelligently matches drivers with users, and (iii) balance of overall mobility capacity to prevent over- or under-capacity from time to time. For example, our AI algorithms can anticipate peak hours or understand differences between residential and commercial areas, dynamically adjust our recommendations and incentives to drivers so that we direct them towards high-demand areas. The intelligent marketing engine is capable of strategizing distribution of user incentives based on causal inference and deep

reinforcement learning. It helps city operation teams achieve optimized use of incentives within a prescribed budget. Currently, the intelligent algorithmic marketing engine is responsible for allocating all of our user incentives, which greatly enhances our marketing efficiency with more targeted distribution of user incentives.

We have conducted an A/B group comparison test which indicated that all algorithmic optimizations associated with CaoCao Brain, developed and implemented within its inaugural year, can improve CaoCao Mobility's total GTV by 14.9%.

Vehicle Intelligence

We provide a suite of vehicle intelligence features to our passengers and drivers. For example, we utilize advanced routing algorithms to provide robust route alternatives to passengers and drivers based on analytics of real-time road conditions. In addition, due to our involvement in the design and deployment purpose-built vehicles, we can accomplish the connection of users directly to our cloud-based data computing network and then to the software systems on the vehicles. This foundational capability enables us to develop creative features that afford users interactive control of vehicles.

We have developed a scalable vehicle intelligence framework with standard, modular interfaces effectively tailored for mobility services, which is integrated in our purpose-built vehicles connecting vehicle hardware, software and data. We are able to realize sophisticated vehicle functions through multiple layers of vehicle architecture. Based on our capabilities, we plan to enable cloud-based storage of user preferences for cabin comfort settings so that they can be applied to all vehicles that a user takes, thus rendering consistent smart cabin experience.

In addition, as a shared mobility platform, we have accumulated in-depth understanding of the particular demands for mobility operating vehicles. We can thus identify specific scenarios that call for particular vehicle intelligence solutions rarely considered by traditional automakers. Our CaoCao 60 is designed to support specific shared mobility scenarios such as pick-ups and drop-offs. For example, the vehicle allows users to remotely flash a vehicle's headlights during pick-up to easily identify the vehicle.

Fleet Management System

Our fleet management system is an integrated platform that supports a full spectrum of digitalized functions including procurement, pre-operation preparation, operation, insurance, servicing, energy replenishment, sales, leases, and disposal of vehicles. The system integrates Geely Group's supply chain auto servicing capabilities with our data collection, computing, and analytics capabilities to significantly improve the efficiency of funds, vehicles, and people throughout our operations, thus optimizing the cost of maintaining and operating the rapidly growing fleet of vehicles.

The system allows for the real-time and high-accuracy monitoring of vehicle status, including whether it needs energy replenishment or maintenance and repair, as well as whether it is being used for private purposes by non-registered drivers. A thorough understanding of vehicle status enables more efficient management decision-making. For example, big data analysis of vehicle condition in a certain region can inform how we plan for the procurement of spare parts going forward.

Our fleet management system is open to third parties. We empower them to manage their vehicles more efficiently while we accumulate large amounts of data on vehicle operation in shared mobility scenarios, which help us further insights of the industry.

DATA SECURITY AND PERSONAL INFORMATION PROTECTION

We are committed to data security and personal information protection and have implemented a comprehensive set of internal policies on cybersecurity, data security, data backup and recovery, personal information protection, and information security incident management and emergency response plan.

In order to effectively provide our services, we may collect and use personal information. Such personal information includes, from users, the pick-up location, destination address, phone number, and, from drivers, vehicle information, phone number, driver's license, and bank account information. We only collect the personal information and data necessary for the use of our platform.

Our data usage and personal information protection policy, which is provided to every user of our platform, describes our data security and personal information protection practices. Specifically, we undertake to manage and use the data collected from users in accordance with applicable laws and make reasonable efforts to prevent the unauthorized access, breach, tampering, or loss of personal information. Drivers and passengers would use cryptographic number to communicate via our platform. We will desensitize important data with encryption, masking, or replacement techniques. In addition, we have provided users the option to delete their data on our platform.

We collect and use personal information for the stated purpose as authorized by users, or with other legal bases as provided by laws and regulations. The personal information and user data we collect are stored in cloud data centers deployed within the territory of the PRC. In terms of user data protection, we have formulated internal management rules and operating procedures. On the basis of classified management of personal information, we take corresponding security technical measures such as encryption and de-identification, reasonably determine the user data processing authority of employees, and conduct special management according to the needs of business operations. To further avoid personal information security incidents, we carry out education and training on data security for employees and organize the implementation of emergency plans on a regular basis. For details, see "—Risk Management

and Internal Control—Information System Risk Management." We do not share with, transfer, or disclose personal information to any third parties except under certain limited circumstances, including when it is necessary to fulfill our services to users.

We use a variety of technologies to protect the personal information with which we are entrusted in providing all of our solutions. In accordance with our data security and personal information protection policy, we classify our data into four categories, including general data, confidential data, highly confidential data, and strictly confidential data. Only public information are classified as general data and not subject to protections with regard to its access and disclosure. Confidential data can only be accessed by internal employees or designated external personnel. Highly confidential data can only be accessed in specific circumstances upon approval from designated oversight officers. Strictly confidential data can only be accessed by senior management and specific personnel that handle such data.

We have established a specialized data and information security management team, led by our risk management committee, to formulate data protection strategy, assess data security risk, and oversee data security matters. In addition, we have engaged legal advisors to provide trainings relating to data security and personal information protection and conduct compliance review to further improve our compliance policies and measures in connection with data security and personal information protection.

Our Directors and PRC Legal Advisor are of the view that, during the Track Record Period and up to the Latest Practicable Date, we have complied with the currently effective and applicable PRC laws on cybersecurity and data security in all material respects. During the Track Record Period and up to the Latest Practicable Date, we and our PRC Legal Advisor are of the view that the PRC laws and regulations in relation to cybersecurity, data security and privacy protection will not have a material adverse impact on our business operations. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any claims by users or administrative penalties from regulatory authorities regarding personal information leakage, misuse or any other related matters, and we had not received any third-party claim against us on the ground of infringement of such party's right to data protection as provided by any applicable laws and regulations.

For details of laws and regulations on cybersecurity, data security, and privacy protection, see "Regulations—Regulations on Cybersecurity, Data Security, and Privacy Protection." For related risks, see "Risk Factors—Risks Relating to Our Business and Industry—Our business is subject to a variety of laws, regulations, rules, policies, and other obligations regarding privacy, data protection, and cybersecurity. Any losses, unauthorized access, or releases of confidential information or personal information could subject us to significant reputational, financial, legal, and operational consequences." For details of our risk management and internal control measures to ensure compliance with PRC data security and personal information protection laws and regulations, see "—Risk Management and Internal Control—Information System Risk Management."

SALES AND MARKETING

We enjoy strong brand recognition among users, drivers, and businesses, which generates significant traffic through word-of-mouth referrals. We attract and retain users by offering great ride experience, both from various aggregation platforms and from our own platform, and do not rely on excessive incentives or promotions. Our marketing strategy centers around building a trust-worthy mobility brand associated with consistently high-quality and intelligent ride experience to occupy consumer mindshare. CaoCao Mobility was recognized as the No. 1 brand in user recognition for "best service quality" among China's leading shared mobility platforms in five consecutive quarterly surveys of thousands of shared mobility users nationwide from the fourth quarter of 2023 to the fourth quarter of 2024 by an independent third party.

For our ride hailing business, we also engage online and offline channels to attract drivers and users. For drivers, we rely on offline peer driver referrals, offline recruitment through car partners and human resources companies, and online recruitment information distribution. For users, we rely on specialized service providers who assist us to reach out to them offline in key areas, the offline recommendation from drivers to users, and the online distribution of advertising and marketing materials. While the offline channels are cheaper on a per-user basis, users sourced through online channels typically have more appreciation of our service and brings more long-term value. In addition, we obtain a portion of our orders from third-party aggregation platforms. We pay these aggregation platforms commission fees based on the transaction value of orders that they facilitate.

For our enterprise solutions, we typically rely on our sales managers to develop and maintain relationship with key accounts. Meanwhile, our car partners also refer to us enterprise customers for a referral fee.

For our vehicle sales business, we focus on building our brand awareness among those looking for mobility operating vehicles including fleet operators, taxi companies, and online ride hailing drivers. We expect word-of-mouth referrals to be a powerful driver of our branding and marketing, particularly once we have more vehicles on the road.

COMPETITION

To grow our platform, we compete to attract, engage, and retain users based on the quality of our mobility services in terms of safety, price, convenience, and comfort as well as our ability to provide other service offerings that cater to their essential needs. We also compete to attract, engage, and retain drivers on our platform based on our ability to increase their income, simplify their operational workflows, and lower vehicle TCO. We also compete to develop technologies that would re-define the future of mobility such as purpose-built vehicles and autonomous driving.

Our ride hailing business also competes with personal vehicle ownership and usage, which accounts for the majority of trips in the markets that we serve, and with traditional transportation services, including public transportation and taxis.

Our vehicle sales business also competes with other automakers, although we distinguish our brand as one dedicated to mobility operating vehicles and not to private-use vehicles.

Many of our competitors are well-capitalized and offer discounted services, driver incentives, consumer discounts and promotions, innovative service and product offerings, and alternative pricing models, which may be more attractive to consumers than those that we offer. Further, some of our current or potential competitors have, and may in the future continue to have, greater resources and access to larger driver and consumer bases. Some of our competitors enjoy substantial competitive advantages such as greater brand recognition and longer operating histories. As a result, such competitors may be able to respond more quickly and effectively than us to new or changing opportunities, technologies, consumer preferences, regulations, or standards, which may render our products or offerings less attractive. For additional information about the risks to our business relating to competition, see "Risk Factors—Risks Relating to Our Business and Industry—The shared mobility industry is highly competitive, and we may be unable to compete effectively."

CUSTOMERS

For our mobility service business, our customers are individual users who book rides on our platform as well as corporate customers who pay for the rides of their employees collectively. The majority of our ride hailing GTV is attributable to individual users. For our vehicle sales business, our customers consist of our car partners, drivers, and third parties such as vehicle fleet operators and taxi companies. For our vehicle leasing business, our customers include our car partners and certain third parties.

We have a broad base of customers, and we do not believe that we have customer concentration risks. Revenue from our five largest customers in each year of the Track Record Period amounted to RMB320.5 million, RMB435.1 million, and RMB541.5 million, representing 4.2%, 4.1%, and 3.7% of our total revenue for the respective years. Revenue from our largest customer in each year of the Track Record Period amounted to RMB112.4 million, RMB117.2 million, and RMB156.1 million, representing 1.5%, 1.1%, and 1.1% of our total revenues for the respective years. Except for one of our five largest customers in 2024 which procured vehicles from us, all of our five largest customers in each year/period of the Track Record Period were corporate customers of our ride hailing service.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, except for Geely Group which was one of our top five customers in 2023, our top five customers in each year during the Track Record Period were Independent Third Parties.

Except for Geely Group, during the Track Record Period and up to the Latest Practicable Date, none of our Directors, their respective associates, or any shareholders of our Company (who or which to the knowledge of the Directors owned over 5% of our Company's issued share capital) had any interest in any of our five largest customers.

SUPPLIERS

Our suppliers primarily include automakers, vehicle insurance providers, and aggregation platforms. To a lesser extent, our suppliers also include our car partners and telecommunication service providers.

Purchases from our five largest suppliers in each year of the Track Record Period amounted to RMB1,922.4 million, RMB2,281.3 million, and RMB2,509.2 million, representing 20.3%, 19.6%, and 17.1% of our total purchases for the respective years. Purchases from our largest supplier in each year of the Track Record Period amounted to RMB1,462.0 million, RMB1,578.3 million, and RMB1,465.2 million, representing 15.5%, 13.5%, and 10.0% of our total purchases for the respective years.

The following table sets forth certain information of our top five suppliers in each relevant time period during the Track Record Period.

Rank	Supplier	Products/ Services Provided	Purchase Amount	Percentage of Total Purchase	Business Relationship Since
			(RMB in millions)	(%)	
For the Year Ended December 31, 2022					
1	Geely Group[(1)]	Vehicles	1,462.0	15.5	2015
2	Supplier Group A[(2)]	Aggregation platform services	215.1	2.3	2018
3	Supplier B[(3)]	Vehicle insurance	112.4	1.2	2018
4	Supplier C[(4)]	Vehicles insurance	70.8	0.7	2019
5	Supplier D[(5)]	Aggregation platform services	62.0	0.7	2019
For the Year Ended December 31, 2023					
1	Geely Group[(1)]	Vehicles	1,578.3	13.5	2015
2	Supplier Group A[(2)]	Aggregation platform services	355.8	3.1	2018
3	Supplier Group E[(6)]	Aggregation platform services	140.0	1.2	2022
4	Supplier D[(5)]	Aggregation platform services	121.8	1.0	2019
5	Supplier C[(4)]	Vehicle insurance	85.5	0.7	2019

Rank	Supplier	Products/ Services Provided	Purchase Amount	Percentage of Total Purchase	Business Relationship Since
			(RMB in millions)	(%)	
For the Year Ended December 31, 2024					
1	Geely Group[(1)]	Vehicles	1,465.2	10.0	2015
2	Supplier Group A[(2)]	Aggregation platform services	567.7	3.9	2018
3	Supplier Group E[(6)]	Aggregation platform services	245.1	1.7	2022
4	Supplier D[(5)]	Aggregation platform services	126.6	0.9	2019
5	Supplier Group F[(7)]	Aggregation platform services	104.5	0.7	2022

Notes:

(1) Geely Group was also one of our five largest customers in 2023. In 2022, 2023, and 2024, the sales amount was RMB21.5 million, RMB104.5 million, and RMB35.9 million, respectively, as we provided ride hailing services to them and, in 2023, provided additional one-off services in connection with the Asian Games and Asian Para Games.

(2) Supplier Group A represents a group of companies under the control of a company listed on the New York Stock Exchange and the Hong Kong Stock Exchange. This group of companies was also one of our five largest customers in 2022, 2023, and 2024. In 2022, 2023, and 2024, the sales amount was RMB73.4 million, RMB97.8 million, and RMB93.2 million, respectively, as we provided ride hailing services to them.

(3) Supplier B is a company listed on the Stock Exchange of Hong Kong. It is headquartered in Beijing and was established in 2003. It mainly provides insurance services.

(4) Supplier C is a company listed on the National Equities Exchange and Quotations. It is headquartered in Guangzhou and was established in 2011. It mainly provides insurance services.

(5) Supplier D is a private company headquartered in Shanghai established in 2017. It mainly provides aggregation platform services.

(6) Supplier Group E represents a group of companies under the control of a company headquartered in Beijing established in 2012. This group of companies mainly provides shared mobility services and aggregation platform services.

(7) Supplier Group F represents a group of companies under the control of a company listed on the Hong Kong Stock Exchange. It is headquartered in Shenzhen and was established in 1998. It mainly provides aggregation platform services to us.

To the best of our knowledge, except for Geely Group, which mostly supplied vehicles used in our operations, during the Track Record Period and up to the Latest Practicable Date, our top five suppliers in each year during the Track Record Period were Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, none of our Directors, their respective associates, or any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of the Company's issued share capital) had any interest in any of our five largest suppliers, except for Geely Group. For our vehicle procurement framework agreements with members of the Geely Group after this [**REDACTED**], see "Connected Transactions—Non-exempt Continuing Connected Transactions."

EMPLOYEES

As of December 31, 2024, we had 999 full-time employees, all of whom were based in China. The following table sets forth the number of our employees by function as of December 31, 2024.

Function	Number of Employees	Percentage
		(%)
Business Operations	410	41.0%
Research and Development	281	28.1%
General Administration	256	25.6%
Sales and Marketing	26	2.6%
Customer Service	26	2.6%
Total	**999**	**100.0%**

Our success depends on our ability to attract, retain, and motivate qualified personnel. We offer employees competitive salaries, performance-based cash bonuses, regular awards, and long-term incentives. We believe that we maintain a good working relationship with our employees, and we did not experience any material labor disputes or work stoppages or any difficulty in recruiting staff for our operations during the Track Record Period. No collective bargaining agreement has been put in place.

We recruit our employees based on their qualification and potential. We primarily recruit our employees through on-campus job fairs, industry referrals, online channels, and recruitment agencies. We provide new employee training to our employees and periodic on-the-job training to enhance the skills and knowledge of our employees. We have adopted a training system, pursuant to which management, operation, sales and marketing, technology, regulatory, and other trainings are regularly provided to our employees by internally sourced speakers or externally hired consultants.

As required by PRC laws and regulations in respect of our PRC employment, we participate in housing fund and various employee social insurance plans that are organized by applicable competent authorities, including housing, pension, medical, work-related injury, maternity, and unemployment insurance, under which we make contributions at specified percentages of the salaries of our employees. We also purchase commercial health and accidental insurance coverage for our employees. Bonuses are generally discretionary and based in part on the overall performance of our business and in part on employee performance. We have adopted a plan to grant share-based incentive awards to our eligible employees to incentivize their contributions to our growth and development.

We enter into standard confidentiality and employment agreements with our employees. The contracts with our key personnel typically include a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and typically for two years after the termination of his or her employment, provided that we pay a certain amount of compensation during the restriction period.

INTELLECTUAL PROPERTY

We rely on a combination of patent, copyright, trademark, domain name, and trade secret laws and restrictions on disclosure to protect our intellectual property rights. As of December 31, 2024, we had the following intellectual property rights that we consider material to our business: 19 trademarks licensed to us by Geely Group, 21 copyrights, 24 patents, and 14 domain names. For details of our intellectual property rights, see "Appendix IV—Statutory and General Information—Further Information About Our Business—Intellectual Property Rights." During the Track Record Period and up to the Latest Practicable Date, no material claims or disputes were brought against us in relation to any infringement of trademarks, copyrights or other intellectual properties.

INSURANCE

In line with general market practice, we maintain business insurances covering damages to our properties, including our vehicles that are leased to our drivers, but do not maintain any business interruption insurance or key man life insurance, which are not mandatory under the applicable laws. For a discussion of risks relating to our insurance coverage, see "Risk Factors—Risks Relating to Our Business and Industry—Our business depends heavily on insurance coverage for drivers and on other type of insurance for additional risks relating to our business."

We believe that our insurance coverage is sufficient for its present purposes and is consistent with the insurance coverage of other shared mobility platforms in China. We periodically review our insurance coverage to ensure that it remains to be sufficient.

PROPERTIES

Our principal place of business is located in Suzhou, China. As of the Latest Practicable Date, we did not own any properties and leased 37 properties in various cities in China with a gross floor area of over 26,000 square meters, all of which were used as office space for our business operations. Our leased properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. We believe that there is sufficient supply of properties in China, and thus we do not rely on existing leases for our business operations.

As of the Latest Practicable Date, landlords of some of our leased properties in mainland China have not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us, primarily due to the difficulty in procuring the cooperation of the properties' title holders. Consequently, if any of these leases is terminated as a result of challenges by third parties, we may not be able to continue to use such properties. If we are not able to continue to use such properties, we expect to be able to identify alternative places for relocation in a timely manner without incurring material related loss, as the properties are used as office spaces and there is sufficient supply of comparable properties.

In addition, pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the relevant local branches of the PRC Ministry of Housing and Urban Development. As of the Latest Practicable Date, we had not completed lease registration or lease registration modification of the properties we leased in mainland China. Our PRC Legal Advisor has advised us that the lack of registration for the lease contracts will not affect the validity of such lease contracts under PRC law, and has also advised us that a maximum penalty of RMB10,000 may be imposed for each incident of non-compliance of lease registration requirements.

For a discussion of risks relating to property interest defects, see "Risk Factors—Risks Relating to Our Business and Industry—Certain issues relating to certain properties we lease may disrupt our occupancy and continued use of those properties."

As of December 31, 2024, each of our property interests had a carrying amount less than 15% of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all our interests in land or buildings.

ENVIRONMENTAL SUSTAINABILITY, SOCIAL RESPONSIBILITY, AND CORPORATE GOVERNANCE

We are committed to leveraging our technology and platform to create value for society. Since our founding, we have adopted as our long-term strategic goal to promote environmental sustainability, support and participate in socially responsible projects, and adhere to a high standard of corporate governance.

ESG Governance

Our Directors are directly involved in setting up our overall ESG governance management policies, strategies, priorities and targets, reviewing our ESG policies on an annual basis to ensure its effectiveness, and fostering a culture of acting in accordance with our core ESG values.

Upon the [**REDACTED**], we will establish an ESG committee, which is responsible for overseeing and guiding our ESG initiatives. The ESG committee will report to our Board on ESG-related matters and comprises of senior management and staff with a solid understanding of current and emerging ESG issues and our business. Set forth below are the key responsibilities of our ESG committee:

- communicate with relevant regulatory authorities to keep abreast of the latest ESG-related laws and regulations, including the applicable sections of the Listing Rules, ensure compliance with these laws and regulations, keep the Board informed of any changes in such laws and regulations and update our ESG policies accordingly;

- assess ESG-related risks on a regular basis according to applicable laws, regulations, and policies, and formulate strategic plans and mitigating measures to ensure our responsibilities with respect to ESG matters are met;

- monitor local environmental, social, and climate changes in regions where we operate and take timely measures to mitigate the risks associated with such volatile changes during our daily business operations;

- monitor the implementation of our ESG policies, including reviewing our performance against ESG-related targets, and engage third-party consultants to support us in fulfilling our ESG goals if the ESG committee considers it necessary;

- identify our key stakeholders based on our business operations and understand such stakeholders' influences and dependence with respect to ESG matters;

- hold meetings on a regular basis to identify, assess, and manage our progress in achieving our key ESG targets; and

- prepare annual ESG report, reporting to our Board on our ESG-related performance and the effectiveness of our ESG policy, and provide our Board recommendations relating to ESG matters.

Identification, Assessment, Management, and Mitigation of ESG-Related Risks

We have identified certain ESG-related risks in connection with our business, and intend to formulate strategic plans and mitigating measures. The ESG committee will be responsible for the continual assessment of ESG-related risks on a regular basis and the implementation of our ESG policies.

- *Energy Savings and Emission Reduction.* Through improving operating efficiency, we will reduce the use of energy and other natural resources, as well as emissions of pollutants and wastes, in order to enhance our environmental performance and reduce the negative impact of our operations in relation to climate change. While we may potentially incur extra cost to comply with the increasingly stringent environmental regulatory requirements and experience increasing operating expenses, such efforts can improve our user goodwill.

- *Employee's Rights, Interests, and Development.* We face the risk of losing talents if we fail to promote the rights, interests, and development of our employees. We strive to attract, reserve, promote, and retain talents and cultivate skills of our employees by providing them with reasonable career development paths and fairly evaluating their performance. We believe that by maintaining a good relationship with our employees we can improve our operating efficiency and service capacities.

- *Occupational Health and Safety.* The health and safety of our employees, users, and drivers may be put at risk due to climate-related issues, such as increasingly frequent extreme weather events. We strive to protect the health of our employees, users, and drivers, and create a safe working environment for our employees and drivers, thereby reducing the costs of accident handling, medical care, litigation, penalties, and fines, and improving our operating efficiency. To this end, we purchase insurance against occupational injuries for our employees and our drivers.

- *Business Ethics and Anti-Corruption.* We face regulatory risks associated with maintaining good business ethics. On the other hand, outstanding business ethics may yield a positive business image for us.

Upon the [**REDACTED**], we will publish an ESG report annually to comprehensively analyze and disclose important ESG matters, including our ESG-related guidelines, strategies, and targets, as well as their significance in relation to our business. We intend to be public and transparent in terms of our ESG performance before our [**REDACTED**] and stakeholders.

We do not operate any production facilities. Therefore, we are not subject to significant health, work safety, social, or environmental risks. We strive to provide employees with a safe and healthy work environment. During the Track Record Period and up to the Latest Practicable Date, we complied with relevant environmental and occupational health and safety laws and regulations in all material aspects, and we did not encounter any environmental or occupational health related incidents or complaints that would have any material adverse impact on our business, financial condition, or results of operation during the same period.

Environmental Sustainability

Since our founding in 2015, at a time when the penetration rate of electric vehicles were relatively low, we have operated primarily new energy vehicles for the provision of shared mobility service. We have always been conscious of our carbon footprint, and are committed to leverage our technology and platform to reduce the carbon emission of our operation, of the rides provided on our platform, and of society in general. As of December 31, 2024, we had served a cumulative of approximately 1.9 billion rides with new energy vehicles, realizing cumulative reduction of over 3.1 million tons of carbon emission, assuming that each kilometer traveled by a BEV emits 142 gram of carbon dioxide less than an ICEV does. We have achieved carbon-neutral operations in terms of greenhouse gas emissions for the year of 2023 and aim to achieve net zero carbon emission for all ride hailing orders by 2035.

We constantly improve the power efficiency of our electric vehicles to conserve energy and reduce our carbon footprint. We also launch innovative marketing strategies to raise awareness of carbon emission reduction among our users. In October 2022, we launched our Carbon Space feature, where users can accumulate points for taking electric vehicles and reducing carbon emissions, and use such points to get certain benefits. As we further develop our purpose-built vehicles and explore their sales and leasing to third parties, we expect to facilitate the general adoption of electric vehicles for shared mobility, and further contribute to reducing the societal carbon emission level.

As we continually increase the penetration of purpose-built vehicles, we expect to fully replace our existing vehicles without battery swap capabilities by 2026, and thus need to dispose these vehicles. In addition, as vehicles with battery swap capabilities generally have a value-generating life of five years, we expect to start disposing these vehicles by 2026. We are evaluating appropriate measures to dispose the vehicles in an environmentally sustainable manner.

In 2023, our business operations had scope 1, scope 2, and scope 3 carbon dioxide emissions of 1 ton, 105,301 ton, and 801,870 ton, respectively. Our total carbon emission was 907,171 ton, and carbon emission intensity was 74.3 ton per RMB1 million of GTV. Going forward, while our total emissions may increase in line with our expected business growth, we intend to reduce our carbon emission intensity by approximately 5% from their 2023 level by 2026. We expect to accomplish this reduction by increasing the penetration of BEVs among our car-partner drivers, including through the sale of our purpose-built vehicles to them.

Social Responsibility

We recognize the size and influence of our platform, and seek to utilize such influence in a socially responsible manner. We actively encourage and support socially responsible initiatives and promote the concept of corporate social responsibility throughout our company.

We fulfill our social responsibility by first taking caring of our drivers. Since our inception, we have created flexible income opportunities for a cumulative of approximately 3.9 million drivers, with total payment to drivers exceeding RMB40 billion. We continually organize driver welfare events to enrich their social life and improve their sense of satisfaction. In 2018, we set up a driver support fund which provides aids to our drivers and their relatives who suffer from sudden major illnesses. In 2021, we established the Lu Ming fund (鹿鳴基金), an annual scholarship program under which we support children of our drivers who perform well in China's national university entrance examination. The fund has supported the children of over 200 of our drivers since then. In addition, we have organized a drivers' club, hold monthly birthday parties for our drivers, and organize Family Days.

Many of our drivers agree with our culture of fulfilling social responsibility and actively contribute to our initiatives. In January 2022, during the fight against the COVID-19 pandemic, we organized a fleet of drivers to assist with the transportation of COVID test samples in Xi'an, Shaanxi. More than 300 of our drivers helped transport 5 million COVID test samples in one week. During the Chinese New Year, in collaboration with other mobility platforms, our drivers helped pick up workers who stayed at their post when most people were uniting with families. Our drivers and drivers from other platforms collectively took 340 such workers home over a total distance of 7,200 kilometers in 11 cities in Sichuan province. When it comes time for the College Entrance Examination (高考) period, our drivers picked up test-takers for free in various cities and provided emergency response services near testing locations in the seventh year in a roll.

Our unique capability to operate purpose-built vehicles have also put us in position to leverage the vehicles to serve disadvantaged communities. In particular, our vehicle LEVC TX5 is equipped with various accessibility features which allow us to help those in need. For example, the vehicle is fully wheelchair accessible, with a direct access ramp that can be swiftly deployed for wheelchair users or folded into the floorspace, a large door aperture for easy entry, a spacious interior with flexible seats that can be folded for additional space and built-in wheelchair restraints. During the 2023 Asian Games and Asian Para Games in Hangzhou, China, as an officially designated transportation service provider, we provided comprehensive transportation services with thousands of drivers and approximately 300 LEVC TX5s to support the transportation needs of disabled athletes.

Corporate Governance

Employee Wellbeing

We value our people and respect the dignity, character, privacy, and personal interest of each of our employees. We place strong emphasis on well-being in the workplace. Activities are organized regularly to facilitate our employees to explore and pursue their hobbies and interests, and achieve a healthy work-life balance. We also foster inclusion and equality among employees from all backgrounds, regardless of employment part, religion, age, gender, sexual minorities, disability, sexual orientation, citizenship status, and parental status, among others. We believe that diversity, including, but not limited to, gender diversity, is important to us in thriving in the business environment.

Employee Development and Training

We encourage everyone within our organization to pursue professional development opportunities. In furtherance of this goal, we have been offering trainings and career development programs to our employees to support their growth and upward mobility. We conduct employee assessments at the end of each year and, depending on their performance and responsibilities, provide promotion and training opportunities.

Business Ethics

We are committed to shaping our corporate governance and culture to a high standard. We believe good governance and healthy culture are essential to our employees' well-being as well as our business development. To this end, we have put in place a series of internal regulations to set forth the guidelines for compliance with laws and regulations and promote honest and ethical conduct, including our code of business conduct and ethics, anti-corruption compliance policy, and internal control manual. We will adopt ESG management policy, insider trading policy, and disclosure controls and procedures upon our [**REDACTED**]. Striving to create an equal and inclusive corporate environment, we have also established training and safety standards, and strictly comply with labor law by protecting the rights and interests of female employees.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. We are currently not a party to any material legal or administrative proceedings and we were not involved in any material legal proceedings and litigations during the Track Record Period and up to the Latest Practicable Date.

Litigation or any other legal or administrative proceeding, regardless of the outcome, could result in substantial costs and diversion of our resources, including our management's time and attention. For potential impact of legal or administrative proceedings on us, see "Risk Factors—Risks Relating to Our Business and Industry—Adverse litigation judgments or settlements resulting from legal proceedings or investigations in which we may be involved could expose us to monetary damages or limit our ability to operate our business."

Compliance Matters

During the Track Record Period and up to the Latest Practicable Date, we did not commit any non-compliance of laws and regulations which individually or in the aggregate, in the opinion of our Directors, would have a material and adverse effect on our business, financial condition, or results of operations. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, save for certain issues as disclosed in "Risk Factors—Risks Relating to Our Business and Industry—Certain issues relating to certain properties we lease may disrupt our occupancy and continued use of those properties," "Risk Factors—Our limited operating history and our evolving business make it difficult to evaluate our future prospects and the risks and challenges that we may encounter," and the non-compliance incidents with respect to Transportation Permits and Online Ride Hailing Driver's Licenses as set out below, we have complied with the relevant laws and regulations in all material respects.

Transportation Permits and Online Ride Hailing Driver's Licenses

As required by applicable PRC laws and regulations, any vehicle that provides services on an online ride hailing platform is required to obtain a Transportation Permit by meeting certain operating safety criteria and any other criteria stipulated by local taxi administration bureaus (出租汽車行政主管部門). In addition, any driver that provides services on an online ride hailing platform is required to obtain an Online Ride Hailing Driver's License by meeting certain background requirements stipulated by local government and passing relevant exams.

For each non-compliance incident, which is a ride provided by a driver or vehicle without the requisite permit or license, an online ride hailing platform may be subject to an order of correction and a fine of RMB5,000 to RMB10,000, or in severe cases, a fine of RMB10,000 to RMB30,000. In addition, a platform may be ordered to suspend its business operations or have its platform license revoked if a taxi administration bureau at or above the country level finds that the platform no longer has the online and offline service capabilities or has committed a "serious breach." For more information, see "Regulations—Regulations on Online Ride Hailing Services."

As of December 31, 2024, some of the vehicles and drivers on our platform, including both our affiliated drivers and car-partner drivers, as well as their vehicles, had not obtained their requisite Transportation Permits and Online Ride Hailing Driver's Licenses. The PRC Ministry of Transport has published monthly compliance data of ride hailing platforms since October 2020. According to Frost & Sullivan, the compliance data published by the Ministry of Transport is the most reliable and authoritative indicator of compliance levels for ride hailing platforms in China. The table below sets forth the compliance data of our CaoCao Mobility services (which does not include our services under the brand of Limao Mobility) according to the Ministry of Transport in the respective periods.

	For the Six Months Ended					
	June 30, 2022	December 31, 2022	June 30, 2023	December 31, 2023	June 30, 2024	December 31, 2024*
Average monthly vehicle compliance rate	80.4%	83.6%	81.0%	83.1%	90.1%	90.7%
Average monthly driver compliance rate	75.1%	80.3%	78.6%	82.6%	89.0%	88.3%
Average monthly order compliance rate	67.5%	75.9%	74.7%	82.3%	86.0%	85.1%

Note:

* As of the date of this document, the Ministry of Transport has not published compliance data for the months of November and December 2024. Averages in this column are calculated based on the official data from July to October 2024.

In December 2022 and 2023 and October 2024, there were 216,159, 307,303, and 592,346 active vehicles under the brand of CaoCao Mobility, respectively, including 34,153, 48,247, and 50,942 active vehicles that had not obtained their Transportation Permit, representing 15.8%, 15.7%, and 8.60% of the total number of active vehicles, respectively. During the same periods, there were 213,515, 305,068, and 590,583 active drivers under the brand of CaoCao Mobility, respectively, including 38,433, 47,896, and 65,555 active drivers that had not obtained their Online Ride Hailing Driver's License, representing 18.0%, 15.7%, and 11.1% of the total number of active drivers, respectively.

There is no material difference between the gross profit margin of compliant and non-compliant orders.

Meanwhile, all of our vehicles, drivers, and orders under the brand of Limao Mobility are compliant with the aforementioned regulations related to Transportation Permits and Online Ride Hailing Driver's License. Under the brand of Limao Mobility, we operate vehicles that both provide ride hailing services and serve as taxis and take spontaneous orders on the road. These vehicles and their drivers are thus subject to more stringent requirement, including the prior approval by local authorities to operate as taxis and taxi drivers. To comply with these requirements, our operation under the brand of Limao Mobility is much smaller in scale, which makes it easier for us to ensure that all of our vehicles and drivers also comply with regulations related to ride hailing services.

The non-compliance of CaoCao Mobility mentioned above was primarily attributable to (i) practical difficulties to satisfy the various implementing rules formulated by distinct local authorities, and (ii) the business model of online ride hailing platforms, which involves a large number of vehicles and drivers. All market players in the industry face the same challenges.

- *Practical Difficulties to Satisfy Various Implementing Rules Formulated by Distinct Local Authorities.* The provision of online ride hailing services is subject to the regulations promulgated by various local authorities.

  - Given the specific requirements imposed by local authorities, including on a vehicle's place of registration and ownership, its specification and condition, a driver's residence, age, and driving experience, all of which vary from city to city, there is an objective shortage of compliant drivers and vehicles to meet the demand for ride hailing service, especially in first-tier cities. In some first-tier cities, for example, drivers are required to have local household registrations (戶口) and vehicles are required to have local license plates to obtain the requisite licenses and permits. However, people with local household registrations are less likely to work as drivers in first-tier cities. The cities also have stringent license plate control policies. In the past, many drivers and vehicles from outside the cities have provided ride hailing service in these cities to meet market demand, and online ride hailing platforms need time now to build up their reserve of compliant drivers and vehicles.

  - Furthermore, in practice, some local authorities from time to time suspend the processing of applications for new licenses or permits for online ride hailing service to limit the number of licenses and permits to be issued each year, adding to the difficulty faced by online ride hailing platforms to improve their compliance rate.

- *The Business Model of Online Ride Hailing Platforms Involves a Large Number of Vehicles and Drivers.* All major online ride hailing platforms need to manage a large number of vehicles and drivers across a number of cities which have different implementing rules that are still evolving. The sheer complexity of the issue and the evolving regulatory landscape poses practical management difficulties that take time to resolve.

According to Frost & Sullivan, due to the reasons above, non-compliance is an industry-wide issue. Across the industry, the average vehicle compliance rate, driver compliance rate, and order compliance rate of online ride hailing platforms is around 70%, 73%, and 69% in 2024, respectively.

To ascertain the implication of the non-compliance on our operation, our PRC Legal Advisor has conducted extensive due diligence and consultation with local transport authorities. According to the public searches conducted by our PRC Legal Advisor on the Latest Practicable Date, the transport authorities have not ordered any online ride hailing platform to suspend its operation or revoked the permits of any online ride hailing platform solely due to such compliance issue. Our industry consultant, Frost & Sullivan, concurs with the finding of our PRC Legal Advisor. In addition, our PRC Legal Advisor has consulted local transport authorities covering 64 cities in which we have operation, which accounted for 99.5%, 99.9%, and 97.0% of CaoCao Mobility's GTV in 2022, 2023, and 2024, respectively. Our PRC Legal Advisor conducted real-name consultations with the Zhejiang Province-level transport authority, which covered 12 cities, and 13 other city-level transport authorities outside of Zhejiang Province. Our PRC Legal Advisor also conducted general inquiries with another 39 city-level transport authorities and received responses. Our PRC Legal Advisor is of the view that these local transport authorities have the authority to issue the aforementioned confirmations.

- Our PRC Legal Advisor conducted real-name consultations in the form of either interviews or real-name written enquiries with (i) the Department of Transport of Zhejiang Province (浙江省交通運輸廳), where we have operations in 12 cities, and (ii) the transport authorities of 13 cities outside of Zhejiang Province. The 25 cities accounted for 70.7%, 76.9%, and 70.7% of CaoCao Mobility's GTV in 2022, 2023, and 2024, respectively.

  - *Zhejiang Province.* The 12 cities within Zhejiang Province accounted for 10.2%, 8.6%, and 10.0% of CaoCao Mobility's GTV in 2022, 2023, and 2024, respectively. The Department of Transport of Zhejiang Province, which as advised by our PRC Legal Advisor is the competent authority supervising online ride hailing matters of Zhejiang province, confirmed to our PRC Legal Advisor in an interview that (i) they have not and normally will not suspend our business or revoke our permits solely due to our non-compliance; and (ii) in general, penalty will not be imposed on the historically completed orders.

  - *Other cities.* The other 13 cities outside of Zhejiang Province accounted for 60.5%, 68.4%, and 60.6% of CaoCao Mobility's GTV in 2022, 2023, and 2024, respectively. Our PRC Legal Advisor has conducted interviews with or obtained written confirmations from the transport authorities in the 13 cities as described below.

    - The transport authorities in all 13 cities except Tianjin and Nanjing, which as advised by our PRC Legal Advisor are the competent authorities supervising online ride hailing matters of these 11 cities respectively, confirmed that (i) they have not and normally will not suspend our business or revoke our permits solely due to our non-compliance; and (ii) in general, penalty will not be imposed on the historically completed orders.

- The transport authority in Tianjin, which as advised by our PRC Legal Advisor is the competent authority supervising online ride hailing matters of Tianjin, confirmed that (i) it has not suspended our business or revoked our permits due to our non-compliance; and (ii) penalties are usually imposed on ongoing non-compliant orders.

- The transport authority in Nanjing, which as advised by our PRC Legal Advisor is the competent authority supervising online ride hailing matters of Nanjing, confirmed that it has not suspended our business or revoked our permits due to our non-compliance.

- Our PRC Legal Advisor also conducted general enquiries with 39 cities outside of Zhejiang Province. These cities accounted for 28.8%, 22.9%, and 26.4% of CaoCao Mobility's GTV in 2022, 2023, and 2024, respectively.

  - The transport authorities in all 39 cities, which as advised by our PRC Legal Advisor are the competent authorities supervising online ride hailing matters of these cities respectively, confirmed that they have not and normally will not suspend the business or revoke the permit of a ride hailing platform solely due to non-compliance issues. In addition, the transport authorities in 11 cities further confirmed that, in general, penalty will not be imposed on the historically completed orders.

The PRC Legal Advisor advised that based on the applicable laws and regulations, its online searches in relation to the practice of the transport authorities, and the above confirmation of relevant local authorities, (i) the risk that relevant transport authorities will suspend our business or revoke our platform license due to our non-compliance is remote, and (ii) the risk that relevant transport authorities will impose monetary penalties on our historically completed orders is remote.

We may be fined from time to time due to provision of services on our platform by some vehicles or drivers without the requisite permits or licenses. During each of the years ended December 31, 2024, we were fined no more than 0.1% of our revenue for the respective period due to the non-compliance. As of the date of this document, a significant majority of these fines have been fully settled. The fines did not have a material adverse impact on our financial conditions as a whole. Considering the amount and relative size of the fines, the views of the transport authorities and the views of our PRC Legal Advisor, our Directors are of the view that these non-compliance issues did not and will not have a material adverse effect on our business, financial condition, and results of operations.

Having considered (i) the Company's business model and scale of operations; (ii) the discussions with the PRC Legal Advisor and the Company's management to understand, among others, the background of the non-compliance matters, the views of the PRC Legal Advisor and the internal control measures taken by the Company to address non-compliance matters; (iii) the review of interview notes with various regulatory bodies; (iv) the discussions with the internal control consultant of the Company on the scope of their internal control review and the findings, major recommendations and implementation status of the rectification measures with regard to non-compliance incidents, and the review of the supporting documents in relation to the internal control measures; (v) the discussions with Frost & Sullivan to understand the industrial average vehicle compliance rate, driver compliance rate and order compliance rate of online hailing platforms, and to confirm that such non-compliance matter is an industry-wide issue; (vi) the compliance data of Caocao Mobility services and the progress made in the past three years and (vii) the Directors' view on these compliance issues, nothing has come to the attention of the Joint Sponsors that would cause them to reasonably cast doubt on the Directors' view that these non-compliance issues did not and will not have a material adverse effect on the Company's business, financial condition, and results of operations.

We expect our order compliance rate to continuously improve as a result of our business strategy as well as our internal control measures.

- *Business Strategy*.

  - We distinguish ourselves with our fleet of purpose-built vehicles. Our purpose-built vehicles are all designed to meet the local requirements for Transportation Permits. As we accelerate the deployment of our Purpose-Built Vehicles, we expect our order compliance rate to increase.

  - Furthermore, we intend to further expand our business operation in cities where it is easier to timely obtain the Transportation Permits and Online Ride Hailing Driver's Licenses, which will further improve our overall order compliance rate. Besides, some local authorities may remove the prerequisite of local household registration for obtaining the Online Ride Hailing Driver's License. In 2021, the Legislative Affairs Committee of the Standing Committee of the National People's Congress (全國人民代表大會常務委員會法制工作委員會) issued the Report on the 2020 Filing and Review Work (《2020年備案審查工作情況的報告》), which clearly states that requiring local household registration as a prerequisite for being a taxi driver in the local area is against the policy of "reasonable, free, and orderly flow of labor," "creation of a fair employment environment," and "ensuring urban and rural workers enjoy equal employment rights." A number of cities (including Hangzhou, Guangzhou, Dongguan and Qingdao, all of which are cities where we provide services) have since abolished or relaxed the local household registration requirement for taxi drivers or drivers providing online ride hailing service, making it easier for local drivers to obtain their licenses.

- *Internal Control Measures*.

  - Our driver management team is responsible for monitoring and improving the compliance status of our drivers and vehicles, and the CaoCao central driver management system tracks the compliance rate of both our affiliated and car-partner drivers.

  - To monitor our compliance status, we ask drivers to upload their licenses and vehicle permits when they first register on our platform and timely update their information when the licenses and permits are renewed. Our system cross-checks against information from the Department of Transport to ensure the effectiveness of the licenses and permits provided. In some cases, we grant grace periods to non-compliant drivers. We aim to grant grace period generally within one to three months, and adjust the duration based on the following factors: (i) the time required to go through the local license or permit application process, (ii) capability of the relevant drivers, such as their driving experience, and (iii) local circumstances and the guidance of local authorities. For drivers that do not obtain their licenses and permits within the grace period, we may suspend their service, restrict their ability to receive orders, or liaise with local authorities to help with their license or permit application.

  - We award existing drivers for obtaining their licenses, and restrict the ability of non-compliant drivers to receive orders by lowering their evaluation under the "honor score" system. We also provide less driver incentive to non-compliant drivers.

  - We also actively liaise with local authorities in cities where we operate to facilitate our drivers to obtain the Online Ride Hailing Driver's License.

It is difficult to predict when we will be able to fully rectify the non-compliance and reach 100% order compliance rate, since order compliance rate is affected by numerous factors such as future regulatory developments, supply and demand for ride hailing services, and our business growth in various cities, which are subject to uncertainty. Nevertheless, in light of our business strategy and internal control measures described above, we expect to maintain, if not improve, our relative position within the industry going forward.

Social Insurance

During the Track Record Period, we had not made adequate contributions to the social insurance plan for our employees as required under applicable PRC law. We were unable to make full contribution to the social insurance plan primarily because many of our employees were not willing to bear the costs associated with social insurance strictly in proportion to their salaries. In addition, during the Track Record Period we engaged third-party service providers to pay social insurance for some of our employees primarily due to the preference of these employees to participate in local social insurance schemes in their place of residency.

On September 21, 2018, the Ministry of Human Resources and Social Security of the PRC issued the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Enforcement Payment (關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知), which prohibits local authorities from organizing and conducting centralized collection of enterprises' historical shortfall of social insurance contributions.

To ascertain the implication of the non-compliance on our operation, our PRC Legal Advisor has conducted extensive due diligence and consultation with the relevant local authorities. Through interviews and anonymous telephone consultations, our PRC Legal Advisor has obtained confirmations from the relevant local authorities that cover those of our Consolidated Affiliated Entities that collectively employ 97.9% of our employees, all of which confirmed that, absent of active review by competent authorities or reports or complaints by company employees, the competent authorities usually will not actively require companies to make up for historical shortfall of social insurance contributions.

Based on written confirmations received from certain relevant local authorities and public searches conducted by our PRC Legal Advisor, our PRC Legal Advisor also confirmed that, during the Track Record Period, we have not received any fines or penalties from competent authorities as a result of our inadequate contribution to our employees' social insurance plan.

In addition, during the Track Record Period, we have not received any order of correction from competent authorities that require us to make up for historical shortfall of contributions within a specified time, and have not received any reports or complaints by our employees in relation to inadequate contribution. We are not involved in any material disputes with our employees with respect to our social insurance contribution.

Our PRC Legal Advisor has advised us that, in light of the above urgent notice in 2018, the confirmations received from relevant local authorities, and our record during the Track Record Period as described above, absent of active review by competent authorities or reports or complaints by our employees, the chance that we will be subject to centralized collection of historical shortfall of social insurance contributions, or receive administrative fines or penalties, is remote. For a discussion of the risks associated with social insurance, see "Risk Factors—Risks Relating to Our Business and Industry—Failure to be in full compliance with PRC laws and regulations relating to social insurance may subject us to penalties."

RISK MANAGEMENT AND INTERNAL CONTROL

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continually improving these systems, developing a risk management culture, and raising the risk management awareness of all employees. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as information system, financial reporting, internal audit, and human resources.

In preparation for the [**REDACTED**], we engaged an independent third party consultant to perform a review over selected areas of our internal controls over financial reporting in January 2023 and April 2024. The scope of the review was agreed between us, the Joint Sponsors, and the consultant, and included entity-level controls, business-level controls including revenue and receivables, purchases and payables, fixed assets, intangible assets, insurance, treasury, financial reporting, payroll, related party transaction, budget management, tax, and research and development, and general controls of information technology. The consultant performed follow-up reviews in March 2023 and April 2024 to review the status of the management actions taken to address the findings of prior reviews. The consultant did not have any further recommendation in the follow-up reviews. The aforementioned reviews were conducted based on information we provided and the consultant expressed no assurance or opinion on internal controls.

Information System Risk Management

Our objectives for information system management are to identify, assess, monitor, and control information technology risks by establishing an effective mechanism to operate our business in a safe, continuous, stable, and compliant environment. We prioritize the maintenance, storage, security and protection of our important data such as business and financial data and other related information. We have implemented relevant internal procedures and controls to ensure that our data is protected and that leakage and loss of such data is avoided. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of user data. We provide regular trainings to our information technology team and discuss any issues or necessary updates.

We have strict data security management policies to ensure compliance with PRC data security and personal information protection laws and regulations, governing the access, use and storage of data, including, among others:

- *Organizational management.* We have established an organizational structure for data security and personal information protection, specifying the main duties of relevant departments. We have also set up a data and information security management workgroup led by our CTO under the risk management committee, effectively formulating data security and personal information protection plans, overseeing policy implementation, and conducting the data protection work, including, but not limited to, properly dealing with and preventing data security risks.

- *Full life cycle data security management.* We have formulated and implemented a whole set of data security management rules, which specify the full life cycle management for user data, including the requirements, standards, and operating procedures for user data collection, storage, use, transmission, provision, and deletion. We adhere to the principles of minimization and necessity in data collection, and have classified and graded data in accordance with the data categorization and classification security management rules, requiring safeguard

measures for data at different grades based on its sensitivity and risk level. This also serves as the basis for determining internal data access and operation permissions. Meanwhile, we have established a rigorous access control procedure for data operations, requiring multi-level approval, authorization and supervision for data operations involving personal privacy information. Through implementing the internal data access and operation control measures based on the data categorization and classification management system, we have put in place a systematic framework for data security and personal information protection.

- *Comprehensive information security technical measures.* We have established information systems that provide security measures such as encryption algorithms when storing and transmitting confidential data and top-secret data. We strengthen the storage security of sensitive personal information by adopting AES encryption technology. We require the use of security protocols (such as HTTPS and SSL technology) to encrypt data transmission and adopt identity authentication and verification technologies to authenticate the identity of the data sender and receiver to enhance the security of data transmission. Additionally, we implement effective, periodic backup strategies to ensure the integrity and recoverability of data.

- *Emergency response plans.* We have established the rules for management of emergency response plans for information security incidents, and implemented the emergency response process for data security incidents accordingly. We clearly outline the requirements for emergency activation, response, and subsequent handling of such incidents. By organizing and conducting emergency response drills on a regular basis, we have also developed an emergency response plan management and emergency response work mechanism for data security incidents.

- *Data security training mechanisms.* We have established a comprehensive and well-structured staff-oriented data compliance training system, ensuring organized data compliance training. We have prepared and maintained specialized internal records for the personal information protection trainings already conducted.

- *Continuously advancing our security and privacy compliance.* As the laws and regulations on data security and personal information protection continue to evolve, we are consistently following new requirements in the field of data security and personal information protection. This ongoing effort will further promote the development and implementation of structures and processes for the mechanism of data security risk assessment and personal information protection impact assessment, continually improving our data security and personal information protection level and capabilities.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, such as financial report management policies, budget management policies, financial statements preparation policies, and financial department and staff management policies. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures.

Internal Audit Risk Management

We value the importance of our internal audit, as it is essential to our stable operation and sustainable development. The objectives of our internal audit are to monitor the implementation of applicable laws and regulations and our internal policies, procedures, and standard operational procedures, to control our risk exposure at an acceptable level and to improve our business operations.

We have implemented an independent and vertical organizational system for our internal audit. We will set up an Audit Committee under the Board of Directors to organize and guide our internal audit work upon [**REDACTED**]. We will also set up an internal audit and risk management department that regularly reports to the Audit Committee and submits reports on audit projects in a timely manner.

As the executive department of our internal audit, the internal audit and risk management department is responsible for the supervision, evaluation and consulting independently. According to our internal audit procedures, the internal audit and risk management department is responsible for auditing and monitoring the soundness and effectiveness of our internal controls, reviewing the reliability of accounting records and financial statements, analyzing and assessing our business policies and activities of our business units for appropriateness, efficiency and compliance, and auditing and appraising the performance of our management team.

Human Resources Risk Management and Anti-Corruption

We have implemented a human resource management system to ensure the effective functioning of us, safeguard the legitimate rights and interests of both parties to the employment relationship and improve operating efficiency. Our internal human resource management system covers all the stages of employment relationship, from recruitment to probation, appraisal, transition and exit. See "—Employees" for further details.

We have implemented internal anti-bribery and corruption rules to ensure compliance with relevant laws and regulations. Our anti-bribery and corruption rules define the scope of "bribery" and "corruption" and have detailed requirements as to gifts and banquets, conflict of interest, and financial reporting. Our legal and compliance department is responsible for the training, supervision, and execution of our anti-bribery and corruption rules and reports to our chief executive officer. We have set up a report center to collect information on suspected bribery and corruption incidents. We offer a reward to real-name informants who report proven

bribery and corruption incidents. We also have investigation and punishment procedures in place. To prevent any employees from soliciting kick-backs, our procurement protocols require multiple departments to make decisions collectively, which reduces the likelihood of corrupt behaviors. Our procurement agreement with suppliers include anti-corruption provisions, and our dedicated internal control personnel regularly reviews procurement process and outcome. When we develop new business partners, we inform them of our anti-corruption policies and our dedicated compliance team is closely involved to conduct anti-corruption due diligence reviews. We may request our business partners to provide proof of compliance when we suspect violations of anti-corruption laws and regulations, and may terminate our relationship with a business partner that fails to provide satisfactory proof.

LICENSES AND PERMITS

Our PRC Legal Advisor has advised that as of the Latest Practicable Date, except for the licenses and permits discussed in "—Legal Proceedings and Compliance—Compliance Matters—Transportation Permits and Online Ride Hailing Driver's Licenses," we had obtained or were in the process of renewing all requisite licenses, permits, approvals, and certificates from the relevant government authorities that are material for our business operations and we have the up-to-date understanding with the applicable requirements. The following table sets forth details of our material licenses and permits.

License/Permit	Holder	Issuing Authority	Grant Date	Expiration Date
Value-added Telecommunications Business Operating License for Online Data Processing Business (Operational E-Commerce) and Internet Information Service (增值電信業務經營許可證)	Hangzhou Youxing	Bureau of Telecommunications Administration of Zhejiang Province (浙江省通信管理局)	August 12, 2022	August 11, 2027
Value-added Telecommunications Business Operating License for Online Data Processing Business (Operational E-Commerce) and Internet Information Service (增值電信業務經營許可證)	Suzhou Geely Youxing	Bureau of Telecommunications Administration of Jiangsu Province (江蘇省通信管理局)	June 24, 2024	June 24, 2029

License/Permit	Holder	Issuing Authority	Grant Date	Expiration Date
Service Capability Recognition	Hangzhou Youxing	Department of Transport of Zhejiang Province (浙江省交通運輸廳)	February 22, 2017	N/A
Service Capacity Recognition	Suzhou Geely Youxing	Department of Transport of Jiangsu Province (江蘇省交通運輸廳)	September 24, 2024	N/A
Temporary Vehicle License Plate (臨時行駛車號牌), which permits road testing of autonomous driving vehicles in Hangzhou	Hangzhou Youxing	Traffic Police Detachment of Hangzhou Public Security Bureau, Zhejiang Province (浙江省杭州市公安局交通警察支隊)	February 27, 2025	August 26, 2025
Temporary Vehicle License Plate (臨時行駛車號牌), which permits road testing of autonomous driving vehicles in Suzhou	Hangzhou Youxing	Traffic Police Detachment of Suzhou Public Security Bureau, Jiangsu Province (江蘇省蘇州市公安局交通警察支隊)	February 27, 2025	August 26, 2025

Our PRC Legal Advisor has advised us that such licenses and permits remain in full effect and had not been revoked or cancelled as of the Latest Practicable Date. Our PRC Legal Advisor also has advised us that, to the best knowledge of our PRC Legal Advisor, there is no legal impediment to renew such licenses and permits, as long as we comply with the relevant legal requirements and provided that we take all necessary steps and submit the relevant applications in accordance with the requirements and schedule prescribed by the applicable PRC laws and regulations.

For more information about the laws and regulations to which we are subject, see "Regulations."

AWARDS AND RECOGNITIONS

During the Track Record Period, we have received recognition for the quality and popularity of our services. Some of the significant awards and recognition that we or our senior management have received are set forth below.

Award/Recognition	Award Year	Awarding Institution/Authority
Annual Pioneer Companies of 2024 (2024年度先鋒企業)	2024	China.com.cn (中國網)
China's Most Popular Mobility Service Product/Platform of 2022 (2022年中國最受歡迎汽車出行產品/平台)	2023	iiMedia Research (艾媒諮詢)
Zhejiang's Outstanding Group during the Asian Games and Asian Para Games in Hangzhou (杭州亞運會、亞殘運會浙江省先進集體)	2023	General Office of the People's Government of Zhejiang and General Office of the Zhejiang Provincial Committee of the Communist Party of China (浙江省人民政府辦公廳和中共浙江省委辦公廳)
Top 100 New Generation Transportation Companies of 2021 (2021交通運輸新業態百強企業)	2022	China Transport Association (中國交通運輸協會)

BACKGROUND

Hangzhou Youxing, together with its branches and subsidiaries, is principally engaged in the operation of online ride hailing service (the "**Relevant Business**"). Our Company is restricted from holding equity interest in Hangzhou Youxing. Instead, our Company controls Hangzhou Youxing, and is able to derive substantially all of its economic benefits, through a series of Contractual Arrangements, which were entered into among the WFOE, Hangzhou Youxing and its Registered Shareholders. Hangzhou Youxing together with Limao Mobility provide online ride hailing services through their mobility platforms built based on internet technology and vehicles and drivers on their platforms. According to the Interim Measures for the Management of Online Ride Hailing Operation and Service (《網絡預約出租汽車經營服務管理暫行辦法》), online ride hailing platform companies must meet the requirements of online service capability and offline service capability to carry out online ride hailing business.

Online service capability refers to the nationwide valid certification issued by the relevant regulatory authorities in the place where the online ride hailing platform company is registered. According to the Certifications of Online Service Capability for Online Ride Hailing Business (《申請從事網約車經營具備線上服務能力的認定結果》) issued by the Zhejiang Department of Transportation (浙江省交通運輸廳) on February 22, 2017, and August 24, 2021, respectively (each a "**Certification of Online Service Capability**"), Hangzhou Youxing and Limao Mobility have the online service capability as online ride hailing platform companies, with their service area covering the entire PRC.

Offline service capability mainly requires that (i) online ride hailing platform company must obtain the Platform Permit; (ii) vehicle owner or the online ride hailing platform which provides vehicles for online ride hailing services must obtain the Transportation Permits; and (iii) drivers who provide online ride hailing services must obtain the Online Ride Hailing Driver's License.

Hangzhou Youxing has set up branches and subsidiaries in various cities across the PRC, and these branches and subsidiaries used its Certification of Online Service Capability obtained by Hangzhou Youxing to apply to the relevant transportation authorities for local Platform Permits. As of the Latest Practicable Date, all such local Platform Permits are held by Hangzhou Youxing and its branches other than (i) Chengdu, Guiyang, Fuzhou and Ningbo, where the local Platform Permits are held by the Vehicle Subsidiaries, (ii) Huizhou and Quanzhou, where the local Platform Permits are held by subsidiaries of Hangzhou Youxing, and (iii) Wuzhou and Pingtan, where the local Platform Permits are held by branch of Suzhou Geely Youxing Electronic Technology Co., Ltd. (蘇州市吉利優行電子科技有限公司) ("**Suzhou Geely Youxing**") and Fuzhou Youxing Network Technology Co., Ltd. (福州優行網絡科技有限公司), respectively, in accordance with regulatory requirements by the local transport administration authorities. In addition, as of the Latest Practicable Date, Limao Mobility also holds a local Platform Permit for Hangzhou and has subsidiaries and branches in several other cities in the PRC to hold local Platform Permits based on its Certification of Online Service Capability for ride-hailing services provided under the Limao Mobility brand.

Our Group distinguishes itself from other online ride hailing platform companies for having its own fleet of vehicles. Our Group has its own fleet of vehicles since its establishment in 2015 and these vehicles are integral to our Group's online ride hailing business under its business model, which allows our Group to provide standardized and better experience to users and manage drivers efficiently. Under this arrangement, our Group's local legal entities that own and provide vehicles for online ride hailing service are required to apply to the relevant transportation authorities for the Transportation Permits for its vehicles for each city. As of the Latest Practicable Date, Hangzhou Youxing and Limao Mobility had established 68 Vehicle Subsidiaries located in 33 cities to hold vehicles.

Our Group is not involved in any on-ground mobile surveying (地面移動測量) business and relies on qualified internet map services providers for map and navigation functions in accordance with PRC laws and regulations. The PRC Legal Advisor is therefore of the view that the Group is not required to obtain any qualification for on-ground mobile surveying business.

APPLICABLE LAWS AND REGULATIONS ON FOREIGN INVESTMENT

Pursuant to applicable PRC laws and regulations, foreign investors are restricted or prohibited from holding equity interest in entities conducting certain restricted and prohibited businesses.

In accordance with the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024) (外商投資准入特別管理措施(負面清單) (2024)) (the "**Negative List**"), provision of value-added telecommunications services falls within the 'restricted' category, and foreign investors are generally not allowed to own more than 50% of the equity interest in a value-added telecommunication service provider except for those engaged in e-commerce businesses, domestic multi-party communications services businesses, store-and-forward businesses and call center businesses, which may be 100% owned by foreign investors.

Article 10 of the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (2016 Revision) (外商投資電信企業管理規定(2016修訂)) (the "**FITE Regulations**") further provided that a major foreign investor of a value-added telecommunication service provider that operates certain value-added telecommunications services in China must possess prior experience in, and a proven track record of good performance of, operating value-added telecommunication businesses and satisfy other qualification requirements as given in the FITE Regulations (the "**Qualification Requirements**").

On March 29, 2022, the State Council issued the Decision to Amend and Abolish Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》), which made amendments to the FITE Regulations. Pursuant to the amended FITE Regulations which took effect on May 1, 2022, the Qualification Requirements for major foreign investors to possess prior experience in, and a proven track record of good performance of, operating value-added telecommunication business set out in the FITE Regulations were removed.

HANGZHOU YOUXING AND LIMAO MOBILITY

Hangzhou Youxing operates the CaoCao Mobility App, which processes ride hailing orders, settles payment online and provides other related online ride hailing services. As advised by the PRC Legal Advisor, the services provided by Hangzhou Youxing fall into commercial value-added telecommunication business under the applicable PRC laws, and thus a Value-added Telecommunication Business Operation License for internet content provision services (增值電信業務經營許可證) ("**ICP License**") is required.

During the Track Record Period, Limao Mobility was primarily engaged in the provision of online ride-hailing services and offline taxi-hailing services. Limao Mobility has obtained Online Ride Hailing Business Permit (《網絡預約出租汽車經營許可證》) and Road Transportation Business Permit (《道路運輸經營許可證》). As advised by the PRC Legal Advisor, Limao Mobility had obtained all requisite licenses, permits, approvals, and certificates from the relevant government authorities that are material for conducting online ride-hailing services and offline taxi-hailing services during the Track Record Period.

Unlike CaoCao Mobility, which provides mobility services in a self-operated manner as well as through the cooperation with car partners, Limao Mobility operated ride-hailing services during the Track Record Period mainly through affiliated drivers sourced from third-party human resources companies in a solely self-operated manner, and Limao Mobility was not involved in provision of any commercial internet information services that fall within the scope of value-added telecommunications services. Pursuant to the agreements entered into between Limao Mobility and each of such third-party human resources companies, (i) Limao Mobility will instruct the third-party human resources companies from time to time to source drivers to provide mobility services, (ii) based on the requirement of Limao Mobility, the third-party human resources companies are responsible for recruiting drivers that possess Online Ride Hailing Driver's Licenses, (iii) the third-party human resources companies are required to assign drivers promptly to the designated places to provide mobility services, and (iv) Limao Mobility has the right to supervise, inspect and guide the performance of mobility services provided by the third-party human resources companies and shall pay the service fees based on the services provided by the third-party human resources companies. Under such arrangement, drivers sourced from third-party human resources companies are mainly subject to the management and supervision of Limao Mobility in accordance with the cooperation agreements entered into between Limao Mobility and each of such third-party human resources companies. Limao Mobility mainly settles fees (including drivers earnings) with the third-party human resources companies, and the driver earnings will then be paid to relevant drivers by third-party human resources companies. In addition, the vehicles used by these drivers for the provision of mobility services are owned and supplied by Limao Mobility. Therefore, these drivers are regarded as affiliated drivers of Limao Mobility and this business model is referred to as "self-operation". In contrast, car-partner drivers from CaoCao Mobility are mainly managed by the car-partners. We settle the driver earnings with the car-partner drivers directly. The vehicles used by the car-partner drivers for the provision of mobility services are supplied in accordance with the agreements between the car-partners and the car-partner drivers, rather than being supplied by CaoCao Mobility. Given that CaoCao Mobility's business involves the

use of CaoCao Mobility's internet information by car partners to manage drivers and vehicles used by drivers to provide ride-hailing services, and CaoCao Mobility also engages in other commercial internet information services, the business model of Limao Mobility is different from that of CaoCao Mobility, hence an ICP License is required to be obtained by Hangzhou Youxing for the operation of CaoCao Mobility.

During the Track Record Period, Limao Mobility delivered mobility services in a solely self-operated manner. Limao Mobility applied for an ICP License on June 8, 2022 based on such business model. On June 14, 2022, Zhejiang Provincial Communications Administration determined that an ICP license was not required for Limao Mobility's solely self-operated mobility services and thus rejected Limao Mobility's application for an ICP license. As confirmed by the PRC Legal Advisor, there has been no material change to the regulations for applying for an ICP license in Zhejiang province as well as the provisions of value-added telecommunication services in the Negative List during the Track Record Period. In addition, Limao Mobility's business model remained unchanged throughout the Track Record Period, and hence an ICP license was not required for its provision of mobility services. On this basis, the PRC Legal Advisor is of the view that Limao Mobility was not required to obtain an ICP License during the Track Record Period.

Under such business model, in the event of accidents caused by such drivers, Limao Mobility is responsible for paying monetary damages to passengers and, thereafter, Limao Mobility is entitled to seek indemnification from third-party human resources companies pursuant to the terms of the relevant agreements. The PRC Legal Advisor has confirmed that, as the mobility services to customers are provided through the Limao Mobility Platform by Limao Mobility, third-party human resources companies who recruit and assign drivers for the provision of mobility services on a contractual basis are not required to obtain any licenses or permits (including the Platform Permit) under the PRC laws, other than the business licenses for providing human resources service.

To integrate more effectively with the Group's online ride-hailing business and leverage combined resources and expertise for improved operational efficiency, Limao Mobility intends to engage in certain commercial internet information services, such as provision of commercial internet information service to car-partner drivers and provision of internet advertising service. Accordingly, Limao Mobility obtained an ICP License on October 18, 2024.

While Hangzhou Youxing currently holds an ICP license, it may no longer be deemed qualified to hold such license by the competent authority if our Company holds equity interest in Hangzhou Youxing other than through the Contractual Arrangements (i.e., if it is reorganized as a direct or indirect subsidiary of the Company). In addition, Limao Mobility has obtained an ICP license in order to further carry out business which falls into commercial value-added telecommunication business. The revenue contributed by Limao Mobility and its subsidiaries amounted to approximately 0.4% of the Group's revenue for the year ended December 31, 2024 and the total assets of Limao Mobility and its subsidiaries amounted to approximately 8.1% of the Group's assets as of December 31, 2024.

On November 7, 2022, we, with the assistance of the PRC Legal Advisor, consulted the Zhejiang Communications Administration (浙江省通信管理局), which confirmed to us that (i) there is no material change to the approval regime in respect of the ICP License, and (ii) in practice, whether a foreign-invested entity can apply for ICP License depends on whether the foreign investor can fulfill the Qualification Requirements, which remains ultimately subject to substantive examination and discretion of the approving authorities on a case-by-case basis. On March 15, 2023, our PRC Legal Advisor further consulted the Zhejiang Communications Administration, which confirmed to us that (i) there has been no material change to the approval regime in respect of the ICP License since our last interview; (ii) there is no foreign invested online ride hailing operator that has obtained an ICP License pursuant to the FITE Regulations in Zhejiang province; and (iii) taking into consideration the characteristics of the online ride hailing industry in terms of the requirement on data isolation and data security, and the lack of precedent for foreign invested online ride hailing operators holding ICP Licenses pursuant to the FITE Regulations, in the event that Hangzhou Youxing is held by the Company through equity ownership, Hangzhou Youxing is in practice unable to apply for an ICP License through the foreign enterprises application procedure pursuant to the FITE Regulations and such application will not be approved.

Based on the current regulations and policy mainly issued by the State Council and Ministry of Industry and Information Technology, prudential and consistent practices of competent authorities regarding foreign-invested enterprises engaged in telecommunications business and the above confirmation, the PRC Legal Advisor has advised that (i) as the Zhejiang Communications Administration is responsible for approving and supervising the telecommunication business operation of domestic enterprises in Zhejiang and our ICP License was issued by Zhejiang Communications Administration, such department is the competent authority to provide the above confirmation and the officer consulted is the competent person to make the relevant confirmations; (ii) according to the above interviews, after considering the requirement on data isolation and data security of the online ride hailing industry and the lack of approval precedent, the competent authority is of the view that, in the event that Hangzhou Youxing is held by the Company through equity ownership, Hangzhou Youxing is in practice unable to apply for an ICP License through the foreign enterprises application procedure pursuant to the FITE Regulations and such application will not be approved; (iii) even though the Qualification Requirements were repealed, according to the above interviews, the competent authority will still consider the fulfillment of the Qualification Requirements by foreign investors in practice; but taking into account the lack of specific guidelines and approval procedures in this regard, whether and to what extent that the overseas entities within our Group, including our Company, as foreign investors of Hangzhou Youxing and Limao Mobility in the event we hold equity interest in Hangzhou Youxing and Limao Mobility, will meet the Qualification Requirements remain uncertain and (iv) as there has been no material change in the PRC laws and regulations regarding such approval regime in Zhejiang province or the business model of the Company since March 2023, the confirmations provided by the Zhejiang Communications Administration during the interview in March 2023 as detailed above remain applicable. Given the above, the PRC Legal Advisor is of the view that it is not viable for our Company to hold entities that hold or intend to hold any ICP License through equity ownership, other than through the Contractual Arrangements.

As the Qualification Requirements are still being applied by the competent authority in practice, we have been gradually building up our track record of overseas value-added telecommunications services business operation for the purposes of meeting the Qualification Requirements, as early as possible and permissible, so as to hold the maximum percentage of equity interests in the Consolidated Affiliated Entities that currently hold the ICP License, subject to other applicable relevant PRC laws and regulations and views of competent approving authorities. We have taken the following measures to meet the Qualification Requirements:

(i) we have started to establish an overseas website that will help potential overseas users and [**REDACTED**] better understand our Company's services and businesses;

(ii) we have obtained the right to use certain trademarks registered in Hong Kong and overseas for the purpose of our business operations. For details, please see the section headed "Connected Transactions—Trademark Licensing Agreement"; and

(iii) we have established a subsidiary and a place of business in Hong Kong.

Accordingly, subject to the discretion of the competent authority on whether we have fulfilled the Qualification Requirements, our PRC Legal Advisor is of the view that, the above steps taken by us may be considered to be reasonable and appropriate in relation to the Qualification Requirements as such steps may enable our Group to have operation experiences related to the telecommunication business in overseas markets. Our Company will closely monitor the future development in the policy on the Qualification Requirements.

VEHICLE SUBSIDIARIES

Vehicle Subsidiaries themselves do not provide value-added telecommunications services and the PRC Legal Advisor has confirmed that the business of Vehicles Subsidiaries does not require Vehicle Subsidiaries to hold their own ICP Licenses. However, Vehicle Subsidiaries hold vehicles, which are the core assets of our Group in performing its online ride hailing business. As various devices are installed in the vehicles of our Group, these vehicles also serve as important tools for our Group to collect driver and passenger data and monitor and manage driver and the performance of orders efficiently. Taking into account that the operation of the online ride-hailing business on our platform is subject to foreign investment restriction, the Vehicle Subsidiaries, as the holders of the important operating assets of our online ride hailing business, are held by Hangzhou Youxing, Limao Mobility and their subsidiaries for efficient operation of our online ride hailing business. We believe that the Vehicle Subsidiaries should be retained under the VIE structure due to the following reasons:

a) Compliance with privacy and data security regulations

Since 2021, the collection and storage of personal data has been subject to increased scrutiny of the PRC regulatory authorities. Various laws and regulations have been promulgated to regulate privacy and data security, especially on the proper collection,

handling, and storage of the data, including Data Security Law of the PRC (《中華人民共和國數據安全法》) and the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), which took effect in September 2021 and November 2021 respectively.

Based on the requirement of the Ministry of Transport, our Group is required to collect and transmit information of drivers, vehicles and data in relation to, among others, orders, operation and service quality to the Online Ride Hailing Supervision Information Exchange Platform (網約車監管信息交互平台). These data are collected through (i) Hangzhou Youxing, Limao Mobility together with their branches and the Vehicle Subsidiaries as a whole in the course of their online ride-hailing services, which require processing and storage of user registration information, identity authentication information and order transaction information, and (ii) devices installed in vehicles, including cameras, where our Group collects images and audios of drivers and passengers. According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》), Data Security Law of the PRC, Personal Information Protection Law of the PRC and other relevant laws and regulations, the responsible party of personal information protection and data security should carry out data processing activities in accordance with laws and regulations, establish comprehensive whole-process data security management system and employ corresponding technical measures and other necessary measures to ensure data security. In accordance with the aforementioned provisions of laws and regulations, Hangzhou Youxing and Limao Mobility, as the operators of our online ride-hailing services and the parent companies of their PRC subsidiaries, must, in accordance with the provisions of laws and regulations, establish comprehensive data security management system and user personal information protection system.

More specifically, as advised by the PRC Legal Advisor, retaining Vehicle Subsidiaries, and the operators of our online ride hailing services, Hangzhou Youxing and Limao Mobility, within the VIE Structure is crucial for maintaining cybersecurity and preventing leakage of data and complying with the relevant PRC laws and regulations for the following reasons:

(i) Detailed requirements under the relevant PRC laws and regulations

According to the provisions of Cybersecurity Review Measures (《網絡安全審查辦法》), the relevant regulatory authorities focus on whether the proposed [**REDACTED**] may lead to any risk of core data, important data or a large amount of personal information being affected, controlled or maliciously used by foreign governments, and any risk of such data being stolen, leaked, damaged, illegally used or illegally exported. Therefore, during the proposed [**REDACTED**], our Company is advised to pay close attention to the risk of data leakage and take necessary measures such as structural isolation or implementing internal control system to reduce the associated security risks.

The Interim Measures for the Management of Online Ride Hailing Operation and Service (《網絡預約出租汽車經營服務管理暫行辦法》) further provides that (i) online ride hailing platform company should abide by the national rules and regulations on network and information security, (ii) the personal information collected and the business data generated should be stored and used in mainland China in principle, and (iii) unless otherwise stipulated

by laws and regulations, the above data should not be leaked. Similarly, the Cybersecurity Law of the PRC and Several Provisions on the Management of Automobile Data Security (for Trial Implementation) (《汽車數據安全管理若干規定(試行)》) reinforce the significance of the principle of "domestic storage," and Hangzhou Youxing and Limao Mobility must follow such principle when collecting and generating important data through providing online ride hailing services. As such, Hangzhou Youxing, Limao Mobilities and their subsidiaries should abide by the principle of storing and using the business data and personal information within mainland China, and adopt necessary corporate measures and corporate structures to ensure effective isolation of data and prevention of the access or control of data by foreign entities and their controlling shareholders to minimize the risk of illegal data export.

(ii) VIE Structure can effectively reduce the risk of leakage or malicious use of domestic data

Under the Group's VIE Structure, data assets and equity interest related to the online ride hailing business are controlled by Hangzhou Youxing, Limao Mobility and their subsidiaries, and the Registered Shareholders of Hangzhou Youxing do not participate in the daily operations of Hangzhou Youxing. Under such corporate structure, our domestic entities can continue to meet the legal requirement for the storage and use of personal information and important data collected and generated in business operations in China, and it is also more conducive to protecting the security of business data and domestic users' right in respect of personal information.

The agreements underlying the Contractual Arrangements also contain provisions to ensure that unless there is necessary business justification or legally required by the place of [**REDACTED**], Hangzhou Youxing will not transfer any Restricted Data (as defined below) collected and generated in domestic operations from the Consolidated Affiliated Entities to foreign entities or affect the control of the such data by the Consolidated Affiliated Entities, and any of such transfer, if required, will be made in accordance to PRC laws and regulations. Therefore, the VIE Structure can effectively reduce the risk of leakage or malicious use of domestic data.

The PRC Legal Advisor has conducted an Interview with the Cybersecurity and Informatization Commission Office of Zhejiang Provincial Committee of the Communist Party of China (中共浙江省委網絡安全和信息化委員會辦公室) ("**Zhejiang CAC**") on November 15, 2022, according to which it was confirmed that for the purpose of data security and preventing leakage of data to overseas, Hangzhou Youxing, together with the Vehicle Subsidiaries, should be retained under the VIE structure and should not be transferred to the WFOE. The PRC Legal Advisor is of the view that (a) according to the Lists of Administrative Responsibilities (權責清單) published by the People's Government of Zhejiang Province and Procedural Provisions on the Administrative Law Enforcement of Cyberspace Affairs Departments (《網信部門行政執法程序規定》), Zhejiang CAC is responsible for the administrative examination on network information security of local internet content service operators in Zhejiang Province where Hangzhou Youxing is located, and the competent authority to issue rectification orders or impose administrative penalties against such local

operators in accordance with the Cybersecurity Law of the PRC, and thus it is the competent authority to provide the relevant confirmation in respect of the implementation of the applicable rules and regulations in relation to data security and protection and the officer consulted is the competent person to make the relevant confirmations, and (b) based on the applicable laws and regulations, the business model of our Company's online ride hailing business, the data collection and storage function of the vehicles held by the Vehicle Subsidiaries and the above confirmation of the Zhejiang CAC, our Company should retain the Vehicle Subsidiaries under the VIE Structure and should not transfer the Vehicle Subsidiaries to the WFOE.

b) Integral to the online ride hailing business of our Group

As elaborated below, vehicles owned by the Vehicle Subsidiaries form an integral part of our Group's online ride hailing services.

(i) The business process of our Group's online ride hailing service mainly comprises of, submission of ride requests by users on our mobility platforms and assignment of orders by our Group to drivers on our mobility platforms for the provision of ride hailing services. It is the business strategy of our Group to provide vehicles to the drivers on our mobility platforms, which distinguishes our Group from its peers, which rely heavily on drivers bringing their vehicles on their platforms to perform online ride hailing services. Such business strategy enables our Group to provide a consistent and unified experience to users, as well as managing its drivers efficiently.

(ii) Online ride hailing companies should meet the requirements of online service capability and offline service capability, including obtaining Transportation Permits for vehicles used on the platform. The purpose of establishing the Vehicle Subsidiaries is to hold the vehicles, apply for the requisite Transportation Permits and provide such vehicles to the drivers on our mobility platforms.

(iii) Vehicles held by the Vehicle Subsidiaries are fully integrated to the full business cycle of our Group. Drivers can apply to use our vehicles for the provision of online ride hailing services on our mobility platforms, and ride hailing orders are dispatched to suitable drivers and vehicles through our mobility platforms using algorithms. The Vehicle Subsidiaries are responsible for obtaining the requisite Transportation Permits for their vehicles and maintain the vehicles in good condition throughout the use of vehicles by drivers. Through the devices installed on our Group's vehicles, our Group is able to manage drivers, track the location of each vehicle and collect the data of drivers and vehicles effectively. Accordingly, vehicles held by the Vehicle Subsidiaries form an integrate part of our Group's online ride hailing business service offerings under our Group's business model.

(iv) As an essential component of our online ride hailing business, the business of Vehicle Subsidiaries is fully integrated with the business of Hangzhou Youxing or Limao Mobility. As elaborated above, the services provided by Hangzhou Youxing fall into commercial value-added telecommunication services, which is within the 'restricted' category under the applicable PRC laws. In addition, Limao Mobility is also in the process of preparing for the application of ICP license. Therefore, as a part of the restricted value-added telecommunications services operation, the Vehicle Subsidiaries cannot be reorganised as subsidiaries of the WFOE, due to the WFOE's inability to hold an ICP License.

In addition, among the Vehicle Subsidiaries, seven subsidiaries also hold the local Platform Permits as of the Latest Practicable Date. The PRC Legal Advisor has made verbal consultations with the relevant transportation authorities in the cities where these seven subsidiaries are located, and was informed that (i) after the online ride hailing platform company has obtained the certification of online service capability, it can set up a local subsidiary or branch to operate the local online ride hailing business; and (ii) if the online ride hailing business is operated by a subsidiary, the online ride hailing platform company needs to have direct equity control over such subsidiary. According to the aforementioned laws and regulations and the confirmation of the relevant transportation authorities, the PRC Legal Advisor has advised that (i) these seven subsidiaries holding local Platform Permits, Hangzhou Youxing and Limao Mobility as the operating platform jointly provide online ride hailing services; and (ii) as an integral part of the online ride hailing service business, these seven subsidiaries holding local Platform Permits should continue to be held by Hangzhou Youxing or Limao Mobility through direct shareholding for the purpose of complying with the applicable laws and regulations and the requirements of local competent authorities.

Additionally and specifically relating to one Vehicle Subsidiary, Suzhou Geely Youxing, it intends to carry out internet advertising business, which falls into commercial value-added telecommunication business under the applicable PRC laws, and holds an ICP License. According to the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) and the Classification Catalog of Telecommunications Business (2015 version) (《電信業務分類目錄(2015年版)》) (as amended on June 6, 2019), the internet advertising services Suzhou Geely Youxing intends to provide are commercial internet information services, which are a type of value-added telecommunications services and requires a separate ICP license. As Suzhou Geely Youxing intends to provide such commercial internet information services in its own name and through separate domain names and websites, which are independent from CaoCao Mobility's platform, the PRC Legal Advisor has advised that Suzhou Geely Youxing is required to obtain its own ICP License.

Our principal business is the provision of mobility services and the revenue from mobility services accounted for 97.9%, 96.6% and 92.6% of our total revenue for the years ended December 31, 2022, 2023 and 2024, respectively. During the Track Record Period, the Vehicle Subsidiaries also engaged in vehicle leasing and vehicle sales, which were immaterial and ancillary to our principal business. We may not fully utilize our vehicles. From time to time, we leased untilized vehicles primarily to our car partners to increase our platform's service

capacity and the utilization of our vehicles. For the years ended December 31, 2022, 2023 and 2024, the revenue generated from vehicle leasing only accounted for 1.3%, 1.4% and 1.3% of our total revenue, respectively. In addition, before 2023, the Vehicle Subsidiaries occasionally sold vehicles purchased from Geely Group to our car partners to increase the service capacity of our platform. In 2023, we started to sell purpose-built vehicles through the PBV Co, which is not a Consolidated Affiliated Entity. It is expected that the Vehicle Subsidiaries will not engage in the business of sale of vehicles upon the [**REDACTED**].

OTHER SUBSIDIARIES AND INVESTMENTS HELD BY HANGZHOU YOUXING

As of the Latest Practicable Date, in addition to the above, Hangzhou Youxing also held 14 subsidiaries, which do not currently carry out business operations, intend to carry out business which are subject to foreign investment restrictions or are intended to be deregistered or disposed of. These entities are not expected to commence any substantive business operations by the time of [**REDACTED**]. We will undertake to procure these entities (i) not to conduct any businesses that are not subject to foreign investment restrictions or prohibitions and, to the extent that any of these entities does, to transfer such entity outside of the Contractual Arrangements prior to engaging in any unrestricted business; or (ii) to be deregistered or to be disposed of in the event that such entities are no longer required.

In addition, as of the Latest Practicable Date, Hangzhou Youxing held a 5.47% minority investment in Jixing International Technology Co., Ltd. (吉行國際科技有限公司) ("**Jixing International**"). In 2019, Hangzhou Youxing invested in 40% of the equity interest in Jixing International, a company established in the PRC to provide online ride-hailing services in Paris under the brand of CaoCao Mobility Paris, for a consideration of RMB32.0 million. We decided to focus on our business in the PRC in 2022 as part of a strategic adjustment and transferred 32% of the equity interest in Jixing International to another shareholder for a consideration of RMB25.6 million, and the remaining 8% equity interest was diluted to 5.47% as a result of a capital increase. The investment value of such investment was nil as of December 31, 2024. Such investment is passive, non-controlling interest and immaterial to us. Transfer of our equity interest in Jixing International is subject to the pre-emptive right of the other shareholders under Jixing International's articles of association and requires assistance from the other shareholders. The communication process with the relevant parties with respect to our intention to transfer the equity interest out of the Contractual Arrangements, as well as the results of such communication, are out of our control.

Based on the above reasons, our Directors are of view that the Contractual Arrangements are narrowly tailored, as (i) they are used to achieve our business purposes and minimize the potential conflict with relevant PRC laws and regulations, (ii) vehicle leasing by the Vehicle Subsidiaries is immaterial and ancillary to our principal business, and (iii) it would be impracticable for our Company to further narrow the scope of our businesses included within the Contractual Arrangements. Considering that (i) Vehicle Subsidiaries are holding asset, i.e., the vehicles, for the operation of the Company's online ride hailing business, (ii) the purpose of the sale and leasing of vehicles is to improve the utilization of the vehicles and expand the Company's online ride hailing business, (iii) the revenue contributed by sale and leasing of

vehicles only accounted for 1.7%, 2.5% and 7.2% of the Company's total revenue for the years ended December 31, 2022, 2023 and 2024, respectively, and (vi) the PRC Legal Advisor's opinion that it is not viable for the Company to hold entities that hold or to intend to hold any ICP License through equity ownership, other than through the Contractual Arrangements, the Joint Sponsors concur with the Directors' view that the Contractual Arrangements are narrowly tailored.

CONTRACTUAL ARRANGEMENTS

To assert management control over the operations of our Relevant Business conducted through the Consolidated Affiliated Entities and enjoy all economic benefits of the Consolidated Affiliated Entities, we, through the WFOE, entered into a series of contractual arrangements with Hangzhou Youxing and/or its Registered Shareholders (as applicable), which were last amended in April, 2024 and supplemented by the joinder agreement dated July 12, 2024 signed by Oceanpine Marvel. The agreements underlying such contractual arrangements with Hangzhou Youxing and/or its Registered Shareholders (as applicable) include: (i) the Business Cooperation Agreement, (ii) the Exclusive Technical Consulting Services Agreement; (iii) the Exclusive Call Option Agreement, (iv) the Equity Pledge Agreement, and (v) the Shareholders' Rights Entrustment Agreement (each term as defined below); moreover, (a) Mr. Li and Mr. Xingxing Li, being the ultimate individual beneficial owners of Geely Holding and Zhejiang Jidi, and (b) the general partner of each of the Limited Partnership Registered Shareholder (as defined below) and the controlling shareholders of each of the Corporate Registered Shareholder (as defined below), has each executed a Letter of Undertakings, and the spouse of each of Mr. Li and Mr. Xingxing Li has also executed a spousal consent letter (such contractual arrangements collectively, the "**Contractual Arrangements**"). Accordingly, the term 'ownership' or the relevant concept, as applied to our Company in this document, refers to an economic interest in the assets or businesses through the Contractual Arrangements without holding any equity interest in our Consolidated Affiliated Entities. The Contractual Arrangements, through which we are able to exercise control over and derive the economic benefits from our Consolidated Affiliated Entities, have been narrowly tailored to achieve our business purpose and minimize the potential for conflict with relevant PRC laws.

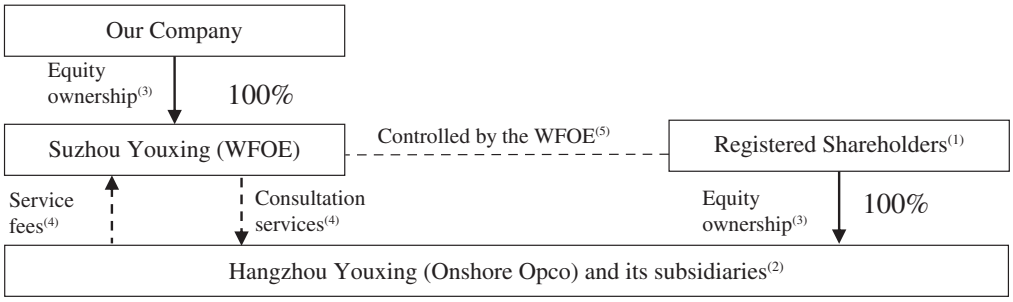
Although the limited partners of Longqi Xinglu, Xiangcheng Xiangxing VC, Tongxiang Wuzhen Fund I and Paradise Silicon-valley Tiansheng (collectively, the "**Limited Partnership Registered Shareholders**") did not sign letters of undertakings, the general partners have undertaken to procure the relevant limited partners to comply with the terms of the Contractual Arrangements and there are no provisions in the partnership agreements that allow the limited partners to revoke or invalidate the Contractual Arrangements entered into by the Limited Partnership Registered Shareholders or the relevant general partners. Each of ABC Investment (Suzhou), Oceanpine Marvel and Dongwu Innovation (collectively, the "**Corporate Registered Shareholders**"), is a company and its controlling shareholder has executed the above-mentioned Letter of Undertaking. As advised by our PRC Legal Advisor, (i) the Limited Partnership Registered Shareholders and the Corporate Registered Shareholders, being partnerships or companies and separate legal entities established under the applicable laws, are

legally bound by and are required to perform under the terms of the Contractual Arrangements, with substantively the same obligations and legal responsibility as those that would be imposed on a natural person who is a Registered Shareholder; (ii) even if the limited partners or the ultimate beneficial owners enter into arrangements that may directly or indirectly concern their interests in the Limited Partnership Registered Shareholders or the Corporate Registered Shareholders, which include any change in the partners or the shareholders of the Limited Partnership Registered Shareholders or the Corporate Registered Shareholders under PRC laws, these arrangements would not affect the validity of the Contractual Arrangements or its legally binding effect upon the Limited Partnership Registered Shareholders or the Corporate Registered Shareholders; (iii) with all the Registered Shareholders of Hangzhou Youxing signing the Contractual Agreements, it is sufficient to ensure the effectiveness and validity of our Contractual Arrangements; and (iv) the arrangement of Limited Partnership Registered Shareholders not signing the letters of undertakings would not affect the validity of the Contractual Arrangements or its legally binding effect on the Limited Partnership Registered Shareholders or the Corporate Registered Shareholders.

Pursuant to the Contractual Arrangements, all substantial and material business decisions of the Consolidated Affiliated Entities will be instructed and supervised by our Group, through the WFOE, and all risks arising from the business of the Consolidated Affiliated Entities are also effectively borne by our Group as a result of the Consolidated Affiliated Entities being treated as wholly owned subsidiaries of our Company. Accordingly, our Directors consider that it is fair and reasonable for the WFOE to be entitled to all economic benefits generated by the business operated by the Consolidated Affiliated Entities through the Contractual Arrangements as a whole. In addition, our Directors are of the view that the Contractual Arrangements and the transactions contemplated thereunder are fundamental to our Group's legal structure and business operations and would allow and ensure sound and effective operation of our Company and our Relevant Business in compliance with applicable PRC laws and regulations. Accordingly, our Directors consider that such transactions, which have been and shall be entered into on normal commercial terms, are fair and reasonable, or advantageous, so far as our Group is concerned and are in the best interest of our Company and Shareholders as a whole. Our Directors also believe that our Group's structure whereby the financial results of the Consolidated Affiliated Entities are consolidated into our Company's financial statements as subsidiaries, and the flow of economic benefit of their businesses to our Group pursuant to the Contractual Arrangements, would also be in the best interest of our Company.

During the Track Record Period, all our revenue was generated by our Consolidated Affiliated Entities.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group as stipulated under the Contractual Arrangements:



Notes:

(1) Hangzhou Youxing is owned by Zhejiang Jidi, Geely Holding, Xiangcheng Xiangxing VC, Oceanpine Marvel, ABC Investment (Suzhou), Paradise Silicon-valley Tiansheng, Longqi Xinglu, Dongwu Innovation and Tongxiang Wuzhen Fund I (the "**Registered Shareholders**") as to approximately 69.9%, 13.9%, 7.4%, 4.3%, 1.6%, 1.3%, 0.7%, 0.5% and 0.3%, respectively. See "History, Reorganization and Corporate Structure—Pre-[**REDACTED**] Investments—Information on the Pre-[**REDACTED**] Investors" for background of the Pre-[**REDACTED**] Investors.

(2) These constitute our Consolidated Affiliated Entities.

(3) "⟶" denotes direct legal and beneficial ownership in the equity interests. The WFOE is an indirect wholly owned subsidiary of our Company.

(4) "⇢" denotes contractual relationship.

(5) "------" denotes the control exercised by the WFOE over the Registered Shareholders and Hangzhou Youxing through (i) powers of attorney to exercise all shareholders' rights in Hangzhou Youxing, (ii) exclusive options to acquire all or part of the equity interests in Hangzhou Youxing, and (iii) equity pledges over the equity interests in Hangzhou Youxing.

Summary of the material terms of the Contractual Arrangements

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

Business Cooperation Agreement

Under the business cooperation agreement dated April 10, 2024 (as supplemented by the joinder agreement dated July 12, 2024 signed by Oceanpine Marvel), entered into between the WFOE, Hangzhou Youxing and the Registered Shareholders (the "**Business Cooperation Agreement**"), without the prior written approval from the WFOE, the Registered Shareholders shall not request or procure Hangzhou Youxing to enter into transactions that may affect the assets, business, personnel, obligations, rights or operations of Hangzhou Youxing, including, but not limited to, (i) carrying out any activity outside which is outside the current scope of business or operate in a manner that is not consistent with past practice, (ii) disposal,

acquisition or otherwise dealing in any assets or rights (including, but not limited to, intellectual properties) with third parties, (iii) the provision of any security or guarantee in favour of any third party or the creation of any encumbrances in relation to its assets or intellectual rights.

In addition, under the Business Cooperation Agreement, the WFOE also has the right to appoint or terminate the appointment of the directors (including executive directors), general managers, financial controllers and other senior managers of Hangzhou Youxing and the Registered Shareholders shall fully cooperate to give effect to the appointment or termination. Further, the WFOE has the right to inspect Hangzhou Youxing's financial accounts from time to time. Hangzhou Youxing agrees to cooperate with the WFOE and its shareholders (including the Company) with respect to the auditing of Hangzhou Youxing's financial accounts. Hangzhou Youxing agrees to deliver certificates relevant to its operations and official seals upon the request of WFOE for safekeeping by the WFOE's finance department, and undertakes to use the relevant certificates and official seals only with the WFOE's consent and in accordance with its internal guidance. The Registered Shareholders also undertake that any dividend, distribution or any other gain or benefit in any form received from Hangzhou Youxing shall be gifted or transferred for free to the WFOE or its designated party unconditionally.

The Business Cooperation Agreement will remain effective for ten years and will be automatically renewed for another ten years unless the WFOE objects to such renewal within 30 days' prior to its expiry.

Exclusive Technical Consulting Services Agreement

Under the exclusive technical consulting services agreement dated April 10, 2024 (as supplemented by the joinder agreement dated July 12, 2024 signed by Oceanpine Marvel), entered into between the WFOE and Hangzhou Youxing (the "**Exclusive Technical Consulting Services Agreement**"), the WFOE has the exclusive right to provide Hangzhou Youxing and its subsidiaries with comprehensive business and technical support and related consulting services, including, but not limited to the following:

(1) researching and developing relevant software and technology based on the business needs of the Hangzhou Youxing;

(2) researching, designing, monitoring and debugging on Hangzhou Youxing's computer network equipment and mobile applications;

(3) providing technical training and support to the employees of Hangzhou Youxing;

(4) providing maintenance, security, testing and repair services to Hangzhou Youxing's internet systems;

(5) providing hardware and software procurement consulting services;

(6) providing market development and marketing services in relation to the application software;

(7) providing industry consulting and product development services;

(8) providing business cooperation opportunities in relation to customers, business partners, and relevant market information;

(9) providing relevant technical consulting, technical services, business consulting, market consulting, management consulting and services, system integration, product research and system maintenance services required by Hangzhou Youxing;

(10) granting Hangzhou Youxing the authorization to use WFOE's intellectual property;

(11) providing financial, personnel management and other services;

(12) offering equipment and asset leasing, transfer, and disposal services; and

(13) providing other services required for the business operation of Hangzhou Youxing that WFOE possesses the relevant qualifications and capabilities to provide.

Without the WFOE's prior written consent, Hangzhou Youxing shall not accept any services that are the same or similar to those under the Exclusive Technical Consulting Services Agreement from any third party. Hangzhou Youxing agreed to pay service fees based on the cost of services with a mark-up determined by the WFOE based on actual business conditions of Hangzhou Youxing on a quarterly basis to the WFOE within 10 business days upon receipt of the service fees invoice setting out the basis of calculation. Specifically, the mark-up shall be determined by the WFOE after taking into account the actual business conditions and the following factors: the complexity of the services, the cost of time spent by employees of WFOE, the commercial value and specific content of the services, the market price of similar services, the business conditions of Hangzhou Youxing, and the amount of costs and expenses that is necessary to be retained by Hangzhou Youxing. The WFOE owns the intellectual property rights arising out of the services performed under the Exclusive Technical Consulting Services Agreement. It is agreed that certain intellectual property rights designated by the WFOE shall be registered under Hangzhou Youxing's name to accommodate its business needs, and Hangzhou Youxing agrees to transfer these intellectual property rights to the WFOE upon its request free of charge or at the lowest consideration permitted by relevant laws. The Exclusive Technical Consulting Services Agreement will remain effective for ten years and will be automatically renewed for another ten years unless the WFOE objects to such renewal within 30 days' prior to its expiry.

Exclusive Call Option Agreement

Under the exclusive call option agreement dated April 10, 2024 (as supplemented by the joinder agreement dated July 12, 2024 signed by Oceanpine Marvel), entered into between the WFOE, Hangzhou Youxing and the Registered Shareholders (the "**Exclusive Call Option Agreement**"), the Registered Shareholders irrevocably granted the WFOE or any third party designated by the WFOE an irrevocable and exclusive option to purchase all or part of their respective equity interests in Hangzhou Youxing or the assets and business of Hangzhou Youxing at the WFOE's option upon occurrence of the following circumstances, at the consideration of RMB1 or the lowest consideration permitted by PRC laws, including, but not limited to:

(i) the WFOE or its direct or indirect controlling shareholders is permitted to conduct or hold Hangzhou Youxing's business under PRC laws;

(ii) the Registered Shareholders are no longer suitable to be or capable of being the shareholders of Hangzhou Youxing;

(iii) dissolution, liquidation or bankruptcy of the Registered Shareholders;

(iv) violation of any provisions of the agreements under the Contractual Arrangements by the Registered Shareholders; or

(v) the WFOE requests the Registered Shareholders to transfer their equity interests in Hangzhou Youxing to the WFOE or the third party designated by it by giving 15 business days' advance written notice.

The Registered Shareholders shall, subject to the relevant PRC laws and regulations, return to WFOE any consideration they receive in the event that WFOE exercises the options under the Exclusive Call Option Agreement to acquire equity interest in Hangzhou Youxing or the assets of Hangzhou Youxing.

The Exclusive Call Option Agreement will remain effective until it is terminated by the WFOE with 30 days' advance written notice or all equity interests in or assets of Hangzhou Youxing are transferred to the WFOE or the third party designated by it.

Equity Pledge Agreement

Under the equity pledge agreement dated April 10, 2024 (as supplemented by the joinder agreement dated July 12, 2024 signed by Oceanpine Marvel), entered into between the WFOE, Hangzhou Youxing and the Registered Shareholders (the "**Equity Pledge Agreement**"), each of the Registered Shareholders pledged all its equity interest in Hangzhou Youxing in favour of the WFOE to guarantee the performance of its obligations under the Contractual Arrangements. If any of the Registered Shareholders or Hangzhou Youxing breaches any obligations under the Contractual Arrangements, the WFOE, as pledgee, will be entitled to

exercise the pledges upon giving reasonable notice. The pledges under the Equity Pledge Agreement constitute first-priority security interests in the pledged equity interests. Each of the Registered Shareholders agreed that before its obligations under the Contractual Arrangements are discharged it will not transfer the pledged equity interest or create or permit to exist any security interest or other encumbrance on the pledged equity interest without the prior written consent of the WFOE. The Equity Pledge Agreement will remain effective until all obligations of the Registered Shareholders and Hangzhou Youxing under the Contractual Arrangements are fully fulfilled. The Registered Shareholders completed the registration of the Equity Pledge Agreement in November 2024 and December 2024.

Shareholders' Rights Entrustment Agreement

Under the shareholders' rights entrustment agreement dated April 10, 2024 (as supplemented by the joinder agreement dated July 12, 2024 signed by Oceanpine Marvel), entered into between the WFOE, Hangzhou Youxing and the Registered Shareholders (the "**Shareholders' Rights Entrustment Agreement**"), each Registered Shareholder irrevocably authorized the WFOE (including its successors and any liquidator), any person designated by the WFOE or the Company's board of Directors to exercise its shareholder rights (but excluding any person who is not independent or whose authorization may give rise to a conflict of interest), including, but not limited to, the right to propose and attend shareholder meetings, the right to vote on all matters subject to discussions and resolutions by shareholders (including, but not limited to, the appointment of directors, supervisors, general manager, deputy general manager, finance director and other members of senior management, capital reduction, liquidation and distribution of residual assets) and the right to decide the sale, transfer, pledge, disposal or dealing of all or part of the equity interest held by the Registered Shareholder. The Shareholders' Rights Entrustment Agreement is irrevocable and will remain in force until it is terminated by the WFOE with 30 days' advance written notice or the WFOE has completed purchase all of the equity interests in or assets and business of Hangzhou Youxing pursuant to the Exclusive Call Option Agreement.

Letters of Undertakings

Under the letters of undertakings dated April 10, 2024, given by Mr. Li and Mr. Xingxing Li (the "**Individual Letters of Undertakings**"), each signing individual shareholder has separately irrevocably undertaken that, in the event of his death, loss of capacity, divorce or any other event that could affect his direct or indirect exercise of shareholder rights in Hangzhou Youxing, his successor, guardian, creditor, spouse or any other person that may have any claim of right or interest in the relevant equity interest in Hangzhou Youxing will not engage in any act that may affect the ability of him, his holding entities or Hangzhou Youxing to perform their obligations under the Contractual Arrangements.

Each signing individual shareholder further undertook, among others, that:

(i) his spouse has no ownership interest in the equity interest beneficially owned by him in Hangzhou Youxing and has no influence on his management of Hangzhou Youxing or shareholder resolutions with respect to Hangzhou Youxing.

(ii) he will not, and will procure his holding entities and directors thereof acting on his behalf not to, require or instruct his holding entities to sell, transfer, pledge, dispose of or create any security interest or encumbrance in the relevant equity interest in Hangzhou Youxing or Hangzhou Youxing's material business or revenue without the WFOE's prior written consent.

(iii) he will not engage in any act or omission that may lead to any conflict of interest between his holding entities, the WFOE and Hangzhou Youxing and its subsidiaries and, if such conflict of interest arises, follow the WFOE's instructions to eliminate such conflict of interest.

Under the letters of undertakings dated April 10, 2024 or July 12, 2024 (as the case may be), given by general partners of the Limited Partnership Registered Shareholders and the controlling shareholders of Corporate Registered Shareholders (the "**Controller Letters of Undertakings**"), each of them has separately undertaken, among others, that:

(i) it will procure the Limited Partnership Registered Shareholders/Corporate Registered Shareholders to comply with the Contractual Arrangements, in particular the Exclusive Call Option Agreement, Shareholders' Rights Entrustment Agreement and Equity Pledge Agreement in connection with any sale, transfer, pledge or disposal of equity interest in Hangzhou Youxing or Hangzhou Youxing's assets, business, profit and income;

(ii) it will not require or instruct the Limited Partnership Registered Shareholders/Corporate Registered Shareholders to sell, transfer, pledge, dispose of, or create any security interest or encumbrance in equity interest in Hangzhou Youxing; or

(iii) it will not engage in any act or omission that could lead to any conflict of interest between the Limited Partnership Registered Shareholders/Corporate Registered Shareholders, the WFOE (including its shareholders), Hangzhou Youxing and its subsidiaries and, if the WFOE reasonably believes that such conflict of interest has arisen, to follow and procure the Limited Partnership Registered Shareholders/Corporate Registered Shareholders to follow the WFOE's instructions to eliminate such conflict of interest.

Confirmation from the spouses of the Registered Shareholders

The spouse of each of Mr. Li and Mr. Xingxing Li signed a spousal consent letter dated April 10, 2024 (the "**Spousal Consent Letters**"). Under the Spousal Consent Letters, each signing spouse acknowledged, recognized and unconditionally and irrevocably agreed that the equity interest beneficially owned by her spouse in Hangzhou Youxing was personal property of her spouse, does not constitute joint or common marital property and should be disposed of in accordance with the Contractual Arrangements. Each signing spouse undertook not to claim the equity interest as part of her own property or joint or common martial property or participate in Hangzhou Youxing's management or matters subject to shareholder resolutions. Each signing spouse further undertook not to engage in any conduct that is inconsistent with the Contractual Arrangements and, in the event that she acquires any equity interest in Hangzhou Youxing, to be bound by the Contractual Arrangements, including the same obligations as those of the Registered Shareholders thereunder, and execute agreements equivalent to the Contractual Arrangements at the WFOE's request.

Other aspects of the Contractual Arrangements

Data Security

Certain of the agreements underlying the Contractual Arrangements stipulate that the parties acknowledge that in the course of providing online ride haling service, Hangzhou Youxing and its subsidiaries collects, stores and processes personal information and data such as user registration information, identity authentication information and order transaction information, and collects and temporarily stores personal information data such as images and voices of drivers and passengers, order information, service quality feedback and other personal data (collectively the "**Restricted Data**") regulated under the Data Security Law, the Personal Information Protection Law, and the Cybersecurity Law of the PRC in compliance with the relevant laws and regulations of the PRC. In order to comply with the Cybersecurity Law, the Data Security Law, the Personal Information Protection Law, the Measures of Security Assessment for Data Export, Several Provisions on the Management of Automobile Data Security (for Trial Implementation) and other relevant laws and regulations relating to cybersecurity, data security and personal information protection (the "**Cybersecurity Laws and Regulations**"), unless there is clear business justification or a requirement by the securities regulator at the place of [**REDACTED**], the WFOE shall not require Hangzhou Youxing to transfer any Restricted Data to the WFOE.

If the WFOE requires the assistance of Hangzhou Youxing in providing any Restricted Data for business reason or at the request of the securities regulator at the place of [**REDACTED**], it must obtain the explicit consent of Hangzhou Youxing, which shall then conduct a self-inspection according to its internal control systems and the Cybersecurity Laws and Regulations and, if necessary, consult the competent authorities or engage a data compliance consultant for advice to ensure the provision of such data is in compliance with Cybersecurity Laws and Regulations. The Restricted Data shall generally be desensitized before being provided to the WFOE, unless otherwise required by the relevant regulatory

authorities. The WFOE shall (a) adopt effective technical and management measures and conduct a data security assessment according to the Cybersecurity Laws and Regulations, (b) ensure that personnel processing the Restricted Data are subject to confidentiality obligations and (c) not use the Restricted Data for purposes other than the agreed purpose. Hangzhou Youxing may withdraw its consent for the use of the Restricted Data at any time in accordance with the Cybersecurity Laws and Regulations, its internal control system and upon the request of the relevant regulatory authorities and require the WFOE to delete or destroy such Restricted Data in a timely manner.

The WFOE understands and confirms that it will not claim any right of ownership or control in any Restricted Data provided by Hangzhou Youxing in accordance to the Contractual Arrangements.

The main purpose of the restriction on the transfer of Restricted Data to the WFOE is to comply with the principle of storing and using the Restricted Data within the PRC, and adopt necessary corporate measures and corporate structure to ensure effective isolation of the Restricted Data and prevention of access or control of the Restricted Data by foreign entities and their controlling shareholders to minimize the risk of illegal export of the Restricted Data, in accordance with the PRC Laws, including the Interim Measures for the Management of Online Ride Hailing Operation and Service, the Cybersecurity Law of the PRC and Several Provisions on the Management of Automobile Data Security (for Trial Implementation) (《汽車數據安全管理若干規定(試行)》). The restriction on the transfer of Restricted Data to the WFOE does not affect the effectiveness of the Group's contractual arrangements or have a material adverse effect on the WFOE's control over Hangzhou Youxing and its subsidiaries for the following reasons:

(a) Right to transfer the Restricted Data is not a prerequisite for the effectiveness of the Group's contractual arrangements under the PRC Civil Code. Our PRC Legal Advisor has advised that each of the agreements under the Contractual Arrangements is legal, valid and binding on the parties thereto and none of them would be deemed as void under the PRC Civil Code;

(b) The Restricted Data shall generally be desensitized before being provided to the WFOE. Such desensitization does not undermine the WFOE's control over Hangzhou Youxing in respect of operational management and personnel arrangements, including WFOE's information and inspection rights; and

(c) As our Group's commercial decisions in exercising control over Hangzhou Youxing and its subsidiaries are based on general information on their business conditions and financial performance, which does not include user personal information or important data restricted from being transferred abroad under applicable PRC laws, our PRC Legal Advisor is of the view that the restriction on Restricted Data does not apply to such general information.

Dispute resolution

Each of the agreements underlying the Contractual Arrangements stipulates that in the event of any dispute arising out of or in relation to the agreements underlying the Contractual Arrangements, the parties shall first negotiate to resolve such dispute. If the parties fail to reach an agreement on the resolution of such dispute within 30 days, any party may submit such dispute to the Shanghai International Economic and Trade Arbitration Commission for arbitration in accordance with the then effective arbitration rules. The arbitration shall be conducted in Shanghai, the language of arbitration shall be Chinese, and the results of the arbitration shall be final and binding on all relevant parties.

In addition, pursuant to the dispute resolution clause, subject to applicable PRC laws, the arbitration tribunal may award remedies over the shares, assets and land of the parties, such as compensation, injunctive relief (including, but not limited to, facilitating business operations or compulsory transfer of assets) or order the winding-up of the relevant parties. Any party shall have the right to apply for interim remedial measures to courts of competent jurisdiction (including courts of the PRC, Hong Kong and the Cayman Islands) pending the formation of an arbitral tribunal.

Succession

Each of the agreements underlying the Contractual Arrangements (as applicable) is binding on the successors of the parties.

Conflicts of interest

Each of the individual shareholders of the Registered Shareholders has given his irrevocable undertakings in their Letters of Undertaking, which address potential conflict of interests that may arise in connection with the Contractual Arrangements. For details, please see the sub-section headed "—Summary of the material terms of the Contractual Arrangements—Letters of Undertakings."

Under the Shareholders' Rights Entrustment Agreement, a person who is not independent or whose authorization may give rise to a conflict of interest cannot be authorized by the Registered Shareholders to exercise shareholder rights in Hangzhou Youxing.

Each of Mr. Li, Mr. Xingxing Li, the general partners of the Limited Partnership Registered Shareholders and the controlling shareholders of Corporate Registered Shareholders, undertook that, during the period that the Contractual Arrangements remain effective, they shall not take or omit to take any action which may lead to a conflict of interest, either through themselves or their holding entities, with the WFOE, the WFOE's direct or indirect shareholders or Hangzhou Youxing and its subsidiaries. If there is any conflict of interest, the WFOE shall have the right to decide in its sole discretion on how to address such conflict of interest in accordance with the applicable PRC laws, and they will unconditionally follow the instructions of the WFOE to take any action to eliminate such conflict of interest.

Loss sharing

Under the relevant PRC laws and regulations, none of our Company or the WFOE is expressly legally required to share the losses of, or provide financial support to, our Consolidated Affiliated Entities. Further, our Consolidated Affiliated Entities are limited liability companies and shall be solely liable for their own debts and losses with assets and properties owned by them. The WFOE intends to continuously provide to or assist the relevant Consolidated Affiliated Entities in obtaining financial support when deemed necessary. In addition, given that our Group conducts a substantial portion of its business operations in the PRC through our Consolidated Affiliated Entities, which hold the requisite PRC operational licenses and approvals, and that their financial position and results of operations are consolidated into our Group's financial statements under the applicable accounting principles, our Company's business, financial position and results of operations would be adversely affected if our Consolidated Affiliated Entities suffer losses.

Despite the foregoing, as provided in the Exclusive Call Option Agreement, without the written consent of the WFOE, Hangzhou Youxing and the Registered Shareholders shall not, among others:

(a) increase or decrease its registered capital, or alter the structure of the registered capital in any other way;

(b) sell, transfer, mortgage or dispose of in any manner, or allow to be created any other security interest in, any legal or beneficial interest in the material assets, business or revenue of Hangzhou Youxing;

(c) incur, inherit, guarantee or permit the existence of any debt, except for debts incurred in the ordinary course of business other than through loans; and

(d) enter into any consolidation or merger with any third party, or acquire or invest in any third party.

Liquidation

Pursuant to the Exclusive Call Option Agreement, in the event of a dissolution or liquidation, at the request of the WFOE and subject to the PRC laws, all remaining assets of Hangzhou Youxing shall be transferred to the WFOE or any other entity or person designated by the WFOE at the consideration of RMB1 or the minimum amount of consideration permitted by PRC laws. In case the aforementioned transfer shall include consideration, upon receipt of the consideration paid by the WFOE and/or any other entity or person designated by the WFOE, the Registered Shareholders shall return such consideration to the WFOE or any other entity or person designated by the WFOE in a manner consistent with the PRC laws and regulations.

Operations in compliance with the Contractual Arrangements

Our Group will adopt the following measures to ensure legal and regulatory compliance and to ensure the sound and effective operation of our Group (including our Consolidated Affiliated Entities) and the implementation of the Contractual Arrangements upon [**REDACTED**]:

(a) as part of the internal control measures, major issues arising from implementation of the Contractual Arrangements will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;

(b) our Board will review the overall performance of and compliance with the Contractual Arrangements once a year;

(c) our Company will disclose the overall performance of and compliance with the Contractual Arrangements in our annual reports; and

(d) if necessary, legal advisors and/or other professionals will be retained to assist our Group to deal with specific issues arising from the Contractual Arrangements and to ensure that the operation and implementation of the Contractual Arrangements as a whole will comply with applicable laws and regulations.

Insurance

Our company does not maintain an insurance policy to cover the risks related to the Contractual Arrangements.

Circumstances in which we will unwind the Contractual Arrangements

We will unwind and terminate the Contractual Arrangements as soon as practicable in respect of the Relevant Business operated by the Consolidated Affiliated Entities, to the extent permissible, and we will directly hold the maximum percentage of ownership interest permissible under the relevant PRC laws. In this event the WFOE will exercise its rights under the Exclusive Call Option Agreement to unwind and terminate the Contractual Arrangements to the extent permissible and we will directly operate the Relevant Business without using the Contractual Arrangements.

Our confirmation

Our Directors confirm that, as of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC governing bodies in operating our businesses through our Consolidated Affiliated Entities under the Contractual Arrangements.

LEGALITY OF THE CONTRACTUAL ARRANGEMENTS

Based on the above, we believe our Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations to the maximum extent and our PRC Legal Advisor is of the opinion that:

(a) each of the WFOE and Hangzhou Youxing is an independent legal entity which is duly established and is validly existing under the PRC laws;

(b) each of the agreements under the Contractual Arrangements is legal, valid and binding on the parties thereto and none of them would be deemed as void under the PRC Civil Code;

(c) none of the agreements under the Contractual Arrangements violates any provisions of the respective articles of association of the WFOE and Hangzhou Youxing;

(d) the Contractual Arrangements do not require any approvals from the PRC government authorities, except that (a) the establishment and disposal of the pledges under the Equity Pledge Agreement are required to be registered with the relevant local State Administration for Market Regulation; (b) the exercise of the options by the WFOE under the Exclusive Call Option Agreement to purchase all or part of the assets and equity interests in Hangzhou Youxing is subject to the approvals of, consent of, filing with and/or registration with the PRC government authorities; and (c) the arbitration awards/interim remedies provided under the dispute resolution provision of the Contractual Arrangements must be recognized by the PRC courts before compulsory enforcement; and

(e) the Contractual Arrangements are not in violation of applicable and explicit PRC laws and regulations currently in effect, except for the following provisions regarding dispute resolution and liquidation:

    (i) that the Contractual Arrangements provide that the arbitral body may award remedies over the shares and/or assets of Hangzhou Youxing, injunctive relief and/or winding up of Hangzhou Youxing, and that courts of competent jurisdiction are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal, while under PRC laws, an arbitral body has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of or equity interests in Hangzhou Youxing in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in China; and

(ii) the Contractual Arrangements provide that in the event of a dissolution or liquidation, at the request of the WFOE and subject to the PRC law, all remaining assets of Hangzhou Youxing shall be transferred to the WFOE or any other entity or person designated by the WFOE at the consideration of RMB1 or the minimum amount of consideration permitted by PRC laws. In case the aforementioned transfer shall include consideration, upon receipt of the consideration paid by the WFOE and/or any other entity or person designated by the WFOE, the Registered Shareholders shall return such consideration to the WFOE or any other entity or person designated by the WFOE in a manner consistent with the PRC laws and regulations. The aforementioned provision may not be enforceable under PRC laws in the event of a mandatory liquidation required by PRC laws or bankruptcy liquidation.

Our PRC Legal Advisor is of the view that according to the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), we will be required to complete the filing formalities with the CSRC in connection with the [**REDACTED**]. See "Regulations—Regulations on Mergers and Acquisitions and Overseas Listings" for further details.

Based on the above advice from our PRC Legal Advisor, the Directors are of the view that the adoption of the Contractual Arrangements is unlikely to be deemed ineffective or invalid under applicable PRC laws and regulations. In the unlikely event we become unable to enforce our Contractual Arrangements, we may not be able to exert effective control over our Consolidated Affiliated Entities and may lose not only the ability to consolidate their revenues but also the control over their business operations. See the section headed "Risk Factors—Risks Relating to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating certain of our operations in China do not comply with PRC laws and regulations relating to the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or the nullification of the Contractual Arrangements or be forced to relinquish our interests in those operations."

Given that the Contractual Arrangements will constitute non-exempt continuing connected transactions of our Company, a waiver has been sought from [and has been granted by] the Stock Exchange, details of which are disclosed in the section headed "Connected Transactions" of this document.

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

Under the Exclusive Technical Consulting Services Agreement, it was agreed that, in consideration of the services provided by the WFOE, Hangzhou Youxing will pay service fees to the WFOE. The service fees payable are determined based on the services provided. The amount will be determined by the WFOE, the Registered Shareholders and Hangzhou Youxing

through arms' length negotiations after considering (i) the complexity and difficulty of the services provided by the WFOE, (ii) the time consumed by employees of the WFOE in providing the services, (iii) the contents and value of the services provided by the WFOE, (iv) the market price of the same type of services, (v) the operating conditions of Hangzhou Youxing, and (vi) the necessary costs, expenses, taxes and statutory reserve or retained funds. Accordingly, through the Exclusive Technical Consulting Services Agreement, the WFOE has the ability, at its sole discretion, to extract substantially all of the economic benefit of Hangzhou Youxing.

Under the Exclusive Call Option Agreement, the WFOE has absolute contractual control over the distribution of dividends or any other amounts to the Registered Shareholders of Hangzhou Youxing as the WFOE's prior written consent is required before any distribution can be made. If the Registered Shareholders receive any profit, dividend or distribution, they shall promptly transfer or pay such profit, distribution or dividend to the WFOE or any other person designated by the WFOE to the extent permitted under applicable PRC laws.

As a result of the Contractual Arrangements between the WFOE, Hangzhou Youxing, the Registered Shareholders and the indirect individual shareholders or controllers of the Registered Shareholders, the WFOE is able to effectively control, recognize and receive substantially all the economic benefit of the business and operations of Hangzhou Youxing. Accordingly, Hangzhou Youxing is treated as controlled structured entities of our Company and consolidated by our Company. The basis of combining the results of Hangzhou Youxing is disclosed in Note 2 to the Accountant's Report set out in Appendix I of this document.

DEVELOPMENT IN PRC LEGISLATION ON FOREIGN INVESTMENT

Background of the Foreign Investment Law

On March 15, 2019, the National People's Congress approved the Foreign Investment Law (外商投資法) (the "**FIL**") which took effect on January 1, 2020. The FIL replaced the Law on Sino-Foreign Equity Joint Ventures (中外合資經營企業法), the Law on Sino-Foreign Cooperative Joint Ventures (中外合作經營企業法) and the Law on Wholly Foreign-Owned Enterprises (外資企業法) to become the legal foundation for foreign investment in the PRC. The FIL is formulated to further expand opening-up, vigorously promote foreign investment and protect the legitimate rights and interests of foreign investors. According to the FIL, China adopts a system of national treatment plus Negative List with respect to foreign investment administration, and the Negative List will be issued (or approved to be issued) by the State Council, from time to time. The Negative List sets out the industries in which foreign investments are prohibited or restricted. Foreign investors would not be allowed to make investments in prohibited industries, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Foreign investment and domestic investment in industries outside the scope of the Negative List shall be treated equally. On December 26, 2019, the State Council promulgated the Implementation Regulations on the Foreign Investment Law (外商投資法實施條例) (the "**FIL Implementation Regulations**"), which took effect on January 1, 2020. The FIL Implementation Regulations

provide that foreign investments in sectors on the Negative List shall comply with special management measures in respect of shareholding, senior management personnel and other matters stipulated under the Negative List.

Impact and consequences of the Foreign Investment Law

Conducting operations through contractual arrangements has been adopted by many PRC-based companies, including our Group. We use the Contractual Arrangements to establish control of our Consolidated Affiliated Entities, by the WFOE, through which we operate our business in the PRC. The FIL defines the foreign investment as the investment activities directly or indirectly conducted by foreign investors in the PRC, and sets forth the specific situations that should be regarded as foreign investment. However, the FIL and the FIL Implementation Regulations do not explicitly prohibit or restrict a foreign investor to rely on contractual arrangements to conduct the majority of its business that is subject to foreign investment restrictions or prohibitions in the PRC. In this regards, as advised by our PRC Legal Advisor, if there are no other promulgated national laws, administrative regulations or administrative rules prohibiting or restricting the operation of or affecting the legality of Contractual Arrangements, the validity of our Contractual Arrangements may not be affected.

Notwithstanding the above, the FIL stipulates that foreign investment includes "foreign investors invest in China through any other methods under laws, administrative regulations or provisions prescribed by the State Council" without elaboration on the meaning of "other methods." There are possibilities that future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, at which time it will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. Therefore, there is no guarantee that the Contractual Arrangements and the business of our Consolidated Affiliated Entities will not be materially and adversely affected in the future due to changes in PRC laws and regulations. See "Risk Factors—Risks Relating to Our Corporate Structure—Uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations."

This section primarily summarizes the principal PRC laws, rules, and regulations relevant to our business and operations.

REGULATIONS ON FOREIGN INVESTMENT

On March 15, 2019, the National People's Congress (全國人民代表大會) promulgated the Foreign Investment Law (《外商投資法》), which took effect on January 1, 2020. On December 26, 2019, the State Council (國務院) promulgated the Implementation Regulations on the Foreign Investment Law (《外商投資法實施條例》). Pursuant to the Foreign Investment Law, "foreign investments" refers to the investing activities within China directly or indirectly conducted by foreign natural persons, enterprises, and other organizations, including the following circumstances: (i) the establishment of a foreign-funded enterprise within China by a foreign investor alone or jointly with any other investor; (ii) a foreign investor's acquisition of any shares, equities, portion of property, or other similar interest in an enterprise within China; (iii) the investment in any new construction project within China by a foreign investor alone or jointly with any other investor; and (iv) investment in any other manner as specified by a law or administrative regulation or the State Council.

Pursuant to the Foreign Investment Law and its Implementation Regulations, China adopts a system of pre-entry national treatment plus negative list with respect to foreign investment administration. The negative list will be proposed by the competent investment department of the State Council in conjunction with the competent commerce department of the State Council and other relevant departments, and be reported to the State Council for promulgation, or be promulgated by the competent investment department or competent commerce department of the State Council after being reported to the State Council for approval.

Foreign investment beyond the negative list will be granted national treatment. Foreign investors cannot invest in the prohibited industries as specified in the negative list, while foreign investment must satisfy certain conditions stipulated in the negative list for investment in the restricted industries. The current industry entry clearance requirements governing investment activities in the PRC by foreign investors are set out in two categories, namely (i) the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單) (2024年版)》), which was jointly promulgated by the Ministry of Commerce and the National Development and Reform Commission (中華人民共和國國家發展和改革委員會) and took effect on November 1, 2024, and (ii) the Encouraged Industry Catalogue for Foreign Investment (2022 version) (《鼓勵外商投資產業目錄(2022年版)》), which was jointly promulgated by the Ministry of Commerce and the National Development and Reform Commission and took effect on January 1, 2023. Industries not listed in these two categories are generally deemed "permitted" for foreign investment unless otherwise restricted by other PRC laws. Our PRC subsidiaries conduct business operations that fall within the 'restricted' category pursuant to the first category mentioned above. We operate our CaoCao Mobility Platform which provides online ride hailing services through our Consolidated Affiliated Entities.

The Measures for Information Reporting on Foreign Investment (《外商投資信息報告辦法》) took effect on January 1, 2020. Pursuant to this regulation, foreign investors carrying out investment activities in China directly or indirectly must submit investment information to the commerce administrative authorities.

On December 19, 2020, the National Development and Reform Commission and the Ministry of Commerce jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, which sets forth the provisions concerning the security review mechanism on foreign investment, including, amongst others, the types of investments subject to review, review scopes and procedures.

Regulations on Value-Added Telecommunications Services

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) provides a regulatory framework for telecommunications service providers in the PRC. Pursuant to this regulation, telecommunications service is divided into basic telecommunications service and value-added telecommunications service, and telecommunications service providers need to obtain operating licenses before starting operations. According to the Classification Catalog of Telecommunications Business (2015 version) (《電信業務分類目錄(2015年版)》), which was amended on June 6, 2019, the internet information services we provide are classified as value-added telecommunications services.

The Administrative Measures on Internet Information Services (2024 Revision) (《互聯網信息服務管理辦法(2024修訂)》) classified internet information services into commercial internet information services and non-commercial internet information services, and a commercial internet information services provider must obtain a value-added telecommunications business operation license from the competent telecommunications authorities. According to this regulation, internet information service operators are obliged to monitor their websites. The PRC government may order the holders of the Value-added Telecommunications Business License (《增值電信業務經營許可證》) for internet information service that violates content restrictions to correct such violations and revoke their licenses.

On February 6, 2016, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (2016 Revision) (《外商投資電信企業管理規定(2016修訂)》), which provided that value-added telecommunications enterprises in the PRC with foreign investment must establish Sino-foreign joint ventures and the equity interest acquired by the foreign investors shall not exceed 50% of the shares of the enterprise. On March 29, 2022, the State Council issued the Decision to Amend and Abolish Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》), which amended the above regulation. Pursuant to the amended regulation which took effect on May 1, 2022, the qualification requirements for major foreign investors to possess prior experience in, and a proven track record of good performance of, operating value-added telecommunication business set out in the original regulation was removed.

REGULATIONS ON ONLINE RIDE HAILING SERVICES

On July 26, 2016, the Guiding Opinions of the General Office of the State Council on Deepening Reform and Promoting the Sound Development of the Taxi Industry (《國務院辦公廳關於深化改革推進出租汽車行業健康發展的指導意見》) was promulgated and implemented by the General Office of the State Council (國務院辦公廳), and on July 27, 2016, Ministry of Transport (中華人民共和國交通運輸部) issued the Notice on the Implementation of Guiding Opinions of the General Office of the State Council on Deepening Reform and Promoting the Sound Development of the Taxi Industry (《關於貫徹落實<國務院辦公廳關於深化改革推進出租汽車行業健康發展的指導意見>的通知》). The above provisions are of great significance for guiding local governments to promote the reform of the taxi industry, improve the level of transportation services, standardize the development of online ride hailing in accordance with the law, and promote the sustained and sound development of the taxi industry.

Pursuant to Interim Measures for the Management of Online Ride Hailing Operation and Service (《網絡預約出租汽車經營服務管理暫行辦法》), which was promulgated on July 26, 2016, and amended on December 28, 2019, and November 30, 2022, the "online ride hailing platform companies" (網約車平台公司) refers to enterprise legal persons that construct network service platforms and engage in online ride hailing business operations and services. Any operator applying for engaging in online ride hailing business operations must be capable of providing online and offline services and meet the following conditions: (i) the operator has the enterprise legal person status; (ii) the operator has the internet platform for engaging in online ride hailing business operations and the capabilities of information data interaction and processing adapting to business to be launched, meets the conditions where the relevant regulatory departments of transport, communication, public security, taxation, and cyberspace administration can legally take and consult the relevant network data and information, has the network service platform database that is connected to the supervisory platform of the competent administrative department of taxis, with the server set in the Chinese mainland, and has the network security management system and technical measures for security protection complying with the prescribed provisions; (iii) where the operator uses electronic payment, it must conclude an agreement on providing payment and settlement services with a bank or a non-bank payment institution; (iv) the operator has sound business operation management system, work safety management system, and service quality guarantee system; and (v) the operator has corresponding service agencies and service capabilities at the place of services. Where a foreign merchant invests in online ride hailing business operations, besides meeting the aforesaid conditions, it must also comply with the provisions of the relevant laws and regulations on foreign investment.

When a company engages in the provision of online ride hailing services for the first time, it shall file an application to the relevant taxi administrative authority where the entity is registered. The application materials related to online service capabilities will be reviewed and approved by the provincial transportation authority where the corporate entity is registered, in collaboration with the corresponding departments of communications, public security, taxation, cyber administration and the Bank of China. Upon approval, the company will obtain an online

service capability certification (the "**Service Capability Recognition**"), which is valid nationwide. For a company seeking to operate the online ride hailing service outside of its place of registration, it shall present the Service Capability Recognition to the competent taxi administrative authority for review. Additionally, the authority will review other application materials pertaining to the company's offline service provision capabilities.

According to the Interim Measures for the Management of Online Ride Hailing Operation and Service (《網絡預約出租汽車經營服務管理暫行辦法》), an online ride hailing platform company may not engage in the relevant business until it obtains the corresponding Platform Permit and applies for the internet information service recordation to the competent department of communication at the provincial level at its place of registry. An online ride hailing platform company engaging in online ride hailing business operations directly or in any disguised form without the Platform Permit will be fined not less than RMB10,000 but not more than RMB30,000. Where the vehicle engaging in services fails to obtain an Online Ride Hailing Transport Permit (《網絡預約出租汽車運輸證》) or the driver providing services does not obtain the Online Ride Hailing Driver's License (《網絡預約出租汽車駕駛員證》), the competent administrative department will order the online ride hailing platform company to make corrections and impose a fine of not less than RMB5,000 but not more than RMB10,000 for each illegal act. If the circumstances are severe, the online ride hailing platform company will be imposed a fine of not less than RMB10,000 but not more than RMB30,000. Where an online ride hailing platform company no longer has the online and offline service capabilities or commits serious breach, the competent administrative department will, in accordance with the provisions of the relevant laws and regulations, order it to cease business operations for rectification and revoke its corresponding license. However, what constitutes "serious breach" is not specified under the interim measures.

On February 7, 2022, the General Office of the Ministry of Transport, the General Office of the Ministry of Industry and Information Technology, the General Office of the Ministry of Public Security (中華人民共和國公安部), and other departments, promulgated the Notice on Strengthening the Joint Supervision of the Whole Chain and Process for the Online Ride Hailing Industry (《關於加強網絡預約出租汽車行業事前事中事後全鏈條聯合監管有關工作的通知》) to strengthen the ex-ante, interim, and ex-post joint supervision of the ride hailing industry, maintain fair competition order in the market, protect the legitimate rights and interests of passengers and drivers, promote standardized, healthy, and sustainable development of the ride hailing industry, and better meet people's travel needs.

According to the Measures for the Administration of the Operation of Regulatory Information Interactive Platforms for Online Ride Hailing (《網絡預約出租汽車監管信息交互平台運行管理辦法》), which was promulgated on May 24, 2022, and implemented from July 1, 2022, after obtaining a corresponding Online Ride Hailing Business Permit (《網絡預約出租汽車經營許可證》), an online ride hailing platform company must transmit the basic static data including online ride hailing platform company, vehicle, and driver as well as the dynamic data including order information, business information, location information, and service quality information to the industrial platform in time.

Regulations on Managing the Number of Vehicles Engaging in Online Ride Hailing Services

According to the Guiding Opinions of the General Office of the State Council on Deepening Reform and Promoting the Sound Development of the Taxi Industry (《國務院辦公廳關於深化改革推進出租汽車行業健康發展的指導意見》), local governments and competent taxi administrative departments shall consider factors such as population size, economic development level, urban traffic congestion, and the utilization rate of taxi mileage to regulate the scale of taxi capacity and its proportion within the urban integrated transportation system, establish a dynamic monitoring and adjustment mechanism, and gradually achieve market regulation.

Pursuant to the Interim Measures for the Management of Online Ride Hailing Operation and Service (《網絡預約出租汽車經營服務管理暫行辦法》), competent taxi administrative departments shall strengthen the market supervision on online ride hailing operation and strengthen the qualification review and permission issuance and management in relation to online ride hailing platform, drivers and vehicles. Local governments are authorized to promulgate implementation rules for the issuance of the Online Ride Hailing Transport Permit, thereby controlling the number of vehicles engaging online ride hailing services.

In practice, to manage the number of vehicles engaging in online ride hailing services, local governments have taken measures including suspending the acceptance process of application for the Online Ride Hailing Transport Permit in cities like Jinan and Sanya limiting the total number of online ride hailing vehicles to a certain percentage of the total number of taxi fleet in cities like Longhui; allocating allowances for the application of Online Ride Hailing Transport Permit via public lottery in cities like Harbin and Dalian; and maintaining a fixed number of Transport Permits and only issuing Transport Permits when existing vehicles deregister their Transport Permits, as seen in cities like Shenzhen and Xichang. Additionally, some local governments further require that an online ride hailing platform can only apply for Transport Permit for the vehicles registered under its own name.

To comply with the above measures, in restricted cities, online ride hailing platforms will replace their used vehicles with new ones, freeing up Transport Permits from the used vehicles for new ones to apply. They may also apply for Transport Permits for their new vehicles, but the approval of such applications is at the discretion of the competent taxi administrative department.

REGULATIONS RELATING TO AUTONOMOUS DRIVING VEHICLES

On December 20, 2020, the Ministry of Transport (中華人民共和國交通運輸部) issued the Guiding Opinions on Promoting the Development and Application of Road Transport Autonomous Driving Technologies (《交通運輸部關於促進道路交通自動駕駛技術發展和應用的指導意見》), which established a comprehensive roadmap for the advancement of autonomous driving technologies. It emphasized that by 2025, substantial progress should be made in the basic theoretical research of autonomous driving, with breakthroughs in the

development, testing, and verification of key technologies and products, such as intelligent road infrastructure and vehicle-road coordination systems. A series of fundamental and crucial standards in the field of autonomous driving should be introduced. Moreover, a number of national-level autonomous driving testing bases and leading application demonstration projects should be established. Additionally, large-scale applications in specific scenarios should be realized to promote the industrialization and implementation of autonomous driving technologies.

As one of the most significant standards providing preliminary regulatory frameworks for road testing and demonstration applications of intelligent connected vehicles, the Norms on Administration of Road Testing and Demonstrative Application of Autonomous Driving Vehicles (for Trial Implementation) (《智能網聯汽車道路測試與示範應用管理規範(試行)》) (the "Road Testing and Demonstrative Application Norms") were jointly promulgated by the Ministry of Industry and Information Technology (中華人民共和國工業和信息化部), the Ministry of Public Security (中華人民共和國公安部), and the Ministry of Transport (中華人民共和國交通運輸部) on July 27, 2021, and effective on September 1, 2021. According to the Road Testing and Demonstrative Application Norms, road testing refers to activities conducted to evaluate the self-driving functions of autonomous vehicles on designated sections of highways (including expressways), urban roads, regional roads, and other public motor vehicle routes. Demonstrative application, on the other hand, is defined as the operation of autonomous vehicles to transport passengers or cargo on designated sections of highways (including expressways), urban roads, regional roads, and other public motor vehicle routes, aiming to achieve pilot or trial implementation results. Entities seeking to conduct road testing or demonstrative applications of autonomous vehicles must submit applications to the competent authorities responsible for industry and information technology, public security, and transport.

In November 2023, the Ministry of Industry and Information Technology (中華人民共和國工業和信息化部), the Ministry of Public Security (中華人民共和國公安部), the Ministry of Housing and Urban-Rural Development (中華人民共和國住房和城鄉建設部) and the Ministry of Transport (中華人民共和國交通運輸部) jointly issued the Notice of Implementing the Pilot Program of Access and On-road Traffic of Intelligent Connected Vehicles (《工業和信息化部、公安部、住房和城鄉建設部、交通運輸部關於開展智能網聯汽車准入和上路通行試點工作的通知》), marking a significant step forward in the regulation of L3-L4 autonomous driving. In accordance with this notice, by leveraging the groundwork laid by previous road tests and demonstration applications of intelligent connected vehicles, the regulatory authorities will select and screen intelligent connected vehicle products equipped with L3 or L4 autonomous driving capabilities that meet the mass—production conditions to carry out access pilot programs. For intelligent connected vehicle products that have obtained access approval, pilot road tests will be conducted within designated areas. As required by this notice, the pilot entities for trial use engaged in transportation operations shall possess corresponding operational qualifications for the relevant business categories and comply with certain detailed requirements.

Certain local governments have issued implementation rules to further facilitate the testing and application of autonomous driving vehicles. For example, in Suzhou, the Implementation Rules for the Administration of Road Testing and Demonstration Applications of Intelligent and Connected Vehicles in Suzhou (for Trial Implementation) (《蘇州市智能網聯汽車道路測試與示範應用管理實施細則(試行)》), issued on June 30, 2022, provides more detailed and specific regulations regarding the requirements for conducting road testing and demonstration applications of intelligent and connected vehicles within the administrative region of Suzhou. The Regulations on Promoting the Testing and Application of Intelligent Connected Vehicles in Hangzhou (《杭州市智能網聯車輛測試與應用促進條例》), effective from May 1, 2024, allow intelligent connected vehicles with temporary driving license plates or vehicle identification signs to be used for road testing or innovative applications within specified areas, road sections, and time periods.

REGULATIONS ON CYBERSECURITY, DATA SECURITY, AND PRIVACY PROTECTION

On December 16, 1997, the Ministry of Public Security issued Administrative Measures for the Security Protection of the International Networking of Computer Information Networks (《計算機信息網絡國際聯網安全保護管理辦法》), which was last amended and effective from January 8, 2011, according to which, the agency of computer administration and supervision under the Ministry of Public Security will be in charge of the work of security protection administration of the international networking of computer information networks. It is forbidden to use the international networking to divulge state secrets, endanger state security and engage in illegal criminal activities.

On December 28, 2000, the Standing Committee of the National People's Congress issued the Decision on the Maintenance of Internet Security (《全國人民代表大會常務委員會關於維護互聯網安全的決定》), which was last amended and effective from August 27, 2009, specifying that certain types of activities conducted through the internet are subject to criminal liabilities.

On July 1, 2015, the Standing Committee of the National People's Congress issued the PRC National Security Law (《中華人民共和國國家安全法》), which took effect on the same day. The PRC National Security Law provides that the state will safeguard the sovereignty, security and cybersecurity development interests of the state.

On November 7, 2016, the Standing Committee of the National People's Congress promulgated the PRC Cybersecurity Law (《中華人民共和國網絡安全法》), which took effect on June 1, 2017. According to the PRC Cybersecurity Law, network constructors, network operators, and service providers that provide services via networks are obligated to take technical and other necessary measures to ensure the security and stable operation of networks, maintain the integrity, confidentiality and availability of network data, and furthermore provide technical assistance and support in accordance with the law for public security and national security authorities to protect national security or assist with criminal investigations. In addition, the PRC Cybersecurity Law provides that personal information and important data

collected and generated by critical information infrastructure operators in the course of their operations in the PRC should be stored in the PRC, and the law imposes heightened regulation and additional security obligations on critical information infrastructure operators.

On November 28, 2019, the Secretary Bureau of the Cyberspace Affairs Commission (國家互聯網信息辦公室秘書局), the General Office of the Ministry of Industry and Information Technology (工業和信息化部辦公廳), the General Office of the Ministry of Public Security (公安部辦公廳), and the General Office of the State Administration for Market Regulation (市場監管總局辦公廳) jointly issued the Notice on the Measures for Determining the Illegal Collection and Use of Personal Information through Mobile Apps (《關於印發<App違法違規收集使用個人信息行為認定方法>的通知》), which elaborates the forms of behavior constituting illegal collection and use of the personal information through apps.

On June 10, 2021, the Standing Committee of the National People's Congress promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which took effect on September 1, 2021. The PRC Data Security Law provides for data security obligations on entities and individuals carrying out data processing activities, introduces a data categorization and classification protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used, provides for a national security review procedure for those data activities which may affect national security, and imposes export restrictions on certain data and information. The PRC Data Security Law provides that "data" refers to any recording of information by electronic or other means. Data processing includes the collection, storage, use, processing, transmission, availability and disclosure of data, etc.

On July 30, 2021, the State Council promulgated the Provisions on Protection of Critical Information Infrastructure Security (《關鍵信息基礎設施安全保護條例》), which took effect on September 1, 2021, and provides that "critical information infrastructures" refers to important network facilities and information systems involved in important industries and fields such as public communication and information services, energy, transportation, water conservancy, finance, public services, e-government, national defense related science and technology industry, as well as those which may seriously endanger national security, national economy and citizen's livelihood and public interests if damaged, malfunctioned, or if leakage of data relating thereto occurs. Pursuant to these provisions, the relevant government authorities are responsible for formulating the rules on identifying critical information infrastructures and organizing to identify such critical information infrastructures in the related industries and fields, taking into account the factors set forth in the provisions and shall notify the operators identified as critical information infrastructures operators. However, as the government authorities may further formulate detailed rules or explanations with respect to the interpretation and implementation of such provisions, including the rules on identifying critical information infrastructures in different industries and fields, it remains unclear whether we or other operators we provide network products and services to may be identified as critical information infrastructures operators.

On August 20, 2021, the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) was passed by the Standing Committee of the National People's Congress and took effect on November 1, 2021. As the first systematic and comprehensive law promulgated specifically for the protection of personal information in the PRC, the PRC Personal Information Protection Law provides, among others, that (i) an individual's separate consent must be obtained before operation of such individual's sensitive personal information, e.g. biometric characteristics and individual location tracking; (ii) personal information handlers processing sensitive personal information must notify individuals of the necessity of such operations and the influence on the individuals' rights; and (iii) if personal information handlers reject individuals' requests to exercise their rights, individuals may file a lawsuit with a People's Court.

The Administrative Provisions on Security Vulnerability of Network Products (《網絡產品安全漏洞管理規定》) were jointly promulgated by the Ministry of Industry and Information Technology, the Cyberspace Affairs Commission (國家互聯網信息辦公室) (the "CAC"), and the Ministry of Public Security on July 12, 2021, and took effect on September 1, 2021. Network product providers, network operators as well as organizations or individuals engaging in the discovery, collection, release and other activities of network product security vulnerability are subject to the Administrative Provisions on Security Vulnerability of Network Products and must establish channels to receive information of security vulnerability of their respective network products and must examine and fix such security vulnerability in a timely manner.

On December 31, 2021, the CAC, the Ministry of Industry and Information Technology, the Ministry of Public Security, the State Administration for Market Regulation jointly promulgated the Administrative Provisions on Internet Information Service Algorithm-Based Recommendation (《互聯網信息服務算法推薦管理規定》), which took effect on March 1, 2022. The Administrative Provisions on Internet Information Service Algorithm-Based Recommendation implements categorization and classification management for algorithmic recommendation service providers based on various criteria. Moreover, it requires algorithmic recommendation service providers to provide users with options that are not specific to their personal characteristics, or provide users with convenient options to cancel algorithmic recommendation services. If the users choose to cancel the algorithmic recommendation service, the algorithmic recommendation service provider must immediately stop providing relevant services. Algorithmic recommendation service providers must also provide users with the function to select or delete user labels that are based on personal characteristics and used for algorithmic recommendation services.

The Several Provisions on Safety Management of Automobile Data (Trial Implementation) (《汽車數據安全管理若干規定(試行)》) issued by the CAC, the NDRC, the Ministry of Industry and Information Technology, the Ministry of Public Security and the Ministry of Transport, on August 16, 2021, and implemented on October 1, 2021, provides for domestic automobile data processing activities and safety supervision. Important data means the data that may endanger national security, public interests, or the lawful rights and interests of individuals or organizations once it has been tampered with, destroyed, leaked, or illegally

obtained or used, including: (i) geographical information, personnel flow, vehicle flow, and other data of important sensitive areas such as military management zones, national defense science and industry entities, and Party and government offices at or above the county level; (ii) data reflecting economic operations such as vehicle flow and logistics; (iii) operating data of vehicle charging networks; (iv) video and image data outside vehicles, including face information, and license plate information, among others; and (v) personal information involving more than 100,000 personal information subjects, etc.

On December 28, 2021, the CAC along with several other administrative departments issued the Revised Measures for Internet Security Review (《網絡安全審查辦法》), which took effect on February 15, 2022, and replaced the Measures for Internet Security Review promulgated on April 13, 2020. This regulation provides that a critical information infrastructure operator purchasing network products and services, and platform operators carrying out data processing activities, which affect or may affect national security, must apply for cybersecurity review and that a platform operator with more than one million users' personal information aiming to [**REDACTED**] abroad must apply for cybersecurity review. As a network operator defined under the Cybersecurity Law of PRC, we are not required to initiate the application for cybersecurity review due to the proposed [**REDACTED**], based on the facts that, during the Track Record Period and as of the Latest Practicable Date, (i) we have not received any inquiry, notice, warning, or sanctions regarding cybersecurity review; and (ii) we had conducted a real-name telephone consultation and communication with the China Cybersecurity Review Technology and Certification Center on December 19, 2022, for further confirmation, while the authority did not raise any objection to the proposed [**REDACTED**] in Hong Kong, nor did the authority give any specific instructions requiring, directly or indirectly, us to apply for cybersecurity review for the proposed [**REDACTED**], and it also confirmed that a [**REDACTED**] in Hong Kong does not fall within the scope of the term of "[**REDACTED**] abroad" under Article 7 of the Revised Measures. Our PRC Legal Advisor is of the view that, as of the Latest Practicable Date, we have no mandatory legal obligations to take the initiative to apply for cybersecurity review for the proposed [**REDACTED**].

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》), which took effect on September 1, 2022. It provides detailed supporting regulations for data processors to comply with security assessment of providing overseas important data and personal information collected and generated in domestic operations. During the Track Record Period and as of the Latest Practicable Date, our daily business operations did not involve any obligation to perform security assessments of cross-border data transfers. On March 22, 2024, the CAC issued Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), which provided that data handlers shall identify and declare important data in accordance with relevant rules. In accordance with these provisions, data handlers who provide data abroad, and meet any of the following conditions, are required to declare the outbound data transfer security assessment to the national cyberspace administration authority through the provincial-level cyberspace administration authority where the data handlers are located: (i) critical information infrastructure operators providing personal information or important data abroad; and (ii) data handlers other than critical information infrastructure operator

providing important data abroad or cumulatively providing abroad personal information without any sensitive personal information of more than one million individuals or sensitive personal information of more than 10,000 individuals since January 1 of the current year. The assessment results of the data export are valid for three years.

On December 8, 2022, the Ministry of Industry and Information Technology issued the Measures for Data Security Administration in the Industry and Information Technology Field (Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), which took effect on January 1, 2023. Data handlers in the field of industry and information technology are under obligations regarding the implementation of data security work systems, administration of cryptography management, data collection, data storage, data usage, data transmission, provision of data, publicity of data, data destruction, safety audit and emergency plans, etc.

REGULATION OF USER FUNDS ADMINISTRATION

On May 9, 2019, the MOT, the People's Bank of China, the NDRC, the Ministry of Public Security, the State Administration for Market Regulation, and Banking and Insurance Regulatory Commission of the PRC (中國銀行保險監督管理委員會), jointly issued the Measures for the Administration of User Funds in New Forms of Transport Business (Trial) (《交通運輸新業態用戶資金管理辦法(試行)》) which took effect on June 1, 2019, and were amended on June 23, 2022. According to this regulation, the "new forms of transport business" (交通運輸新業態) means the operation of service platforms established based on information technology, such as the internet, to integrate supply and demand information and engage in transport services by innovating service models, technology and management, including online reservations for taxis, timeshare leasing of automobiles and internet leasehold bicycles. An operating enterprise engaging in new forms of transport business must separately open a special deposit account for user deposits and a special deposit account for prepayments, respectively, as are nationwide unique at the bank in the place of its registration in mainland China, and the banks that open special deposit accounts will serve as depository banks to deposit user funds. A user deposit must belong to the user, and the operating enterprise may not misappropriate it. An operating enterprise may use user prepayments only for its main business related to serving users, but not for real property, equity, securities, bonds or other investments or lending. Moreover, the entity must establish an allowance system for user prepayments with the allowance being not less than 40% of the balance of user prepayments.

REGULATIONS ON ANTI-MONOPOLY

The PRC Anti-monopoly Law (《中華人民共和國反壟斷法》), which took effect on August 1, 2008, and was amended on June 24, 2022, and then took effect on August 1, 2022, prohibits monopolistic conduct such as entering into monopoly agreements, abuse of dominant market position and concentration of undertakings that have the effect of eliminating or restricting competition. An undertaking with a dominant market position are prohibited from engaging in acts that abuse their dominant market position, including, but not limited to: (i) selling commodities at unfairly high prices or purchasing commodities at unfairly low prices; (ii) selling commodities at prices below cost without any justifiable cause; (iii) refusing to deal with the other transactional parties without any justifiable cause; (iv) restricting the other

transactional parties so that they may only deal with the undertaking or with undertakings designated by it without any justifiable cause; (v) tying the sale of commodities without any justifiable cause or imposing any other unreasonable trading condition at the time of transaction; and (vi) applying differential treatments in terms of transaction prices and other transaction conditions to the other transactional parties on an equal footing without any justifiable causes. An undertaking with a dominant market position cannot engage in any conduct of abusing a dominant market position specified above by utilizing data and algorithm, technology, and platform rules, among others.

On March 10, 2023, the State Administration for Market Regulation promulgated the Provisions on Prohibition of Abuse of Market Dominance (《禁止濫用市場支配地位行為規定》) to further prevent and prohibit the abuse of dominant market positions, Provisions on Prohibition of Monopoly Agreements (《禁止壟斷協議規定》) to prohibit the application of monopoly agreements, and Provisions on the Review of Concentrations of Undertakings (《經營者集中審查規定》) to regulate the anti-monopoly review of concentrations of undertakings.

The Anti-monopoly Commission of the State Council promulgated the Guideline on Anti-Monopoly of Platform Economy Sector (《關於平台經濟領域的反壟斷指南》) on February 7, 2021, aiming to improve anti-monopoly administration on online platforms. According to this regulation, internet platform means the business organization form through which interdependent bilateral and multilateral entities interact under the rules provided by specific carriers through network information technology to jointly create value. Anti-monopoly law enforcement institutions must insist on the following principles when conducting anti-monopoly regulation in the field of platform economy: protecting fair market competition, conducting scientific and efficient regulation according to the law, stimulating innovation and creativity, and safeguarding the legitimate interests of market participants.

REGULATIONS ON MERGERS AND ACQUISITIONS AND OVERSEAS LISTINGS

On August 8, 2006, six PRC regulatory agencies including the Ministry of Commerce and the CSRC, adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), which took effect on September 8, 2006, and were amended on June 22, 2009. Pursuant to this regulation, the approval of the Ministry of Commerce must be obtained if overseas companies established or controlled by PRC enterprises or residents acquire domestic companies affiliated with such PRC enterprises or residents. In addition, this regulation requires offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC enterprises or residents to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange.

In addition, the Provisions of the Ministry of Commerce on the Implementation of the Safety Review System for Merger and Acquisition of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) issued by the Ministry of Commerce that took effect in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic

enterprises that raise "national security" concerns are subject to strict review by the Ministry of Commerce, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), and the relevant five guidelines, which took effect on March 31, 2023. This regulation comprehensively improves and reforms the existing regulatory regime for overseas securities offering and listing activities by PRC domestic companies and regulate both direct and indirect overseas securities offering and listing activities by PRC domestic companies by adopting a filing-based regulatory regime.

Pursuant to this regulation, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. The regulation provides that an overseas securities offering and listing is explicitly prohibited, if any of the following exists: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended overseas securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company intending to make the securities offering and listing is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

This regulation also provides that if the issuer meets both the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas offering by PRC domestic companies: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in mainland China, or its main place(s) of business are located in mainland China, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in mainland China. The determination of the indirect overseas offering by PRC domestic companies shall follow the principle of substance over form. Where an issuer submits an application for initial public offering to competent overseas regulators, such issuer or its major domestic operating entity must file with the CSRC within three business days after such application is submitted. The regulation also requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

On February 24, 2023, the CSRC, together with other PRC government authorities, released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which took effect on March 31, 2023. This regulation requires, among others, that PRC domestic enterprises seeking to offer and list securities in overseas markets, either directly or indirectly, shall establish the confidentiality and archives system, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that providing or publicly disclosing documents and materials, which may adversely affect national security or public interests, and accounting files or copies of important preservation value to the state and society shall be subject to corresponding procedures in accordance with relevant laws and regulations.

REGULATIONS ON FOREIGN EXCHANGE

Regulation on Foreign Currency Exchange

The core regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), as amended in August 2008. Certain organizations in the PRC, including foreign invested enterprises, may purchase, sell, and/or remit foreign currencies at certain banks authorized to conduct foreign exchange business upon providing valid commercial documents. However, approval of the PRC State Administration of Foreign Exchange (國家外匯管理局) is required for capital account transactions.

The State Administration of Foreign Exchange issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) on June 9, 2016, which provides that discretionary foreign exchange settlement applies to foreign exchange capital, foreign debt offering proceeds, and remitted foreign listing proceeds, and the corresponding Renminbi obtained from foreign exchange settlement are not restricted from extending loans to related parties or repaying the inter-company loans (including advances by third parties).

On January 26, 2017, the State Administration of Foreign Exchange promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimising Genuineness and Compliance Verification (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》), which relaxed the policy restriction on foreign exchange inflow to further enhance trade and investment facilitation and tightened genuineness and compliance verification of cross-border transactions and cross-border capital flow.

On October 23, 2019, the State Administration of Foreign Exchange promulgated the Notice of the SAFE on Further Promoting the Facilitation of Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), pursuant to which non-investment foreign-invested enterprises will be allowed to use capital funds for domestic equity investment in accordance with the law under the premise of not violating the Negative List and the authenticity and compliance of their domestic invested projects.

On April 10, 2020, the State Administration of Foreign Exchange promulgated the Circular on Optimising Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》), which was further supplemented by the Notice of Further Deepening the Reform to Facilitate Cross-border Trade and Investment (《關於進一步深化改革促進跨境貿易投資便利化的通知》), pursuant to which eligible enterprises are allowed to make domestic payments by using their capital funds, foreign loans and the income under capital accounts of overseas listing, without providing the evidentiary materials concerning authenticity of each expenditure, provided that their capital use must be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts.

Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents

The SAFE issued the Circular Concerning Relevant Issues on the Foreign Exchange Administration of Offshore Investing and Financing and Round-Trip Investing by Domestic Residents through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) on July 4, 2014. On the same day, the State Administration of Foreign Exchange has issued the Operation Guidance for the Issues Concerning Foreign Exchange Administration over Round-trip Investment with respect to the procedures for registration under the circular, which took effect on July 4, 2014, as an attachment to the circular.

The State Administration of Foreign Exchange promulgated the Notice on Simplifying and Improving the Foreign Currency Management Policy on Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) on February 13, 2015, and effective from June 1, 2015, which cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment. In addition, investors must register with banks to have the registration of foreign exchange under the condition of direct domestic investment and direct overseas investment, which simplifies the procedure of registration of foreign exchange.

REGULATION ON INTELLECTUAL PROPERTY

Regulations on Copyright and Software Products

Copyright (including software copyright) is mainly protected by the Copyright Law of the PRC (《中華人民共和國著作權法》) as promulgated on September 7, 1990, and latest amended on November 11, 2020, by the Standing Committee of the National People's Congress and the Implementing Rules of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) as promulgated on August 2, 2002, and latest amended on January 30, 2013, by the State Council. Such law and rules prescribe that Chinese citizens, legal persons, or other organizations enjoy copyright protection over their works, whether published or not, in the domain of literature, art and science.

The National Copyright Administration promulgated the Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) on February 20, 2002, which regulates software copyright registration, software copyright exclusive license contracts, and transfer contracts. The National Copyright Administration of China will be the competent authority for the nationwide administration of software copyright registration and the Copyright Protection Centre of China (中國版權保護中心), is designated as the software registration authority. The Computer Software Protection Regulations (2013 Revision) (《計算機軟件保護條例(2013修訂)》) issued by the State Council which stipulates that software copyright owners and relevant matters associated with the protection, registration, licensing, and transfer of software copyright, and stipulates that software copyright owners may obtain registration from the software registration authority acknowledged by the copyright administrative department under the State Council. The Copyright Protection Centre of China will grant registration certificates to the computer software copyrights applicants which complies with the provisions of both of the above regulations.

Regulations on Trademarks

The PRC Trademark Law (《中華人民共和國商標法》) was promulgated by the Standing Committee of the National People's Congress on August 23, 1982, last amended on April 23, 2019, and the Implementation Regulations for the PRC Trademark Law (《中華人民共和國商標法實施條例》) was promulgated by the State Council on August 3, 2002, last amended on April 29, 2014, and effective since May 1, 2014. The Trademark Law and its implementation regulations set forth an application for trademark registration must be filled in based on the published classification of commodities and services. The description of commodities or services must be filled in based on the class number and description in the classification of commodities and services; where the commodities or services are not listed in the classification of commodities and services, a statement on the commodities or services must be attached.

According to the Trademark Law and its implementation regulations, the period of validity for a registered trademark is ten years, from the date of registration. Upon expiry of the period of validity, the registrant must go through the formalities for renewal within twelve months prior to the date of expiry as required if the registrant needs to continue to use the

trademark. Where the registrant fails to do so, a grace period of six months may be granted. The period of validity for each renewal of registration is 10 years, from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of a renewal upon expiry, the registered trademark will be cancelled. A trademark registrant may license its registered trademark to another party by entering into a trademark license contract. Trademark license agreements must be filed with the Trademark Office for record. The licensor must supervise the quality of the commodities on which the trademark is used, and the licensee must guarantee the quality of such commodities.

Regulations on Domain Names

Internet domain name registration and related matters are primarily regulated by the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) issued by the Ministry of Industry and Information Technology on August 24, 2017, and effective from November 1, 2017, and the Implementation Rules for Registration of National Top-level Domain Names (《國家頂級域名註冊實施細則》) issued by China Internet Network Information Centre (中國互聯網信息中心) on June 18, 2019. Domain name owners are required to register their domain names and the Ministry of Industry and Information Technology is in charge of the administration of PRC internet domain names. The domain name services follow a "first come, first file" principle. The applicants will become the holders of such domain names upon the completion of the registration procedure.

Regulations on Patents

Pursuant to the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the Standing Committee of the National People's Congress on March 12, 1984, last amended on October 17, 2020, and effective from June 1, 2021, and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, and last amended on December 11, 2023, there are three types of patents, namely, invention, utility model, and design. Invention patents are valid for twenty years, while design patents are valid for fifteen years and utility model patents are valid for ten years, from the date of application. The PRC patent system adopts a "first come, first file" principle, which means that where more than one person file a patent application for the same invention, a patent will be granted to the person who files the application first. To be patentable, invention or utility models must meet three criteria: novelty, inventiveness, and practicability. Unless otherwise stipulated by relevant laws and regulations, a third party must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the use constitutes an infringement of the patent rights.

REGULATIONS ON TAXES

Regulations on Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), which took effect on January 1, 2008, and was last amended on December 29, 2018, and Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法實施條例》), which took effect on January 1, 2008, and was amended on December 6, 2024, the PRC enterprise income tax is calculated based on the taxable amount of income. The balance after deducting the tax-free incomes, tax-exempt incomes, all deduction items as well as the permitted remedies for losses of the previous year(s) from an enterprise's total amount of incomes of each tax year will be the taxable amount of incomes. The above two laws generally tax all Chinese resident enterprises at a uniform corporate income tax rate of 25%, including foreign-invested enterprises.

According to the above two laws, the enterprise income tax rate of a high and new technology enterprise is 15%. Pursuant to the Administrative Measures for Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》), effective on January 1, 2008, and amended on January 29, 2016, for a high-tech enterprise that has been accredited, its qualification will be valid for a period of three years from the date of issuance of the certificate.

Regulations on Value-added Tax

According to the Interim Regulation on Value Added Tax of the PRC (《中華人民共和國增值税暫行條例》) promulgated by the State Council on December 13, 1993, and amended on November 10 2008, February 6, 2016, and November 19, 2017, and the Detailed Rules for the Implementation of the Interim Regulation of the PRC on Value Added Tax (《中華人民共和國增值税暫行條例實施細則》) promulgated by the Ministry of Finance of PRC (中華人民共和國財政部) on December 25, 1993, and amended on December 15, 2008, and October 28, 2011, entities and individuals that sell goods or labor services of processing, repair, or replacement, sell services, intangible assets, or immovables, or import goods within the territory of the PRC are taxpayers of the value-added tax (增值税), and must pay value-added tax. On December 30, 2022, and September 1, 2023, the Standing Committee of the National People's Congress successively promulgated the Value-added Tax Law (draft for public comments), which, upon its enactment, will replace the Interim Regulation on Value Added Tax of the PRC.

On April 4, 2018, the Ministry of Finance and State Taxation Administration (國家税務總局) jointly promulgated the Circular of the Ministry of Finance and the State Administration of Taxation on Adjustment of Value-Added Tax Rates (《財政部、税務總局關於調整增值税税率的通知》). On March 20, 2019, the Ministry of Finance, the State Tax Administration and the General Administration of Customs of the PRC (中華人民共和國海關總署) issued the Announcement on Policies for Deepening the Value-Added Tax Reform (《關於深化增值税改革有關政策的公告》), which took effect on April 1, 2019. The above provisions promote the further slash value-added tax rates. According to the Announcement, (i) the original 16% or 10% tax rate for general value-added tax taxpayers selling or importing goods is reduced to

13% or 9% respectively; (ii) the 10% value-added tax deduction rate for purchases of agricultural products is reduced to 9%; (iii) the value-added tax deduction rate for purchases of 13% for the production or commissioned processing of agricultural products is reduced to 10%; and (iv) the 16% or 10% export value-added tax refund rate previously granted to the exportation of goods or labor services is reduced to 13% or 9% respectively.

REGULATIONS ON EMPLOYMENT AND SOCIAL WELFARE

Regulations on Labor Contract

The principle laws and regulations that govern employment include: (i) the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the Standing Committee of the National People's Congress on July 5, 1994, effective since January 1, 1995, and last amended on December 29, 2018; (ii) the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), promulgated by the Standing Committee of the National People's Congress on June 29, 2007, and amended on December 28, 2012; and (iii) the Implementation Regulations of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》), promulgated by the State Council on September 18, 2008.

According to these laws and regulations above, employers shall enter into labor contracts in writing with employees and shall pay wages timely. All employers shall pay their employees wages no less than the local minimum wage standards. All employers are required to establish a system for labor safety and sanitation, strictly comply with state rules and standards, and provide employees with workplace safety training. Violations of these laws may result in the imposition of fines and other administrative penalties. For serious violations, criminal liability may arise.

On July 16, 2021, the Ministry of Human Resources and Social Security (人力資源和社會保障部), the NDRC, the MOT, together with several other government authorities jointly promulgated Guiding Opinions on Safeguarding the Rights and Interests of Labors in New Forms of Employment (《關於維護新就業形態勞動者勞動保障權益的指導意見》), which require, among others, platform enterprises adopting labor outsourcing and other cooperative labor methods to undertake corresponding responsibilities in accordance with laws and regulations when labors' rights and interests are damaged, call for organizing and launching pilot programs for occupational injury protection of flexible employment personnel, focusing on platform enterprises in industries such as mobility, takeout, instant delivery and intra-city freight, and encourage platform enterprises to improve the protection for flexible employment personnel on the platform by purchasing personal accident, employer liability and other commercial insurances.

On November 17, 2021, the Ministry of Transport, the NDRC, the CAC and certain other government authorities jointly promulgated the Opinions on Strengthening the Protection of the Rights and Interests of Labors in New Forms of Transportation Industry (《關於加強交通運輸新業態從業人員權益保障工作的意見》), which provide that the relevant departments shall urge online ride hailing platform enterprises to announce pricing rules and income distribution rules to relevant parties such as drivers and passengers. The total amount paid by the passengers and the remuneration of the driver, and the ratio of the difference between the aforementioned amounts to the total amount paid by the passengers shall be displayed to the drivers. In addition, these opinions aim to strengthen the occupational injury protection of online ride hailing drivers, encourage online ride hailing platform to actively participate in the occupational injury protection pilot, and urge online ride hailing platform to pay social insurance for drivers who meet the labor relationship conditions in accordance with the law, and guide and support drivers who do not fully meet the conditions for establishing labor relations with online ride hailing platform enterprises to participate in corresponding social insurance. These opinions also emphasize to safeguard the rights of the drivers to have reasonable remuneration and rest, among others.

Regulations on Social Insurance and Housing Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and other relevant PRC laws and regulations such as the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》), Regulations on Work Injury Insurance (《工傷保險條例》), Regulations on Unemployment Insurance (《失業保險條例》) and Trial Measures on Employee Maternity Insurance of Enterprises (《企業職工生育保險試行辦法》), each employer and individual in the PRC must make social insurance contributions, including basic pension insurance, basic medical insurance, work injury insurance, unemployment insurance, and maternity insurance. An employer who fails to promptly pay social insurance contributions in full amount will be ordered to pay or supplement within a prescribed period, and will be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities will impose a fine ranging from one to three times the amount of the amount in arrears. According to the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》), each employer and individual in the PRC must make housing provident fund contributions. Where, in violation of the provisions of the regulations, an employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center will order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

On September 21, 2018, the Ministry of Human Resources and Social Security of the PRC issued the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Enforcement Payment (關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知), which prohibits local authorities from organizing and conducting centralized collection of enterprises' historical shortfall of social insurance contributions.

REGULATIONS ON FIRE PROTECTION AND HOUSE LEASING

Regulations on Fire Protection

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) which was promulgated by the Standing Committee of the National People's Congress on April 29, 1998, and last amended on April 29, 2021, the fire prevention design or construction of a construction project must conform to the national fire prevention technical standards of project construction. For construction projects that require fire protection design in accordance with national engineering construction fire protection technical standards, a construction project fire protection design review and acceptance system must be implemented. When the construction project which should apply for fire control acceptance according to the stipulations of housing and urban-rural construction department of the State Council is completed, the construction unit must apply to the housing and urban-rural construction department for fire control acceptance. For a construction project other than one specified in the foregoing, the constructing party must report to the housing and urban-rural development authority after final inspection for record, and the housing and urban-rural development authority will conduct spot checks.

According to the Interim Provisions on Administration of Fire Control Design Review and Acceptance of Construction Project (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020, which took effect on June 1, 2020, the construction entity of a large-scale crowded venue (including the construction of a manufacturing plant whose size is over 2,500 square meters) and other special construction projects must apply for fire prevention design review with fire control authorities, and complete fire assessment inspection and acceptance procedures after the construction project is completed. The construction entity of other construction projects must complete the filing for fire prevention design and the fire safety completion inspection and acceptance procedures within five business days after passing the construction completion inspection and acceptance. If the construction entity fails to pass the fire safety inspection before such venue is put into use or fails to conform to the fire safety requirements after such inspection, it will be subject to (i) orders to suspend the construction of projects, use of such projects, or operation of relevant business, and (ii) a fine between RMB30,000 and RMB300,000.

Regulations on House Leasing

Pursuant to the Administration of Urban Real Estate Law of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the Standing Committee of the National People's Congress on July 5, 1994, and most recently amended on August 26, 2019, a written lease contract must be entered into between the lessor and the lessee for leasing a property, and the contract must include the terms and conditions such as the term, purpose and price of leasing and liability for maintenance and repair, etc., as well as other rights and obligations of both parties. In March 1999, the NPC passed the PRC Contract Law (《中華人民共和國合同法》), of which Chapter 13 governs lease contracts. On May 28, 2020, the Third Session of the

13th NPC passed the Civil Code of the PRC《中華人民共和國民法典》 which took effect on January 1, 2021, and replaced the PRC Contract Law. According to the Civil Code of the PRC, subject to the consent of the lessor, the lessee may sublease the leased item to a third party. Where the lessee subleases the leased item, the leasing contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the contract if the lessee subleases the leased item without the consent of the lessor. Pursuant to the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》) which was issued by the MOHURD on December 1, 2010, and took effect on February 1, 2011, house may not be leased in any of the following circumstances: (i) the house is an illegal structure; (ii) the house fails to meet mandatory engineering construction standards with respect to safety and disaster preventions; (iii) house usage is changed in violation of applicable regulations; and (iv) other circumstances which are prohibited by laws and regulations. The lessor and the lessee must register and file with the local property administration authority within thirty days after entering the lease contract and make further registration for changes of such lease (if any). Enterprise's non-compliance with such registration and filing requirements will be subject to fines from RMB1,000 to RMB10,000 if they fail to rectify within required time limits. In addition, the housing and urban-rural development department of government of provinces, autonomous regions and centrally administered municipalities may formulate implementation regulations based on these measures.

CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, the Company was held as to approximately 83.9% by Ugo Investment Limited, which in turn is wholly owned by Mr. Li. In addition, Ugo Investment Limited has been entrusted by Oceanpine Marvel to exercise approximately 4.3% of the voting rights of the Company pursuant to the Voting Rights Entrustment Agreement entered into in January 2025. Immediately after the completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Share Incentive Plan, Mr. Li, through Ugo Investment Limited, will indirectly hold approximately [**REDACTED**]% of our issued Shares, and will, in aggregate, control approximately [**REDACTED**]% of our voting rights. Accordingly, both prior to and upon [**REDACTED**], Mr. Li and Ugo Investment Limited, will continue to be Controlling Shareholders of our Company.

Mr. Li is the founder and chairman of Geely Automobile, a company listed on the Stock Exchange (stock code: 175 (HKD counter) and 80175 (RMB counter)), and controls Geely Holding and Zhejiang Jidi. Geely Group is one of the largest automotive groups in the world. Geely Group is principally engaged in, among others, the sale of passenger vehicles ("**Geely Vehicle Sale Business**"), and manages several leading brands including Geely Auto, Lynk & Co, ZEEKR, Volvo Cars, Polestar, Lotus, London Electric Vehicle Company (LEVC) and RADAR. Mr. Li has around 30 years of experience in the investment and management of the automobile and related business in the PRC.

DELINEATION OF BUSINESS

Each of our Controlling Shareholders confirms that as of the Latest Practicable Date, save for the below businesses, he/it did not have any interest in a business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Weixing Technology Co., Ltd. ("Weixing")

Weixing is primarily engaged in the provision of luxury travel experience under the brand "StarRides (耀出行)." Weixing was established in the PRC on May 9, 2019. Weixing is a 50:50 joint venture of Mercedes-Benz Mobility Services GmbH and Zhejiang Jidi. Save as to Mr. Jinliang Liu and Mr. Quan Zhang, both of which are our non-executive Directors, none of our Directors or senior management is a director or senior management of Weixing.

Our principal business does not compete with the business of Weixing for the following reasons:

(a) ***Business Model:*** Weixing does not provide on-demand online ride hailing services. Customers are required to make bookings in advance for trips operated by Weixing. The service offerings of Weixing include car booking, chauffeur service, airport pick-up and drop-off, and inter-city travel with professional butler service. In comparison, on-demand online ride hailing is the core of our service offering.

(b) ***Target Customers:*** Weixing primarily provides tailored luxurious travel services for high net-worth individuals or large enterprises for special occasions including the marketing activities of luxury brands or other business conferences. In comparison, we provide more affordable travel services that target the general public.

(c) ***Vehicle Model:*** All Weixing rides are powered by high-end vehicle models which are primarily Mercedes-Benz models, while vehicles on our platform serve to facilitate the daily commute of the general public at affordable costs.

(d) ***Service fees:*** The fee charged for a ride with Weixing is calculated based on the estimated distance of the ride with a base fare starting from RMB400 depending on the type of vehicle. In comparison, the base fare we charge is typically less than RMB20. The base fare charged by Weixing is around twenty times of our base fare.

(e) ***Scale of operation:*** As of December 31, 2024, Weixing had several hundreds vehicles on its platform, while approximately 1,501,475 vehicles completed orders on our platform during the year ended December 31, 2024.

Chongqing Xingfu Qianwanjia Technology Co., Ltd. ("Xingfu Qianwanjia")

Xingfu Qianwanjia (幸福千萬家) is principally engaged in the provision of one-stop services to drivers through its online platform, including occupational training, assistance in obtaining licenses, aggregation of orders from different ride-hailing platforms for drivers, sale and leasing of vehicles, provision of vehicle financing solutions, vehicle maintenance, energy supply, food and accommodation, etc. Xingfu Qianwanjia was established in the PRC on December 6, 2021. As at the Latest Practicable Date, Xingfu Qianwanjia was indirectly owned as to 54.6% by Mr. Li through various holding vehicles, including Geely Holding. Save as to Mr. Jinliang Liu, who is our non-executive Director, none of our Directors or senior management is a director or senior management of Xingfu Qianwanjia.

Xingfu Qianwanjia is a one-stop service provider for drivers and generates revenue primarily from the provision of services and sale and leasing of vehicles to the drivers. On the other hand, we primarily engage in the provision of online ride-hailing service and generate revenue from fares paid by the users. Although we also generated some revenue from the sale and lease of vehicles during the Track Record Period, such revenue is insignificant and only accounted for approximately 1.7%, 2.5% and 7.2% of our total revenue during the Track Record Period. As Xingfu Qianwanjia focuses on enabling and empowering drivers through the provision of one-stop services on its online platform while our principal business in the provision of online ride-hailing service to passengers, the Directors consider that the business of Xingfu Qianwanjia and our business are complementary and there is no material competition between the business of Xingfu Qianwanjia and our business. While some of our drivers may have utilized Xingfu Qianwanjia's services in their personal capacity, there was no business cooperation agreement between our Group and Xingfu Qianwanjia prior to May 2024. We did not require any of our drivers to utilize Xingfu Qianwanjia's services and did not pay any service fee to Xingfu Qianwanjia during the Track Record Period.

As demonstrated above, given that the business of our Group differs from that of Weixing and Xingfu Qianwanjia in terms of, where applicable, business model, service offerings, vehicle model, target customers, level of service fees and scale of operations, our Directors are of the view that there is a clear delineation between our business and the business of Weixing and Xingfu Qianwanjia.

Geely Vehicle Sale Business

In January 2023, we established PBV Co jointly with Geely Group, for the purpose of operating the CaoCao brand independently as one dedicated to shared mobility and distinguish it from other brand names under Geely Group that sell private-use vehicles. With the establishment of PBV Co in January 2023, we have been increasingly involved in the design and development of purpose-built vehicles and taken charge of the sales and marketing of CaoCao 60 and future purpose-built vehicles under the CaoCao brand. We started to deploy CaoCao 60 for our express mobility service in June 2023, and we started to sell CaoCao 60 vehicles externally to car partners, drivers and third parties engaging in the online ride hailing business in July 2023. We believe that our business is delineated from the Geely Vehicle Sale Business due to the following reasons:

(a) ***Revenue contribution:*** Our principal business is the provision of online ride hailing service. Before 2023, we occasionally sold vehicles mostly to our car partners to increase our service capacity. The revenue contribution from the sale of vehicles for the year ended December 31, 2022 amounted to approximately 0.4% of our total revenue. With the development of the business operation of PBV Co and the implementation of our purpose-built vehicle strategy, the revenue contribution from the sale of vehicles for the year ended December 31, 2023 and 2024 amounted to approximately RMB114.6 million and RMB866.8 million, representing approximately 1.1% and 5.9% of our total revenue of the same period, respectively. Based on the demand of our car partners, as battery vehicles do not perform well in cold temperature, we have strived for and were granted by Lingji Automobile Trading Co., Ltd. the exclusive right in June 2024 to distribute methanol-battery hybrid vehicles in Harbin region in China. We expect to distribute methanol-battery hybrid vehicles in the second half of 2024 to increase our service capacity and drivers' efficiency. While we expect there will be an increase in the contribution of revenue from the sale of vehicles in future, the principal business of our Group will remain unchanged.

(b) ***Target customers:*** As we have accumulated in-depth understanding of the needs of passengers and drivers in shared mobility, we established PBV Co jointly with Geely Group to build an ecosystem covering supply chain customization for shared mobility and to support our principal business of online ride hailing. Vehicles under the CaoCao brand are designed and developed specifically for the purpose of improving the productivity of drivers and experience of users during online ride hailing services. In addition, based on the needs of our car partners in optimising operational efficiency in carrying out ride hailing services under cold temperature, we also act as an exclusive distributor to distribute methanol-battery hybrid vehicles in Harbin region. Both CaoCao 60 vehicles and methanol-battery hybrid vehicles are

deployed on our platform and sold to car partners, drivers and third parties, such as vehicle fleet operators that provide their service capacity to various online ride hailing platforms, regional taxi operators looking to upgrade their vehicle fleets, and individual drivers who are looking for vehicles suitable for online ride hailing services. All our target customers are parties involved in the online ride hailing business. In contrast, the ultimate target customers of the Geely Vehicle Sale Business are individual vehicle users primarily for private use.

(c) ***Specifications of vehicles:*** Our purpose-built vehicles are dedicated to shared mobility and are designed to enhance user ride experience, promote driver productivity and meet local requirements on specifications of vehicles for online ride hailing services. We have cut or simplified unnecessary configurations suitable for private-use vehicles from our purpose-built vehicles, such as acceleration, Hi-Fi system, and premium interior design, and reallocated the budget to prioritized functions that promote driver comfort and productivity, such as driver rest mode and traffic heatmap assistance. Our purpose-built vehicles are also designed to support vehicle intelligence solutions for specific shared mobility scenarios, such as pick-ups and drop-offs, which also enhance user ride experience. For example, the vehicle allows users to remotely flash the vehicle's headlights during pick-up to easily identify the vehicle. Most importantly, vehicles under the CaoCao brand are designed with extra durability and are tested to use for over 600,000 kilometers of online ride hailing services, which is more than double of what is typically required for private-use vehicles. The development and sale of purpose-built vehicles enables us to increase our service capacity by deploying such vehicles as part of our car fleet, as well as enhancing driver efficiency through optimization of TCO and inclusion of driver-care features, which can further boost the revenue of our principal business. For further details of our purpose-built vehicles, see the section headed "Business—Our ecosystem—Purpose-built vehicles." In comparison, the private-use vehicles of the Geely Vehicle Sale Business are designed to prioritize premium features and customized experience, which typically include acceleration, Hi-Fi system and premium interior design, for the use and enjoyment of their owners or drivers. Theses private-use vehicles are developed primarily for general purpose use and are not customized for online ride hailing services. With these features in place, the cost per kilometer for these private-use vehicles is higher than that of our purpose-built vehicles.

As demonstrated above, given that the core business of our Group is entirely different from that of the Geely Vehicle Sale Business, revenue contribution from the sale of vehicles to our Group during the Track Record Period is limited, and the target customers and specifications of our vehicles and those of private-use vehicles of the Geely Vehicle Sale Business are different, our Directors are of the view that there is a clear delineation between our business and the Geely Vehicle Sale Business.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after the [**REDACTED**].

Management Independence

Our business is managed by our Board and senior management. Upon [**REDACTED**], our Board will consist of nine Directors, comprising one executive Director, five non-executive Directors and three independent non-executive Directors. For more information, please see the section headed "Directors and Senior Management."

Our Directors consider that our Board and senior management are capable of operating our business and managing all actual or potential conflicts of interest independently of our Controlling Shareholders because:

(a) except for Mr. Jian Yang, Mr. Quan Zhang and Mr. Jinliang Liu, all of whom are non-executive Directors, there will not be any overlap between the Controlling Shareholders and their close associates and our Company in terms of directors and senior management. Mr. Jian Yang, Mr. Quan Zhang and Mr. Jinliang Liu hold positions with Zhejiang Jidi and other companies within the Geely Group. Mr. Jian Yang's positions include the vice chairman of Geely Holding; Mr. Quan Zhang is currently the chief finance officer of Geely Holding, director and/or supervisor of several companies within the Geely Group and a director of Xingfu Qianwanjia; Mr. Jinliang Liu is the chairman and a director of each of Weixing and Xingfu Qianwanjia and has acted as director and/or supervisor of several companies within the Geely Group. As Mr. Jian Yang, Mr. Quan Zhang and Mr. Jinliang Liu are all non-executive Directors, they will not be involved in the day-to-day operations of our business;

(b) each Director is aware of his fiduciary duties as a Director which require, among other things, that he acts for the benefit and in the interest of our Company and does not allow any conflict between his duties as a Director and his personal interests;

(c) our daily management and operations are carried out by our executive Director and the members of our senior management team, none of whom occupies any other executive role within Geely Group, which is controlled by Mr. Li, one of our Controlling Shareholders. In addition, our executive Director and the members of our senior management team all have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;

(d) we have three independent non-executive Directors and non-fully exempt continuing connected transactions under Chapter 14A of the Listing Rules must be reviewed annually by the independent non-executive Directors;

(e) in the event that there is a potential material conflict of interest arising out of any transaction to be entered into between our Group and a Director or his or her respective close associates, the interested Director is required to declare the nature of such interest before voting takes place at the relevant Board meetings and shall not vote or be counted in the quorum; and

(f) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. Please see "—Corporate Governance Measures" in this section for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role our Group independently.

Operational Independence

Our Directors believe that our Group is operationally independent from our Controlling Shareholders. Our Company (through our subsidiaries and Consolidated Affiliated Entities) holds all relevant licenses. We own or are legally licensed to use all relevant intellectual properties and own the research and development facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and an independent management team to operate our business. We have adopted a set of internal control procedures to maintain effective and independent operations of our business.

In addition, we have established our internal organizational and management structure which includes Shareholders' meetings, our Board and other committees, and formulated the terms of reference of these bodies in accordance with the requirements of applicable laws and regulations, the Listing Rules and the Articles of Association, so as to establish a regulated and effective corporate governance structure with independent departments, each with specific areas of responsibilities.

During the Track Record Period and up to the Latest Practicable Date, we have entered into certain connected transactions with associates of our Controlling Shareholders (the "Related Entities") in our ordinary course of business, which expect to continue upon [**REDACTED**]. For further details of the transactions, see "Connected Transactions". Our Directors are of the view that we do not and will not significantly rely on the Related Entities for our business operations for the following reasons:

(a) Complementary Business Nature and Long-term Relationship

We are an online ride hailing platform in China serving the general public. Geely Group is a market leader in the automobile industry with a full range of business operations. The business nature of Geely Group and us are complementary to each other. In particular, on the one hand, Geely Group enables us to deploy and maintain our vehicle fleet for our online ride hailing service; on the other hand, we facilitate the commute of the employees and end-users of the Related Entities.

Further, we originated as an online ride hailing platform within the Geely Group and have historically established business cooperation with the Related Entities. Through our long-term business cooperation, the Related Entities have developed a deep understanding of our business model and business needs and are able to provide high-quality products and services that satisfy our demands.

In view of the above, it is natural for, and in the best interest of, our Company to cooperate with Related Entities.

(b) Normal Commercial Terms

The provision of advertising services, online ride hailing services, business and R&D support services and customer referral services, and the sale of batteries and used vehicles by us to the Related Entities are on normal commercial terms and in line with fees offered by us to Independent Third Parties. The provision of travel agency services, technology services, vehicle insurance services, vehicle insurance management services, vehicle procurement services, vehicle parts procurement services and battery services provided by the Related Entities to us are also on normal commercial terms and comparable with fees charged by the Related Entities to Independent Third Parties taking to account the scope and detailed terms of business cooperation. For the pricing policies of the above transactions, see the section headed "Connected Transactions" for details.

(c) Our Cooperation with Other Business Partners

Notwithstanding our long-term business cooperation with the Related Entities, we are not and will not be bound to cooperate with the Related Entities unless we agree to do so. We have established cooperation with other business partners that are independent of the Related Entities and will continue to explore additional partnership opportunities.

(d) No material adverse change or risk of termination of the business relationship between our Group and the Related Entities

In view of the mutually beneficial and long-standing business relationship between our Group and the Related Entities, our Company currently does not expect any material adverse change in such relationship and the risk of termination of the relationship is expected to be remote.

Financial Independence

Our financial system and financial operations are independent from our Controlling Shareholders and their close associates. Our Group makes financial decisions according to our own business needs and our Group's financial operations are handled by our finance team, without sharing any financial management functions or resources with our Controlling Shareholders or their close associates.

During the Track Record Period, we issued several tranches of asset-back securities (the "**ABSs**") in the PRC. These ABSs are listed on the Shanghai Stock Exchange. From December 2024 to March 2025, we borrowed bridging loans of an aggregate principal amount of RMB1.65 billion (the "**Bridging Loan**") from Related Entities for, amongst others, the repayment of certain external borrowings. Given the short-term nature of the Bridging Loan, our Directors consider borrowing from the Related Entities to be more expedient and commercially desirable than loan facilities from commercial banks on the basis that (i) we could obtain funding in short notice as compared to the lengthy approval process of commercial banks which may take up to a month, (ii) the tenure of loans from commercial banks is typically one year or more, while borrowings from Related Entities can be of a term of less than a year, which allows us to minimize interest expense and (iii) the Related Entities can utilized surplus funds effectively and benefit from the interest income. It is expected that the Bridging Loan will be repaid prior to [**REDACTED**]. As of the Latest Practicable Date, other than the Bridging Loan, the total outstanding amount due from the Group to the Related Entities was approximately RMB207.6 million, approximately RMB195.1 million of which will be repaid prior to [**REDACTED**]. The remaining RMB12.5 million was due to Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd. ("**Geely Commercial Vehicle**"), an entity controlled by Mr. Li. In 2020, Geely Commercial Vehicle cooperated with our Group with the aim of promoting Geely Commercial Vehicle's newly developed vehicles through the use of such vehicles by drivers on our platform, while we assist with collating feedback and reporting quality issues to Geely Commercial Vehicle. To facilitate the arrangement, Geely Commercial Vehicle paid us RMB12.5 million, which was utilized by us to settle the fees for leasing its vehicles for a term of six years, and the vehicles will be transferred to us at nil consideration upon expiration of such term. The commercial arrangements relating to the settlement of the outstanding amount is subject to further discussion between the parties. As the outstanding amount is insignificant and the total principal amount of credit facilities under the Commitment Letters (as defined below) have exceeded the aggregate outstanding principal amount of the Guaranteed Financing as elaborated below and the payables due to Geely Commercial Vehicle, the payables due to Geely Commercial Vehicle has no material impact on our financial independence under the Listing Rules. In addition, as of the Latest Practicable Date, approximately RMB36.2 million of our borrowings were guaranteed by Zhejiang Yizhen Automobile Co., Ltd., which will be released prior to [**REDACTED**].

During the Track Record Period, our Group has also entered into certain financing arrangements (the "**Guaranteed Financing**") which are guaranteed by Geely Holding, Zhejiang Jidi and/or Zhejiang Geely Automobile Co., Ltd. ("**Zhejiang Geely Automobile**"), a subsidiary of Geely Holding (the "**Guarantees**"). As of the Latest Practicable Date, the aggregate outstanding principal amount of these borrowings amounted to approximately RMB5.1 billion. Guarantee fees charged in respect of the forgoing amount represent 0.5% of the guaranteed amount. The arrangements of the Guaranteed Financing during the Track Record Period are set out as follows:

(i) As of the Latest Practicable Date, the aggregate outstanding principal amount of ABSs amounted to approximately RMB3.3 billion. These ABSs are secured by a pledge in favor of the holders of the ABSs of the future service fees derived from

the use of certain vehicles owned by us for the provision of online ride hailing services and guaranteed by Geely Holding, which guarantee is not conditional on the pledge. The future service fees may be recognized as cash or trade receivables of the Group as and when they are generated. Issuance of ABSs allows us to access the capital market and provides an alternative means of funding our operation; and

(ii) during the Track Record Period, we entered into several loan agreements with independent financial institutions, which are guaranteed by Geely Holding or Zhejiang Jidi (the "**Guaranteed Loans**"). As of the Latest Practicable Date, the outstanding principal amount of the Guaranteed Loans was approximately RMB1.8 billion.

The Directors consider that pre-mature discharge of the above Guarantees is not commercially viable and would not be in the best interests of the Shareholders as it would give rise to early termination liabilities and additional refinancing costs and disrupt the normal business operations of our Company. For instance, under the ABSs arrangement, any arrangement that is likely to have a material adverse effect on the repayment of ABSs would be treated as an accelerated settlement event whereby all outstanding principal and interest would become due and payable. Any failure of repayment would result in our vehicles being sold for the purpose of repaying the ABSs, which would materially affect the normal operations of our Group. In addition, if the Guarantees are prematurely discharged, all Guaranteed Financing would also be immediately due and our Group would need to refinance the Guaranteed Financing with loan facilities from other lenders. Considering the amount of the loans involved, it is expected that due diligence and negotiation of new facilities would take considerable time which would, in turn, adversely affect the normal operations of our Group.

We intend to apply [**REDACTED**] from the [**REDACTED**] of the [**REDACTED**] for the partial repayment of the principals and interests of certain bank borrowings when they fall due. For details, see "Use of [**REDACTED**]" in this document. We believe that our Group can finance our own operations and function independently without reliance on our Controlling Shareholders and their close associates for the following reasons:

(a) our revenue increased from RMB10.7 billion in 2023 to RMB14.7 billion in 2024. We will continue to improve business operation and financial performance of the Group; and

(b) we are capable of raising funds through equity financing. In January 2018, March 2018 and August 2021, we raised US$100 million, RMB350 million and RMB1,800 million, respectively, from the Pre-[**REDACTED**] Investors, who are Independent Third Parties;

(c) as of the Latest Practicable Date, we received commitment letters from independent commercial banks without any guarantees or security from our Controlling Shareholders or their close associates pursuant to which they agreed to provide credit facilities in the aggregate principal amount of RMB11.2 billion (the "**Commitment Letters**"), subject to certain internal procedures, which include

regular procedures of the relevant banks to review the use of the credit facilities and the detailed legal terms of the facility agreements. Such amount has exceeded the aggregate outstanding principal amount under the Guaranteed Financing and the above payables due to Geely Commercial Vehicle as of the Latest Practicable Date. In order to apply for the Commitment Letters, the Company has provided its financial statements and other application documents and information as requested by the relevant commercial banks for them to assess the financial conditions of the Company and determine the total amount of credit facilities to be provided. None of the Commitment Letters has been withdrawn by the relevant banks. The Directors are not aware of any hurdles to obtaining the credit facilities pursuant to the terms of the Commitment Letters.

Based on the above, our Directors believe that our business is financially independent of our Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholders:

(a) where a Shareholders' meeting is held to consider proposed transactions in which our Controlling Shareholders or any of their associates is, under the Listing Rules, required to abstain, our Controlling Shareholder(s) shall abstain from voting and their votes shall not be counted in respect of such transactions;

(b) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with our Controlling Shareholders or any of its associates, our Company will comply with applicable Listing Rules;

(c) the independent non-executive Directors will review, on an annual basis, whether there are any conflicts of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

(d) our Controlling Shareholders will undertake to provide all information necessary, including all relevant financial, operational and market information and any other necessary information as required by the independent non-executive Directors for the purpose of their annual review;

(e) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expense; and

(g) we have appointed Altus Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect our minority Shareholders' interests after the [**REDACTED**].

We set out below (i) our Group's one-off transactions with certain connected persons on agreed terms before the [**REDACTED**], and (ii) certain transactions with connected persons that, if carried out, will constitute continuing connected transactions of our Group under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

We have entered into transactions with the following parties which will become our connected persons upon [**REDACTED**]:

Name of connected person	Relationship
Geely Technology Group Co., Ltd. ("**Geely Technology**", together with its subsidiaries and 30%-controlled companies (as defined in the Listing Rules), the "**Geely Technology Group**")	A company owned as to 55% and 45% by Ningbo Ruima Enterprise Management Partnership (Limited Partnership) and Zhejiang Jidi respectively, which are both controlled by Mr. Li
Geely Holding (together with its subsidiaries and 30%-controlled companies (as defined in the Listing Rules), the "**Geely Holding Group**")	A company owned as to approximately 82.2%, 8.1% and 9.7% by Mr. Li, Mr. Xingxing Li and Ningbo Yima Enterprise Management Partnership (Limited Partnership) (a company wholly owned by Mr. Li and his associates) respectively. Geely Holding holds approximately 13.9% interest in Hangzhou Youxing as one of the Registered Shareholders
Zhejiang Mingtai Times Technology Group Co., Ltd. ("**Mingtai Technology**," together with its subsidiaries and 30%-controlled companies (as defined in the Listing Rules), the "**Mingtai Technology Group**")	A company owned as to 70% by Geely Group (Ningbo) Co., Ltd., a company controlled by Mr. Li, and 30% by Hangzhou Minghao Enterprise Management Partnership (Limited Partnership), the general partner of which is controlled by Mr. Li

Name of connected person	Relationship
Farizon Commercial Vehicle Technology Co., Ltd. ("**Farizon**", together with its subsidiaries and consolidated affiliated entities, the "**Farizon Group**")	A 30%-controlled company (as defined in the Listing Rules) by Mr. Li
Chongqing Ruilan Automobile Technology Co., Ltd. ("**Chongqing Ruilan Automobile Technology**")	A company controlled by Mr. Li through his controlled entities
Suzhou Caozhi Automobile Co., Ltd. ("**PBV Co**")	A connected subsidiary of our Company, which is owned as to 55% by Suzhou Youxing and 45% by Chongqing Ruilan Automobile Technology
Wuhan Lotus Technology Co., Ltd. ("**Lotus Technology**", together with its subsidiaries, the "**Lotus Technology Group**")	A subsidiary of Lotus Technology Inc., a company listed on NASDAQ (stock symbol: LOT), and is indirectly owned by Mr. Li as to more than 50%

SUMMARY OF OUR EXEMPT CONTINUING CONNECTED TRANSACTIONS

Guarantee provided by Geely Holding Group

Geely Holding Group has provided guarantee ("**Connected Guarantee**") in favor of our Group in respect of certain financing arrangements entered into by our Group, which include asset backed securitization, loan financing and issuance of letters of credit. We have no current plan to release the outstanding Connected Guarantee prior to the [**REDACTED**] and we expect that such arrangement will continue upon [**REDACTED**] as our Directors believe that the Connected Guarantee is in the best interests of our Group and Shareholders as a whole. For more details of the Connected Guarantee as well as the reasons for and benefits of the Connected Guarantee, see "Relationship with Our Controlling Shareholders—Independence from Controlling Shareholders—Financial Independence."

As Geely Holding is a connected person of our Company, the Connected Guarantee provided by Geely Holding Group in favor of our Group constitutes financial assistance received by our Group from our connected persons under Rule 14A.90 of the Listing Rules. As the Connected Guarantee is on normal commercial terms or better to our Group, and no security over our assets has been granted to Geely Holding Group in respect of the provision of the Connected Guarantee, the Connected Guarantee will be fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Trademark Licensing Agreement

On March 23, 2023, we entered into a trademark licensing agreement (the "**Trademark Licensing Agreement**") with Geely Holding, pursuant to which Geely Holding agreed to grant our Group a license to use certain trademarks which have been or are being registered by Geely Holding in the PRC and Hong Kong for our use in connection with our operations on a royalty-free basis for a term of ten years commencing on March 23, 2023.

As Geely Holding is a connected person of our Company, the transaction between Geely Holding and us will constitute a continuing connected transaction upon [**REDACTED**]. As the license of the trademarks granted by Geely Holding to us is on a royalty-free basis, the transactions under the Trademark Licensing Agreement fall within the de minimis threshold under Rule 14A.76(1)(a) of the Listing Rules and are exempt from reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. We believe that entering into the Trademark Licensing Agreement with a term of ten years, which is more than three years, can ensure the stability of the operations of our Group, and is in the interest of our Company and our Shareholders as a whole and will be beneficial to our Group. The Joint Sponsors agree with our Company's view and concur that the term of the Trademark Licensing Agreement for more than three years is in line with normal business practice.

SUMMARY OF OUR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the following transactions that will constitute continuing connected transactions under Rule 14A.31 of the Listing Rules upon the [**REDACTED**]:

	Transaction	Applicable Listing Rules	Waiver(s) sought	Proposed annual cap for the years ending December 31, (in millions of RMB) 2025	2026	2027
Partially exempt continuing connected transactions						
1	**Travel Agency Services Framework Agreement**	Rule 14A.35 Rule 14A.53 Rule 14A.105	Announcement requirements	[19.8]	[25.7]	[30.8]
2	**Online Ride Hailing Services Framework Agreements**	Rule 14A.35 Rule 14A.53 Rule 14A.105	Announcement requirements	[19.4]	[25.3]	[32.8]
3	**Vehicle Insurance Service Framework Agreement**	Rule 14A.35 Rule 14A.53 Rule 14A.105	Announcement requirements	[40]	[50]	[50]

	Transaction	Applicable Listing Rules	Waiver(s) sought	Proposed annual cap for the years ending December 31, (in millions of RMB) 2025	2026	2027
4	**Business and R&D Support Services Framework Agreement**	Rule 14A.35 Rule 14A.53 Rule 14A.105	Announcement requirements	[33]	[33]	[33]
5	**Customer Referral Service Framework Agreement**	Rule 14A.35 Rule 14A.53 Rule 14A.105	Announcement requirements	[6.9]	[9.7]	[12.9]
6	**Vehicle Parts Procurement Framework Agreements**	Rule 14A.35 Rule 14A.53 Rule 14A.105	Announcement requirements	[30]	[35]	[35]
7	**Technology Service Framework Agreement**	Rule 14A.35 Rule 14A.53 Rule 14A.105	Announcement requirements	[13]	[33]	[23]
8	**Used Vehicle Sales Framework Agreements**	Rule 14A.35 Rule 14A.53 Rule 14A.105	Announcement requirements	[126]	[126]	[126]
9	**Battery Sales Framework Agreements**	Rule 14A.35 Rule 14A.53 Rule 14A.105	Announcement requirements	[116.8]	[116.8]	[116.8]
	Non-exempt continuing connected transactions					
10	**Vehicle Procurement Framework Agreements**	Rule 14A.35 Rule 14A.36 Rule 14A.52 Rule 14A.53 Rule 14A.105	Announcement, independent shareholders' approval, circular	[3,746.7]	[5,060.5]	[6,867.8]
11	**PBV Vehicle Procurement Framework Agreement**	Rule 14A.35 Rule 14A.36 Rule 14A.52 Rule 14A.53 Rule 14A.105	Announcement, independent shareholders' approval, circular	[1,388.5]	[1,044.7]	[1,184.1]
12	**Battery Services Framework Agreements**	Rule 14A.35 Rule 14A.36 Rule 14A.52 Rule 14A.53 Rule 14A.105	Announcement, independent shareholders' approval, circular	[293.4]	[324]	[351.7]

Transaction		Applicable Listing Rules	Waiver(s) sought	Proposed annual cap for the years ending December 31, (in millions of RMB) 2025	2026	2027
13	**Contractual Arrangements**	Rule 14A.35 Rule 14A.36 Rule 14A.46 Rule 14A.52 Rule 14A.53 Rule 14A.105	Announcement, independent shareholders' approval, circular, annual cap requirements, and limiting the term to three years	N/A	N/A	N/A

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Travel Agency Services Framework Agreement

Principal terms

On [●], we entered into a travel agency services framework agreement (the "**Travel Agency Services Framework Agreement**") with Zhejiang Geely Business Service Co., Ltd. ("**Geely Business**"), an entity controlled by Mr. Li, pursuant to which Geely Business will provide certain business travel services (including, but not limited to, the booking of air tickets, accommodation and other forms of transportation) to us, and in return, we shall pay service fees in accordance with the Travel Agency Services Framework Agreement.

The initial term of the Travel Agency Services Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2027. Subject to compliance with Listing Rules and applicable laws and regulations, the Travel Agency Services Framework Agreement may be renewed upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the precise scope of services, service fees calculation, method of payment and other details of the service arrangement in the manner provided in the Travel Agency Services Framework Agreement.

Reasons for the transaction

Travelling for business purposes by our employees is required for our ordinary business operations. Geely Business is the business travel management service platform within the Geely Group and specializes in providing corporate travel solution services. We have historically engaged Geely Business to assist with bookings relating to business travels by our employees. The Directors consider that the provision of travel agency services by Geely Business would benefit us for the following reasons:

- Geely Business operates a one-stop travel platform which integrates a comprehensive suite of travel products and services offered by airlines, accommodation and transportation service providers. Our employees can make informed and cost-effective travel bookings on Geely Business's platform with full pricing transparency;

- systematic bookings can be made through Geely Business's online platform, which promotes efficiency in making business travel arrangements; and

- Geely Business collects fees from us directly, which negates the need for our employees to personally pay for business travel and request reimbursement afterwards and therefore saves time and costs.

Pricing policies

The travel agency fees payable by us for the services provided by Geely Business will be charged based on a fixed service fee in addition to the cost of air tickets, accommodation and/or other forms of transportation. The fixed service fee is expected to be approximately RMB10 for bookings of train tickets and hotels and approximately RMB12 to RMB18 for bookings of flights depending on the booking method (e.g., via an app, phone or email). The amount of service fee payable by us for each booking is based on prevailing market rates taking into account (i) the channel of booking (online or offline), (ii) the type of flight (international or domestic), (iii) the location of the accommodation, and/or (iv) whether the hotel is within the partnership network of Geely Business, and shall be in line with service fees offered by Geely Business to Independent Third Parties for similar services. We will make inquiries on the service fees charged by Independent Third Parties for the travel agency services in order to assess the prevailing market rates for comparison to ensure that the service fees payable by us to Geely Business are on normal commercial terms and are fair and reasonable and in the interest of our Company and the Shareholders as a whole.

Historical amounts

The travel agency fees incurred by us to Geely Business in respect of the travel agency services for each of the years ended December 31, 2022, 2023 and 2024 were RMB8.6 million, RMB12.3 million and RMB15.2 million, respectively.

Annual caps

The following table sets forth the proposed annual caps for the service fees payable by us to Geely Business under the Travel Agency Services Framework Agreement:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Service fees to be paid by us to Geely Business	[19.8]	[25.7]	[30.8]

The proposed annual caps have been estimated based on the following factors:

(i) the historical transaction amounts and the existing travel agency arrangements between us and Geely Business during the Track Record Period;

(ii) our increased inter-city travel needs following the relocation of certain business functions to Suzhou in 2023, including the sales and management of CaoCao 60, which increases the travels between our offices in Suzhou and Hangzhou; and

(iii) the expected expansion of business to more cities and the expected increase in the number of our employees, which in turn will increase the demand for business travel-related services as part of our ordinary business operations.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Travel Agency Services Framework Agreement for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

2. Online Ride Hailing Services Framework Agreements

Principal terms

On [●], we entered into online ride hailing services framework agreements with Geely Technology, Geely Holding, Mingtai Technology, Farizon and Lotus Technology (the "**Online Ride Hailing Services Framework Agreements**"), pursuant to which we will provide Geely Technology Group, Geely Holding Group, Mingtai Technology Group, Farizon Group and

Lotus Technology Group online ride hailing services, and in return, Geely Technology Group, Geely Holding Group, Mingtai Technology Group, Farizon Group and Lotus Technology Group shall pay service fees in accordance with the Online Ride Hailing Services Framework Agreements.

The initial term of the Online Ride Hailing Services Framework Agreements will commence on the [**REDACTED**] and end on December 31, 2027, subject to renewal upon mutual consent by the parties. Separate agreements will be entered into which will set out the precise scope of services, model of vehicle, service fees calculation, method of payment and other details of the service arrangement in the manner provided in the Online Ride Hailing Services Framework Agreements.

Reasons for the transaction

As we are the mobility platform in Geely's ecosystem, we have historically provided online ride hailing services to Geely Technology Group, Geely Holding Group, Mingtai Technology Group, Farizon Group and Lotus Technology Group for the commute of their employees and other mobility needs for business purposes. The Directors consider that the provision of online ride hailing services to Geely Technology Group, Geely Holding Group, Mingtai Technology Group, Farizon Group and Lotus Technology Group would benefit us as we are able to generate service income while providing them with convenient commute at a competitive rate.

Pricing policies

The online ride hailing service fees payable by Geely Technology Group, Geely Holding Group, Mingtai Technology Group, Farizon Group and Lotus Technology Group to us will be charged based on our pricing policy for online ride hailing. The amount of service fees payable by Geely Technology Group, Geely Holding Group, Mingtai Technology Group, Farizon Group and Lotus Technology Group for rides is calculated based on (i) vehicle type, (ii) base fee, (iii) total time of the ride, (iv) travel distance, and (v) extra charges for exceeding a certain distance, and shall be in line with service fees offered by us to Independent Third Parties for similar services. The base fee and extra charges will be determined based on the prevailing market rates of online ride-hailing platforms in the relevant cities, for which we conduct market inquiries.

Historical amounts

The total online ride hailing service fees received from Geely Technology Group, Geely Holding Group, Mingtai Technology Group, Farizon Group and Lotus Technology Group to us in respect of online ride hailing services for each of the years ended December 31, 2022, 2023 and 2024 were RMB10.5 million, RMB15.0 million and RMB12.3 million, respectively. The total service fees received from the above connected persons decreased in 2024 primarily due to (i) the fluctuation in demand for our ride hailing services by the connected persons from time to time based on their internal needs, and (ii) the reduction in the scale of operations of China

Railway Technology Co., Ltd. (the "**Relevant Connected Person**"), which is principally engaged in, among others, the provision of integrated online and offline mobility services for users in railway stations and on trains where mobility services to and from the train stations are provided by mobility service providers, including our Group. The total service fees received from the Relevant Connected Person decreased during the Track Record Period, which amounted to RMB1.4 million, RMB0.6 million and RMB0.2 million for the years ended December 31, 2022, 2023 and 2024, respectively. The total service fees in 2023 increased primarily as a result of the increased demand for online ride hailing services due to the growing scale of operations of Geely Technology Group and Geely Holding Group.

Annual caps

The following table sets forth the proposed annual caps for the total service fees payable by Geely Technology Group, Geely Holding Group, Mingtai Technology Group, Farizon Group and Lotus Technology Group to us under the Online Ride Hailing Services Framework Agreements:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Total service fees to be paid by Geely Technology Group, Geely Holding Group, Mingtai Technology Group, Farizon Group and Lotus Technology Group to us	[19.4]	[25.3]	[32.8]

The proposed annual caps have been estimated based on the following factors:

(i) the historical transaction amounts under the existing online ride hailing services agreements between us and Geely Technology Group, Geely Holding Group, Mingtai Technology Group, Farizon Group and Lotus Technology Group during the Track Record Period;

(ii) the estimated demand for online ride hailing services from the Relevant Connected Person for the coming three years is expected to experience growth compared to that in 2024; and

(iii) the estimated demand for online ride hailing services from other connected persons is expected to increase in the coming three years due to increased demand in business trips as a result of expected business growth of the other connected persons.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Online Ride Hailing Services Framework Agreements for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

3. Vehicle Insurance Service Framework Agreement

Principal terms

On [●], we entered into a vehicle insurance service framework agreement (the "**Vehicle Insurance Service Framework Agreement**") with Union Property and Casualty Insurance Co., Ltd. ("**Union P&C**"), a company in which Geely Holding held approximately 33.3% interest as of the Latest Practicable Date, pursuant to which Union P&C will provide insurance coverage for our vehicles in certain cities as the parties may agree from time to time. The insurance coverage includes compulsory vehicle traffic accident liability insurance and other types of commercial vehicle insurance (e.g. vehicle loss and damage and third-party liability insurance). In return, we shall pay service fees in accordance with the Vehicle Insurance Service Framework Agreement. Separate underlying agreements will be entered into which will set out the scope of insurance coverage, premium, method of payment and other details of the insurance arrangement in the manner provided in the Vehicle Insurance Service Framework Agreement.

The initial term of the Vehicle Insurance Service Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2027. Subject to compliance with the Listing Rules and applicable laws and regulations, the Vehicle Insurance Service Framework Agreement may be renewed upon mutual consent by the parties.

Reasons for the transaction

Our Group owns and deploys a fleet of vehicles for our online ride hailing service. We purchase automobile insurance for all of our owned vehicles in the ordinary course of business, which allows us to limit vehicle-related risks. The Directors consider that the provision of vehicle insurance services by Union P&C would benefit us for the following reasons:

- Union P&C offers a wide range of, and has deep expertise in, vehicle-related insurance coverage and, as such, Union P&C can meet the full spectrum of vehicle insurance needs of our operations; and

- the insurance premiums offered by Union P&C are competitive relative to those of Independent Third Parties and can therefore lower our insurance costs.

Pricing policies

The vehicle insurance service fees payable by us to Union P&C will be determined by reference to, among others, prevailing market rates for comparable insurance coverage, the vehicle models being insured, the number of vehicles insured, circumstances relating to any vehicle accidents, and the number of insurance policies and insurance claims made by us in cities within the scope of engagement during the coverage periods. The prevailing market rates per vehicle per year are expected to range from approximately RMB700 to RMB2,600 for mandatory traffic accident liability insurances and approximately RMB4,000 to RMB22,000 for commercial vehicle insurances, depending on, among others, vehicle model and condition, claims history and, for commercial vehicle insurances, the relevant region and city, insured amount and deductible amount. The service fees shall be in line with those charged by Union P&C to Independent Third Parties for similar insurance policies. We will also make inquiries on the fees charged by Independent Third Parties for similar insurance coverage in order to assess the prevailing market rates for comparison to ensure that the fees payable by us are on normal commercial terms and are fair and reasonable and in the interest of our Company and the Shareholders as a whole.

Historical amounts

The vehicle insurance service fees paid by us to Union P&C in respect of each of the years ended December 31, 2022, 2023 and 2024 were RMB10.9 million, RMB6.0 million and RMB10.9 million, respectively. We started to engage Union P&C for the provision of vehicle insurance coverage only in late 2021. While the scope of our engagement extended to Foshan and Guangzhou in 2022, we engaged an Independent Third Party instead for Foshan in 2023, resulting in a decreased number of vehicles insured by Union P&C and therefore services fees paid to Union P&C decreased in 2023. In 2024, we also engaged in business collaborations in Guangzhou and Beijing, resulting in an increase in the number of vehicles insured by Union P&C and therefore services fees paid to Union P&C increased in 2024.

Annual caps

The following table sets forth the proposed annual caps for the insurance service fees payable by us to Union P&C under the Vehicle Insurance Service Framework Agreement:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Service fees to be paid by us to Union P&C	[40]	[50]	[50]

The proposed annual caps have been estimated based on the following factors:

(i) the historical transaction amounts during the Track Record Period and the existing vehicle insurance arrangements between us and Union P&C;

(ii) the expected scale of business operations of our Group from 2025 to 2027; and

(iii) the deepening cooperation between our Group and Union P&C for the insurance service, especially in terms of the scope of engagement. For example, while the engagement covered approximately 1,000 and 2,700 vehicles in Guangzhou and Beijing in 2023 and 2024 respectively, we expect the scope to cover all the approximately 4,000 vehicles in three cities in 2025, leading to a significant increase in service fees to be paid to Union P&C in 2025. In addition, we expect to extend our cooperation with Union P&C to additional cities, covering approximately 5,000 vehicles in total in each of 2026 and 2027, leading to further increases in the service fees paid to Union P&C.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Vehicle Insurance Service Framework Agreement for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

4. Business and R&D Support Services Framework Agreement

Principal terms

On [●], we entered into a business and R&D support services framework agreement (the "**Business and R&D Support Services Framework Agreement**") with PBV Co pursuant to which other members of our Group will provide various business and research and development ("**R&D**") support services, including, but not limited to, business support, marketing services, consulting services, technical consulting services and R&D services to PBV Co, and in return, PBV Co shall pay service fees to other members of our Group in accordance with the Business and R&D Support Services Framework Agreement.

The initial term of the Business and R&D Support Services Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2027. Subject to compliance with Listing Rules and applicable laws and regulations, the Business and R&D Support Services Framework Agreement may be renewed upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the precise scope of services, the amount of the service fees, the terms of payment and other details of the service arrangement in the manner provided in the Business and R&D Support Services Framework Agreement.

Reasons for the transaction

Since the establishment of PBV Co in January 2023, it has been increasingly involved in the design and development of purpose-built vehicles and taken charge of the sale and marketing of CaoCao 60 and future purpose-built vehicles under the CaoCao brand exclusively. The Directors consider that the provision of business and R&D support services by other members of our Group to PBV Co would benefit us for the following reasons:

- the provision of various services by experienced staff with a deep understanding of our Group's business to PBV Co allows PBV Co to save recruitment-related time and costs and to operate more efficiently; and

- the provision of business and R&D support services by other members of our Group to PBV Co helps enhance utilization and benefit our Group as a whole.

Pricing policies

The business and R&D support service fees payable by PBV Co to other members of our Group are determined by various factors, including, but not limited to, the nature of services required, the frequency for providing such services and the costs of labor. The service fees will be calculated with reference to the aggregate costs of such services plus a reasonable profit margin of no more than 8%, which is determined with reference to the fees charged by Independent Third Parties for similar services.

Historical amounts

PBV Co was established in January 2023. It started to incur relevant business and R&D support service expenses from the second half of 2023. Accordingly, the business and R&D support service expenses paid by PBV Co to other members of the Group for each of the years ended December 31, 2022, 2023 and 2024 were nil, RMB21.2 million and RMB30.7 million.

Annual caps

The following table sets forth the proposed annual caps for the business and R&D support service fees payable by PBV Co to other members of our Group under the Business and R&D Support Services Framework Agreement:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Business and R&D support services payable by PBV Co to other members of our Group	[33]	[33]	[33]

The proposed annual caps have been estimated based on the following factors:

(i) the estimated need of business and R&D support services, including the type and frequency of services;

(ii) the estimated costs for providing such business and R&D support services and the fees charged by Independent Third Parties for providing similar services; and

(iii) our expectation that demand for our Group's business and R&D support services from PBV Co will remain stable between 2025 and 2027 as the overall personnel expenditures for these services are expected to remain stable.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Business and R&D Support Services Framework Agreement for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

5. Customer Referral Service Framework Agreement

Principal terms

On [●], we entered into a customer referral service framework agreement (the "**Customer Referral Service Framework Agreement**") with Zhejiang Zhihui Puhua Finance Lease Co., Ltd. ("**Zhejiang Zhihui Puhua**"), a subsidiary of Geely Holding, pursuant to which we agreed to (i) refer eligible purchasers of our CaoCao brand vehicles who have financing needs to Zhejiang Zhihui Puhua, (ii) help collect relevant information and documents (e.g., bank statements and property certificates), conduct identity verification and witness the signing of relevant documents in order to facilitate the credit assessments to be conducted by Zhejiang Zhihui Puhua, which as advised by our PRC Legal Advisor does not require our Group to obtain any license, and (iii) assist with, amongst others, the license plate application or registration in favor of Zhejiang Zhihui Puhua and purchase or renewal of insurance. In return, Zhejiang Zhihui Puhua will pay us a service fee.

We have agreed to be a party to the finance lease agreements between Zhejiang Zhihui Puhua as lessor and the purchasers as lessees to facilitate the finance lease arrangements. Pursuant to the terms of the finance lease agreements, we shall (i) review and verify the authenticity of the identification documents, driver licenses and other application documents of the lessees, (ii) witness the application, signing of agreements, delivery of the vehicles and other related actions by the lessees, and (iii) assist the lessor and lessees with, amongst others, settlement of vehicle purchase tax, application for license plates, registration of security

interest of the lessor and delivery of the vehicles. In the event of provision of forged documents or fraud, the lessor is entitled to terminate the agreement and request repayment of the funds paid by the lessor to us on behalf of the lessees.

The initial term of the Customer Referral Service Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2027. Subject to compliance with Listing Rules and applicable laws and regulations, the Customer Referral Service Framework Agreement may be renewed upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the precise scope of services, the calculation of the service fees, the terms of payment and other details of the service arrangement in the manner provided in the Customer Referral Service Framework Agreement.

Reasons for the transaction

As disclosed in the section headed "10. Vehicle Procurement Framework Agreements," we began to sell CaoCao 60 vehicles to customers, such as our car partners, drivers and third parties in the shared mobility industry in June 2023. Zhejiang Zhihui Puhua has developed extensive expertise and experience in providing vehicle finance lease solutions since its establishment in 2013 and can offer high-quality services to our customers. The finance lease services offered by Zhejiang Zhihui Puhua allow purchasers with financing needs to purchase our CaoCao 60 vehicles at lower initial purchase costs, thereby boosting sales of our vehicles, building brand awareness of our CaoCao brand vehicles among the customers and allowing us to compete in the market for vehicles in the shared mobility industry. Therefore, the Directors consider that the provision of the foregoing services by Zhejiang Zhihui Puhua is in the interest of the Company.

Pricing policies

The service fees to be paid by Zhejiang Zhihui Puhua to us is approximately 2% to 3% of the purchase amounts of the CaoCao brand vehicles that are subject to finance lease, taking into account the specific finance lease arrangement, the amount of down payment by the purchaser to us, the number of installments and the principal amount of the loan. The Directors believe that the service fee is in line with prevailing market rates offered by Independent Third Parties and is on normal commercial terms, is fair and reasonable and in the interest of our Company and the Shareholders as a whole. In determining the prevailing market price, we collect relevant market information and review the service fees paid to several Independent Third Parties for providing comparable services.

Historical amounts

The service fees received from Zhejiang Zhihui Puhua in respect of the customer referral services for each of the years ended December 31, 2022, 2023 and 2024 were nil, RMB0.5 million and RMB1.5 million. As we only began to sell our vehicles to customers in June 2023 and our cooperation with Zhejiang Zhihui Puhua only commenced in July 2023, we did not receive any service fees in 2022.

Annual caps

The following table sets forth the proposed annual caps for the service fees payable by Zhejiang Zhihui Puhua to us under the Customer Referral Service Framework Agreement:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Service fees to be paid by Zhejiang Zhihui Puhua to us	[6.9]	[9.7]	[12.9]

The proposed annual caps have been estimated based on the following factors:

(i) the purchase price of CaoCao 60 brand vehicles, which is approximately RMB120,000 per vehicle;

(ii) the number of CaoCao 60 vehicles to be sold in each of the years ended December 31, 2025, 2026 and 2027, respectively; and

(iii) the proportion of customers who need finance lease services for their purchases. Approximately 6% of CaoCao 60 customers required finance lease services for their purchases in the year ended December 31, 2024. We expect approximately 6% of our customers will need financing in each of the three years ended December 31, 2027. We expect the number of vehicles to be purchased with the finance lease services provided by Zhejiang Zhihui Puhua to be 1,920, 2,700 and 3,600 vehicles in 2025, 2026 and 2027 respectively.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Customer Referral Service Framework Agreement for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

6. Vehicle Parts Procurement Framework Agreements

Principal terms

On [●], we entered into vehicle parts procurement framework agreements (the "**Vehicle Parts Procurement Framework Agreements**") with Lingwu Automobile Technology (Chongqing) Co., Ltd. ("**Lingwu Automobile Technology**"), a subsidiary of Geely Holding, and Zhejiang Yizhen Automobile Co., Ltd. ("**Yizhen Automobile**"), a company ultimately controlled by Mr. Li, pursuant to which Lingwu Automobile Technology and Yizhen Automobile agreed to supply to us vehicle parts. In return, we shall pay Lingwu Automobile Technology and Yizhen Automobile purchase price for the vehicle parts procured.

The initial term of the Vehicle Parts Procurement Framework Agreements will commence on the [**REDACTED**] and end on December 31, 2027. Subject to compliance with Listing Rules and applicable laws and regulations, the Vehicle Parts Procurement Framework Agreements may be renewed upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the relevant vehicle parts and purchase prices in the manner provided in the Vehicle Parts Procurement Framework Agreements.

Reasons for the transaction

Our Group owns and deploys a fleet of vehicles for our online ride hailing service, and routine maintenance of our vehicle fleet is critical to the safe operations and quality of the service. Accordingly, we procure vehicle parts for the maintenance of our vehicles. The Directors consider that the vehicle parts procurement arrangement with Lingwu Automobile Technology and Yizhen Automobile benefits us for the following reasons:

- As disclosed in the section headed "7. Technology Service Framework Agreement," we have been procuring new energy vehicles and purpose-built vehicles from companies within the Geely Group since 2020 and 2022, respectively. As part of the Geely Group, Lingwu Automobile Technology and Yizhen Automobile have a better understanding of our procurement needs for vehicle parts (e.g. specifications and quality standards) and can in turn ensure the quality of our vehicle maintenance; and

- Lingwu Automobile Technology's operations are significant in scale and encompass a wide range of vehicle parts. Cooperation with Lingwu Automobile Technology allows us to consolidate our procurement of vehicle parts rather than relying on a large number of OEM suppliers, which in turn reduces transaction and coordination costs and enhances the efficiency of our procurement operations.

Pricing policies

The purchase price payable by us to Lingwu Automobile Technology and Yizhen Automobile will be based on (i) the specific vehicle parts procured (e.g. the corresponding vehicle models of the parts) and (ii) the quantity of vehicle parts procured. In any event, the purchase price payable by us to Lingwu Automobile Technology and Yizhen Automobile shall be no less favorable to us than the price of the same vehicle parts offered by Lingwu Automobile Technology and Yizhen Automobile to Independent Third Parties.

Historical amounts

We began to procure vehicle parts from Lingwu Automobile Technology and Yizhen Automobile in 2023. The purchase amount paid by us to Lingwu Automobile Technology and Yizhen Automobile for each of the years ended December 31, 2022, 2023 and 2024 were nil, RMB4.0 million and RMB18.9 million.

Annual caps

The following table sets forth the proposed annual caps for the purchase amount payable by us to Lingwu Automobile Technology and Yizhen Automobile under the Vehicle Parts Procurement Framework Agreements:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Purchase amount to be paid by us to Lingwu Automobile Technology and Yizhen Automobile	[30]	[35]	[35]

The proposed annual caps have been estimated based on the following factors:

(i) while our procurement cooperation with Lingwu Automobile Technology and Yizhen Automobile only began in 2023, such cooperation will continue and be gradually extended to all cities where we operate, leading to increased procurement from Lingwu Automobile Technology and Yizhen Automobile. The number of cities where we cooperated with Lingwu Automobile Technology in 2023 and 2024 was 27 and 29, respectively;

(ii) we will consolidate gradually our procurement operations by shifting from individual OEM suppliers to Lingwu Automobile Technology and Yizhen Automobile from 2025 to 2027 as (a) Lingwu Automobile Technology has been increasing its product offerings such that we can procure more vehicle parts from

Lingwu Automobile Technology efficiently and at a more competitive price than sourcing from individual OEM suppliers, and (b) Yizhen Automobile is responsible for the manufacturing of LEVC vehicles, and, therefore Yizhen Automobile can sell vehicle parts that are compatible to our LEVC vehicles more efficiently and at a more competitive price than sourcing from individual OEM suppliers. We expect the purchase amount payable to Lingwu Automobile Technology and Yizhen Automobile to increase from 2025 to 2026 and become stable by 2027; and

(iii) the warranty for an increasing number of our vehicles will expire during the period from 2025 to 2027, and accordingly we will increase our own procurement of vehicle parts for our maintenance operations during such period.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Vehicle Parts Procurement Framework Agreements for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

7. Technology Service Framework Agreement

Principal terms

On [●], we entered into a technology service framework agreement (the "**Technology Service Framework Agreement**") with Chongqing Ruilan Automobile Research Institute Co., Ltd. ("**Chongqing Ruilan Research Institute**"), which is a subsidiary of Chongqing Ruilan Automobile Technology, pursuant to which Chongqing Ruilan Research Institute and its subsidiaries (collectively, the "**Chongqing Ruilan Research Institute Group**") will provide technology services relating to vehicle optimization and associated technological support to us for the vehicles we deploy, including CaoCao 60 and other existing models (e.g. Maple 80V) as well as future models. Chongqing Ruilan Research Institute Group will also develop new vehicle models for us. In return, we shall pay service fees in accordance with the Technology Service Framework Agreement. Separate underlying agreements will be entered into which will set out the scope of technology services, price, method of payment and other details of the technology service arrangement in the manner provided in the Technology Service Framework Agreement.

The initial term of the Technology Service Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2027. Subject to compliance with the Listing Rules and applicable laws and regulations, the Technology Service Framework Agreement may be renewed upon mutual consent by the parties.

Reasons for the transaction

Deploying purpose-built vehicles for our online ride hailing service is part of our Group's long-term strategy to enhance user experience. Technology services, including optimization of our vehicles, associated technology support and development of future vehicle models, are important for maintaining our competitive advantage. Chongqing Ruilan Research Institute is a company specialized in vehicle technology services within the Geely Group. We have engaged Chongqing Ruilan Research Institute to assist with technology support and continuous optimization of our vehicles and to develop future vehicle models. The Directors consider that the provision of technology services by Chongqing Ruilan Research Institute Group would benefit us for the following reasons:

- Chongqing Ruilan Research Institute is specialized in the provision of technology services for new energy vehicles. By engaging Chongqing Ruilan Research Institute, we can gain access to market-leading technology and improve the functions of our vehicles and customer experience; and

- we have been procuring new energy vehicles from companies within the Geely Group since 2020. In particular, we have been engaged in the development of purpose-built new energy vehicles with, and have been procuring such vehicles from, Chongqing Ruilan Automobile Sales since 2022. Therefore, it has a better understanding of our needs for new energy vehicle-related technology services as compared to Independent Third Parties.

Pricing policies

The technology fees payable by us for the services provided by Chongqing Ruilan Research Institute will be determined by factors, including, but not limited to, (i) development costs, (ii) labor costs, (iii) service project management fee, and (iv) additional charge in relation to technology services as applicable, and shall be in line with service fees offered by Chongqing Ruilan Research Institute to Independent Third Parties for similar services.

Historical amounts

We started to engage Chongqing Ruilan Research Institute in the second half of 2022 to assist in the development of software in adjusting certain vehicle settings, including ventilation and cabin temperature, via CaoCao Mobility app, to improve user experience during ride hailing. In addition, we entered into an agreement with Chongqing Ruilan Research Institute in 2023 to research and develop a new vehicle model. Accordingly, the technology service fees paid by us to Chongqing Ruilan Research Institute for each of the years ended December 31, 2022, 2023 and 2024 were RMB0.5 million, RMB47.8 million and RMB8.5 million, respectively. The decrease in service fees paid by us in 2024 was primarily due to the engagement of Chongqing Ruilan Research Institute for a one-off vehicle development project in 2023 in the amount of approximately RMB37.9 million.

Annual caps

The following table sets forth the proposed annual caps for the service fees payable by us to Chongqing Ruilan Research Institute under the Technology Service Framework Agreement:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Service fees to be paid by us to Chongqing Ruilan Research Institute	[13]	[33]	[23]

The proposed annual caps have been estimated based on the following factors:

(i) our expected demand for technology services for our purpose-built vehicles in the coming three years based on continuous user feedback and our commitment to improve user experience; and

(ii) we expect to upgrade our CaoCao 60 and Maple 80V vehicles between 2025 and 2027. The total costs of research and development for such upgrade are estimated to be approximately RMB69 million, with service fees of approximately RMB13 million, RMB33 million and RMB23 million to be paid to Chongqing Ruilan Research Institute in 2025, 2026 and 2027, respectively.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Technology Service Framework Agreement for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

8. Used Vehicle Sales Framework Agreements

Principal terms

On [●], we entered into used vehicle sales framework agreements (the "**Used Vehicle Sales Framework Agreements**") with (i) Anhui Jifeng Recycling Technology Industry Co., Ltd. ("**Anhui Jifeng**"), a subsidiary of Zhejiang Jidi and (ii) Zhejiang Jixin Resource Recycling Technology Co., Ltd. ("**Zhejiang Jixin**"), a subsidiary of Geely Holding, pursuant to which Anhui Jifeng and Zhejiang Jixin agree to procure from us certain used vehicles if we are unable to find suitable purchasers for such vehicles, and in return, Anhui Jifeng and Zhejiang Jixin shall pay us purchase price for the vehicles in accordance with the Used Vehicle Sales Framework Agreements.

The initial term of the Used Vehicle Sales Framework Agreements will commence on the [**REDACTED**] and end on December 31, 2027. Subject to compliance with the Listing Rules and applicable laws and regulations, the Used Vehicle Sales Framework Agreements may be renewed upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the precise terms of the sales, the amounts of the purchase price, the terms of payment and other details of the sales arrangement in the manner provided in the Used Vehicle Sales Framework Agreements.

Reasons for the transaction

Our Group owns and deploys a fleet of vehicles for our online ride hailing service. To accommodate our business needs and cater to evolving market preferences, we routinely dispose of some used vehicles. We also intend to fully replace our vehicles without battery swap capability with vehicles with battery swap capability by 2026. Anhui Jifeng and Zhejiang Jixin specialize in buying and selling used vehicles. The Directors consider that the sale of used vehicle to Anhui Jifeng and Zhejiang Jixin would benefit us for the following reasons:

- Anhui Jifeng and Zhejiang Jixin specialize in dealing in used vehicles through resale;

- as we intend to fully replace our vehicles without battery swap capability with vehicles with battery swap capability, we are able to dispose of our idle assets in an efficient manner by selling our used vehicles in bulk to Anhui Jifeng and Zhejiang Jixin; and

- sale of used vehicles allows us to realize the residual value of these vehicles and provides us with an additional source of cashflow for our business operations.

Pricing policies

The purchase price will be determined with reference to a number of factors, including, but not limited to, the vehicle's model, condition of the vehicle and year of manufacture. The purchase price payable by Anhui Jifeng and Zhejiang Jixin to us shall be comparable with the price payable by Independent Third Parties to us for similar used vehicles.

Historical amounts

We sold used vehicles to our connected persons, including Anhui Jifeng, Zhejiang Jixin and Linyi Lingji Jianhua Automobile Sales Service Co., Ltd. ("**Linyi**"), a subsidiary of Geely Holding, during the period from 2022 to 2024. The purchase amount paid by Anhui Jifeng, Linyi and Zhejiang Jixin to us in respect of the sale of used vehicles for each of the years ended December 31, 2022, 2023 and 2024 were RMB12.0 million, RMB84.6 million and RMB80.3 million, respectively. As part of our business strategy to replace vehicles without battery swap capability with vehicles with battery swap capability for the provision of online ride hailing services, we have substantially increased the procurement of vehicles with battery swap capability in 2022 and 2023, and disposed of a large number of vehicles without battery swap capability in 2022, 2023 and 2024. All of the vehicles sold by us to Anhui Jifeng, Linyi and Zhejiang Jixin during the Track Record Period were vehicles without battery swap capability. As we plan to complete most of the replacement from 2023 to 2026, the number of vehicles without battery swap capability disposed of by us in 2023 increased, leading to the increase in purchase amount paid by Anhui Jifeng for the year ended December 31, 2023. Anhui Jifeng and Zhejiang Jixin also prepaid RMB51.9 million to us for the sale of vehicles during the year ended December 31, 2024. The decrease in purchase amount paid for the year ended December 31, 2024 is due to normal fluctuation in business demand.

Annual caps

The following table sets forth the proposed annual caps for the purchase amount payable by Anhui Jifeng and Zhejiang Jixin to us under the Used Vehicle Sales Framework Agreements:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Purchase amount to be paid by Anhui Jifeng and Zhejiang Jixin to us	[126]	[126]	[126]

The proposed annual caps have been estimated based on the following factors:

(i) the historical transaction amounts during the Track Record Period and the existing used vehicle sales arrangements between us and Anhui Jifeng and Zhejiang Jixin;

(ii) as of December 31, 2024, the number of vehicles without battery swap capability our Group owned was approximately 16,135. We intend to dispose of approximately 8,000 vehicles without battery swap capability in 2025 and 2026, respectively, so as to fully replace these vehicles with vehicles with battery swap capability by 2026. Out of the 16,135 vehicles to be replaced, based on the commercial negotiations with the relevant parties in 2025, we expect to dispose of approximately 4,500 vehicles in each of 2025 and 2026 at the estimated price of approximately RMB28,000 per vehicle depending on their model, respectively, to Anhui Jifeng and Zhejiang Jixin. The foregoing estimated price was determined based on the current average selling price of such used vehicles of the Company. The remaining vehicles will be disposed of to Independent Third Parties by 2026; and

(iii) we also expect to start disposing of our vehicles with battery swap capability, which have a value-generating life of approximately five years, in 2027. In 2027, approximately 8,000 vehicles with battery swap capability are expected to become obsolete. Based on the commercial negotiations with the relevant parties in 2025, we expect to dispose of approximately 4,500 vehicles with battery swap capability to Anhui Jifeng and Zhejiang Jixin in 2027 at the estimated price of approximately RMB28,000 per vehicle depending on their model and condition. The estimated price was determined based on the residual value and market price of such used vehicles.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Used Vehicle Sales Framework Agreements for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

9. Battery Sales Framework Agreements

Principal terms

On [●], we entered into a battery sales framework agreement (the "**Battery Sales Framework Agreement**") with Hangzhou Yineng Battery Management Technology Co., Ltd. ("**Hangzhou Yineng**"), a subsidiary of Geely Holding, pursuant to which we will sell batteries for vehicles with battery swap capability to Hangzhou Yineng, and in return, Hangzhou Yineng shall pay purchase price for the batteries purchased in accordance with the Battery Sales Framework Agreement. Hangzhou Yineng may enter into finance lease agreements to finance their purchases of the batteries, in which case we agree to be a party to such agreements where needed to facilitate the finance lease arrangements.

The initial term of the Battery Sales Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2027, subject to renewal upon mutual consent by the parties. Separate agreements will be entered into which will set out the precise terms, price of the sales of batteries, method of payment and other details of the procurement arrangement (including any finance lease arrangement) in the manner provided in the Battery Sales Framework Agreement.

Reasons for the transaction

As disclosed in the section headed "10. Vehicle Procurement Framework Agreements" below, we started to deploy purpose-built vehicles with battery swap capability in April 2022 and CaoCao 60 in June 2023. PBV Co is responsible for the operation of the vehicles under the CaoCao brand and all such vehicles procured by PBV Co from Chongqing Ruilan Automobile Sales are in-built with batteries. CaoCao brand vehicles sold to car partners, drivers and other third parties in the shared mobility industry are in-built with batteries. In contrast, most vehicles to be deployed as part of our Group's car fleet are procured without batteries to reduce the initial purchase costs. The batteries are removed from such vehicles and sold by PBV Co to Hangzhou Yineng, and Hangzhou Yineng will subsequently provide battery service to us. The purchase and sales of such batteries are recognized on a net basis. No battery inventories nor revenue are recognized under such transactions. The battery service fees are recognized as cost of sales and the corresponding unpaid balances for battery services fees are recorded as trade and notes payables. For further details, please see the sections headed "Background for the procurement arrangement of vehicles" and "12. Battery Services Framework Agreements" below. From time to time, we may also sell batteries of our other purpose-built vehicles with battery swap capability to reduce the initial purchase costs. As Geely Group is responsible for manufacturing our purpose-built vehicles and has an established network of battery swap stations across China, batteries that are compatible with our purpose-built vehicles can be swapped at the battery swap stations of Geely Group. The Directors consider that the above arrangement is in the interest of our Company as the low initial purchase costs of the vehicles will facilitate the expansion of our Company's business operation.

Pricing policies

The selling price of batteries to Hangzhou Yineng will be charged based on the purchase costs of the batteries of the purpose-built vehicles with battery swap capability.

Historical amounts

PBV Co was established in January 2023 and we significantly increased sales of batteries to Yiyi Internet Technology Co., Ltd. ("**Yiyi Internet**") and Hangzhou Yineng in 2023 to reduce our initial purchase costs of the purpose-built vehicles where batteries will then be leased to us for our operations. We sold approximately nil, 11,000 and nil batteries to Yiyi Internet and Hangzhou Yineng in each of the years ended December 31, 2022, 2023 and 2024, and the purchase amount paid by Yiyi Internet and Hangzhou Yineng to us for the same period were nil, RMB437.1 million and nil, respectively. We did not sell any batteries to Yiyi Internet or Hangzhou Yineng in 2024 as the built-in batteries together with vehicles had been used by ourselves in our operation. Due to the adjustment in operation of Yiyi Internet in July 2024, batteries previously sold to Yiyi Internet were transferred to Hangzhou Yineng, and we no longer sell batteries to Yiyi Internet since July 2024.

Annual caps

The following table sets forth the proposed annual caps for the purchase amount payable by Hangzhou Yineng to us under the Battery Sales Framework Agreement:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Purchase amount to be paid by Hangzhou Yineng to us	[116.8]	[116.8]	[116.8]

The proposed annual caps have been estimated based on the following factors:

(i) the estimated prices of batteries for vehicles under the CaoCao brand; and

(ii) the expected portion of vehicles from which PBV Co will remove the batteries for subsequent sale to Hangzhou Yineng. We expect the number of CaoCao brand vehicles we procure for our operations, and accordingly the number of batteries out of the portion of vehicles to be sold to Hangzhou Yineng, to remain stable in the coming three years. Specifically, we expect to sell approximately 4,000 batteries to Hangzhou Yineng in each of 2025, 2026 and 2027.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Battery Sales Framework Agreement for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 0.1%, but less than 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

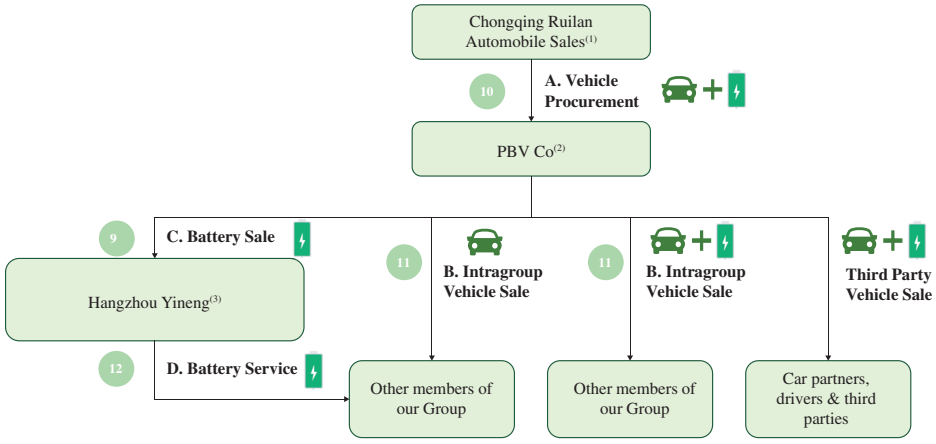
Background for the procurement arrangement of Vehicles

Geely Group is one of the largest automotive groups in the world and has established a BEV ecosystem spanning from the research and development, manufacturing and sale of BEVs to the operation of a network of battery swap stations and leasing of batteries for BEVs.

We purchase vehicles, including purpose-built vehicles, from sellers of vehicles in the BEV ecosystem of Geely Group. In order to reduce the initial purchase costs, we also entered into battery sale and lease transactions with Hangzhou Yineng, a member of the Geely Group which primarily engages in the business of battery service.

To give effect to the procurement arrangement, we entered into several continuing connected transactions. For further details, see "9. Battery Sales Framework Agreement", "10. Vehicle Procurement Framework Agreements," "11. PBV Vehicle Procurement Framework Agreement," and "12. Battery Services Framework Agreements".

Set out below is a flowchart illustrating the typical arrangement in relation to (i) the sale and purchase of CaoCao 60 purpose-built vehicles, and (ii) the battery sale and battery service arrangement in relation to CaoCao 60 purpose-built vehicles:



Notes:

(1) Chongqing Ruilan Automobile Sales is a subsidiary of Chongqing Ruilan Automobile Technology, a company controlled by Mr. Li.

(2) PBV Co is a connected subsidiary of the Company, which is owned as to 55% by Suzhou Youxing, a wholly-owned subsidiary of the Company, and 45% by Chongqing Ruilan Automobile Technology, a company controlled by Mr. Li.

(3) Hangzhou Yineng is a subsidiary of Geely Holding.

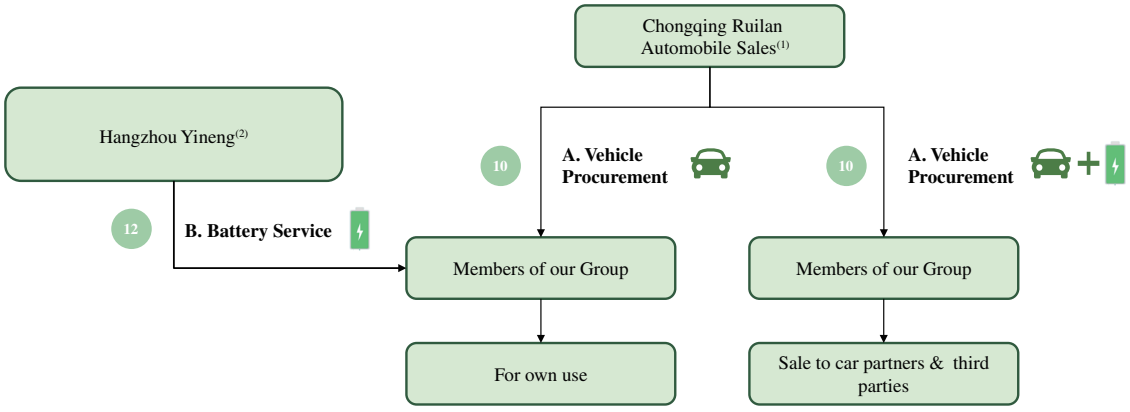
A. **Vehicle Procurement**: Geely Group is responsible for manufacturing the vehicles, which PBV Co procures CaoCao 60 vehicles from Chongqing Ruilan Automobile Sales. PBV Co directly sells CaoCao 60 vehicles internally for our Group's operations and to our Group's customers, including car partners, drivers and third parties in the shared mobility industry. For further details, see "10. Vehicle Procurement Framework Agreements" in this section.

B. **Intragroup Vehicle Sale**: PBV Co will sell CaoCao 60 vehicles managed by it exclusively to other members of our Group, and in return, other members of our Group shall pay PBV Co purchase price for the vehicles purchased. For further details, see "11. PBV Vehicle Procurement Framework Agreement" in this section.

C. **Battery Sale**: In order to reduce the initial purchase costs, PBV Co procures CaoCao 60 vehicles with built-in batteries and sells the built-in batteries of most vehicles with battery swap capability to Hangzhou Yineng, and sells the vehicles to other members of our Group. For further details, see "9. Battery Sales Framework Agreement" in this section.

D. **Battery Service**: In order to lower the initial purchase price of CaoCao brand purpose-built vehicles and to facilitate the swapping of batteries of our CaoCao 60 vehicles at the battery swap station of Geely Group, our Group has purchased battery services from Hangzhou Yineng. Depleted batteries of our CaoCao 60 vehicles are changed with fully charged batteries at battery swap stations of Geely Group and the depleted batteries are then charged for subsequent battery swaps. For further details, see "12. Battery Services Framework Agreements" in this section.

Set out below is a flowchart illustrating the typical arrangement in relation to (i) the purchase of Maple 80V purpose-built vehicles, and (ii) the battery service arrangement in relation to Maple 80V purpose-built vehicles:



Notes:

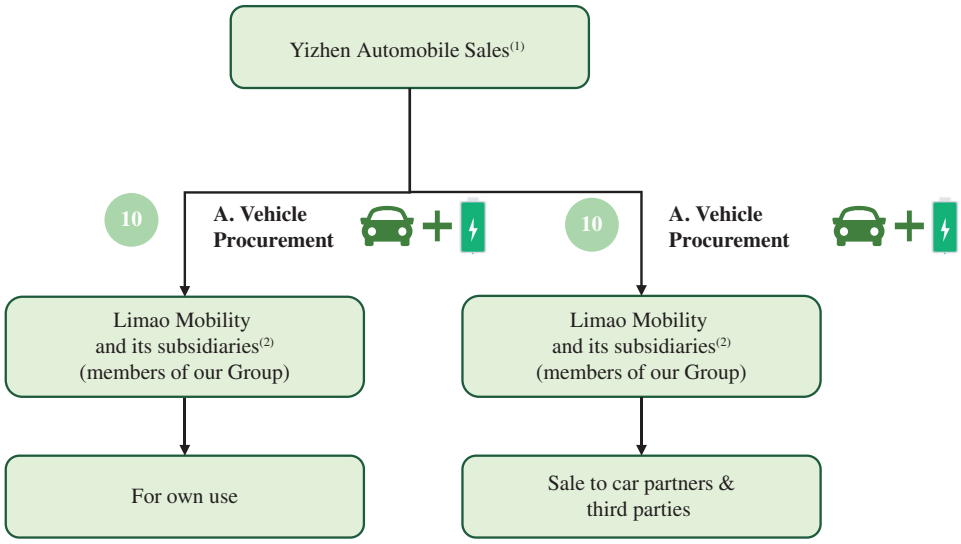
(1) Chongqing Ruilan Automobile Sales is a subsidiary of Chongqing Ruilan Automobile Technology, a company controlled by Mr. Li.

(2) Hangzhou Yineng is a subsidiary of Geely Holding.

A. **Vehicle Procurement**: Chongqing Ruilan Automobile Sales sells Maple 80V vehicles to our Group, and in return, we pay Chongqing Ruilan Automobile Sales purchase price for the vehicles purchased. Maple 80V vehicles our Group procured for its own use are typically without batteries and Maple 80V vehicles with batteries will be sold to third parties. For further details, see "10. Vehicle Procurement Framework Agreements" in this section.

B. **Battery Service**: In order to lower the initial purchase price of Maple brand purpose-built vehicles and to facilitate the swapping of batteries of our Group's Maple 80V vehicles at the battery swap station of Geely Group, our Group has purchased battery services from Hangzhou Yineng. Depleted batteries of our Group's Maple 80V vehicles are changed with fully charged batteries at battery swap stations of Geely Group and the depleted batteries are then charged for subsequent battery swaps. For further details, see "12. Battery Services Framework Agreements" in this section.

Set out below is a flowchart illustrating the typical arrangement in relation to the purchase of LEVC TX5 vehicles:



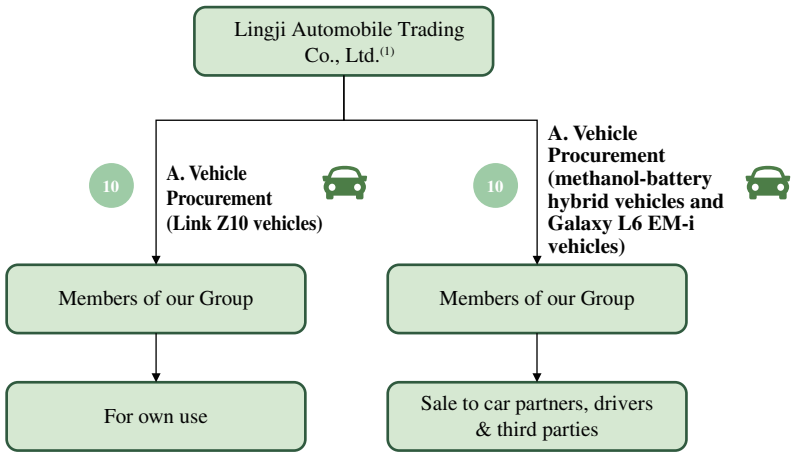
Notes:

(1) Yizhen Automobile Sales is a wholly-owned subsidiary of Yizhen Automobile, which is owned as to 92.1% by Zhejiang Yizhen New Energy Automobile Co., Ltd., which in turn is owned as to 50% and 50% by Geely Ningbo and Geely Holding, respectively.

(2) Limao Mobility and its subsidiaries are wholly owned subsidiaries of our Group.

A. **Vehicle Procurement**: Yizhen Automobile Sales sells us LEVC TX5 vehicles, and in return, our Group pays Yizhen Automobile Sales purchase price for the vehicles purchased. For further details, see "10. Vehicle Procurement Framework Agreements" in this section.

Set out below is a flowchart illustrating the typical arrangement in relation to the purchase of methanol-battery hybrid vehicles, Galaxy L6 EM-i vehicles and Link Z10 vehicles:



Notes:

(1) Lingji Automobile Trading Co., Ltd. is a subsidiary of Geely Holding.

A. **Vehicle Procurement**: We plan to procure methanol-battery hybrid vehicles from Lingji Automobile Trading Co., Ltd. as an exclusive distributor for Harbin region in China. We also intend to purchase Galaxy L6 EM-i vehicles, being hybrid electric vehicles, and Link Z10 vehicles from Lingji Automobile. And in return, our Group pays Lingji Automobile Trading Co., Ltd. purchase price for the vehicles purchased. For further details, see "10. Vehicle Procurement Framework Agreements" in this section.

10. Vehicle Procurement Framework Agreements

Principal terms

On [●], we entered into vehicle procurement framework agreements (the "**Procurement Framework Agreements**") with Chongqing Ruilan Automobile Sales Co., Ltd. ("**Chongqing Ruilan Automobile Sales**"), Zhejiang Yizhen Automobile Sales Co., Ltd. ("**Yizhen Automobile Sales**") and Lingji Automobile Trading Co., Ltd. ("**Lingji Automobile**"), pursuant to which (i) Chongqing Ruilan Automobile Sales will sell to us purpose-built vehicles and Robotaxi vehicles, (ii) Yizhen Automobile Sales will sell us vehicles under the LEVC brand and (iii) Lingji Automobile will sell us methanol-battery hybrid vehicles, Link Z10 vehicles, Galaxy L6 EM-i vehicles and other vehicles as may be procured by us based on the needs of our business operation, and in return, we shall pay Chongqing Ruilan Automobile Sales, Yizhen Automobile Sales and Lingji Automobile purchase price for the vehicles purchased.

The initial term of the Vehicle Procurement Framework Agreements will commence on the [**REDACTED**] and end on December 31, 2027. Subject to compliance with the Listing Rules and applicable laws and regulations, the Vehicle Procurement Framework Agreements may be renewed upon mutual consent by the parties. Separate underlying agreements will be entered into, which will set out the specifications, price and quantity of the vehicles, method of payment and other details of the procurement arrangement in the manner provided in the Vehicle Procurement Framework Agreements.

Reasons for the transaction

Under our business model, we deploy our own fleet of vehicles for the provision of our online ride hailing service. Since April 2022, we have been deploying purpose-built vehicles with battery swap capability. Chongqing Ruilan Automobile Sales has been selling Maple 80V, generally with built-in batteries removed, to us during the Track Record Period. We will continue to purchase Maple 80V from Chongqing Ruilan Automobile Sales after [**REDACTED**].

During the Track Record Period, we procured purpose-built vehicles from members of Geely Holding Group and Zhejiang Jidi Group. In particular, we procured the purpose-built vehicles primarily through Chongqing Ruilan Automobile Sales. During the procurement process, significant time and effort was spent on discussing the design and specifications of the vehicles. In addition, as we have accumulated significant valuable ride hailing data and user feedback on vehicles and ride hailing experience, we intend to strengthen our engagement in the vehicle design and sale processes and share the profits from the sales, while continuing to leverage the vehicle manufacturing capabilities of Geely Group. Accordingly, we consider it desirable to form a joint venture with Geely Group to align the interests of both parties. In January 2023, we established PBV Co jointly with Chongqing Ruilan Automobile Technology. PBV Co operates the CaoCao brand independently as one dedicated to shared mobility and distinguished from other brand names that sell private-use vehicles, which could increase our brand recognition. With the establishment of PBV Co in January 2023, we strengthened our engagement in the design and development of purpose-built vehicles and assumed full responsibility for the sales and marketing of CaoCao 60 and future purpose-built vehicles under the CaoCao brand. Geely Group is responsible for manufacturing the vehicles, which we then procure from Chongqing Ruilan Automobile Sales. PBV Co directly sells our purpose-built vehicles internally for our operations and to our customers, including our car partners, drivers and third parties in the shared mobility industry.

In addition, Limao Mobility also provides online ride hailing services under the "Limao Mobility (禮帽出行)" brand with LEVC brand vehicles to provide users with a consistent travel experience. Limao Mobility has been procuring LEVC brand vehicles from Yizhen Automobile Sales during the Track Record Period. We will continue to purchase LEVC TX5 from Yizhen Automobile Sales after [**REDACTED**].

Further, as the northern region of China experiences extremely cold temperatures from time to time, particularly during winter, the performance of electric vehicles is reduced by low temperatures due to the reduction in battery efficiency, leading to reduced range and longer charging times. This in turn reduces drivers' efficiency in delivering ride-hailing services. Accordingly, based on the needs of our car partners, we have strived for and were granted the exclusive right in June 2024 by Lingji Automobile to distribute methanol-battery hybrid vehicles in Harbin region in China. We also intend to purchase Galaxy L6 EM-i vehicles,being hybrid electric vehicles, from Lingji Automobile. As hybrid vehicles are less susceptible to the impacts due to cold weather, this ensures consistent operational capabilities and is crucial for ride-hailing drivers who need to maximize their service hours and trip frequency. Accordingly, we will procure methanol-battery hybrid vehicles from Lingji Automobile as the exclusive distributor for Harbin region in China and will also procure Galaxy L6 EM-i vehicles from Lingji Automobile, and distribute to our customers, including our car partners, drivers and third parties in the shared mobility industry.

We intend to procure Link Z10 and Robotaxi vehicles to support our autonomous driving project. Link Z10 is a model of fully electric sedan pre-installed with autonomous driving components and applications, containing certain extent of autonomous driving capabilities suitable for pilot operations at the early stage of the project. We intend to first procure a small number of Link Z10 vehicles from Lingji Automobile at the initial phase for pilot operations in approved regions of Hangzhou, Suzhou, and Guangzhou. Then, at a later stage of the project, we intend to procure Robotaxi vehicles from Chongqing Ruilan Automobile Sales, which are to be developed as a more advanced and intelligent autonomous driving model. Upon reaching matured enhancement of Robotaxi vehicles, we will expand our Robotaxi vehicles coverage on a broader scale for commercial operations.

The Directors consider that the purchase of vehicles from Chongqing Ruilan Automobile Sales, Yizhen Automobile Sales and Lingji Automobile would benefit us for the following reasons:

- Geely Group is specialized in vehicle manufacturing and is able to sell vehicles, including purpose-built vehicles, to us through Chongqing Ruilan Automobile Sales, Yizhen Automobile Sales and Lingji Automobile at a competitive rate;

- owing to the different local requirements on the specifications of vehicles used for providing online ride hailing services, Geely Group is able to develop vehicles based on our specific requirements and in compliance with local requirements;

- CaoCao brand purpose-built vehicles are developed to improve user experience with larger interior space and smart features, and to improve driver productivity and experience. By developing purpose-built vehicles, our Group can provide standardized and high-quality services to users;

- LEVC brand wheelchair-accessible vehicles are also specifically developed for ride-hailing scenarios, especially for marginalized groups such as wheelchair users and those with impaired vision or hearing given its various accessibility features (e.g. foldable direct access ramp for wheelchairs and built-in wheelchair restraints). In addition, LEVC TX5 is a spacious vehicle that optimizes user ride experience for family travel, group travel, travel with large luggage and business travel. The LEVC TX5 model also adopts a unique sloped pedal design that makes travelling with baby strollers, wheelchairs, and large luggage easier; and

- The procurement of methanol-battery hybrid vehicles and Galaxy L6 EM-i vehicles is pursued based on the needs of our car partners in optimising operational efficiency in carrying out ride hailing services under cold temperature. Given the reduced performance of electric vehicles in the northern region of China due to cold temperature, it is beneficial to the Group to procure methanol-battery hybrid vehicles and Galaxy L6 EM-i vehicles for the distribution to our customers, including our car partners, drivers and third parties in the shared mobility industry to enhance their efficiency in delivering ride-hailing services.

- The procurement of Link Z10 vehicles and Robotaxi vehicles enables the Group to develop in the field of autonomous driving, realize a large-scale commercialization of autonomous driving services and provide autonomous driving experience to our customers after the development is matured.

- Chongqing Ruilan Automobile Sales, Yizhen Automobile Sales and Lingji Automobile, are capable of satisfying our evolving business needs efficiently and reliably with a stable supply of high-quality vehicles.

Pricing policies

The purchase price payable by our Group for the purchase of Maple 80V from Chongqing Ruilan Automobile Sales and LEVC TX5 from Yizhen Automobile Sales will be based on (i) the model and specifications of the vehicles procured, (ii) the hardware to be installed in the vehicles, and (iii) number of vehicles ordered. The purchase price payable by our Group to Chongqing Ruilan Automobile Sales and Yizhen Automobile Sales shall be on normal commercial terms or better to us than the price offered by Chongqing Ruilan Automobile Sales and Yizhen Automobile Sales to Independent Third Parties for vehicles with similar specifications taking into account bulk purchase discounts, our contribution to the design and development of purpose-built vehicles where applicable, as well as promoting their vehicles by placing them on our platform.

The purchase price payable by our Group for the purchase of methanol-battery hybrid vehicles, Galaxy L6 EM-i vehicles and any other vehicles we may procure based on the needs of our business operation from Lingji Automobile will be based on (i) the model and specifications of the vehicles procured and (ii) number of vehicles ordered. The purchase price payable by our Group to Lingji Automobile shall be on normal commercial terms or better to us than the price offered by Lingji Automobile to corporate customers who are Independent Third Parties for vehicles with similar specifications taking into account bulk purchase discounts.

The purchase price payable by our Group for the purchase of Link Z10 vehicles from Lingji Automobile and Robotaxi vehicles from Chongqing Ruilan Automobile Sales will be based on (i) the model and specifications of the vehicles procured, (ii) the hardware to be installed in the vehicles and (iii) number of vehicles ordered. The purchase price payable by our Group to Lingji Automobile and Chongqing Ruilan Automobile Sales shall be on normal commercial terms or better to us than the price offered by Lingji Automobile and Chongqing Ruilan Automobile Sales to corporate customers who are Independent Third Parties for vehicles with similar specifications taking into account bulk purchase discounts and our contribution to the development of product strategy and future operation of Link Z10 and Robotaxi vehicles.

Design, branding, maintenance and distribution of a vehicle brand involves significant costs. Since we are engaged in the design and development of, and assume full responsibility for the sales and marketing of, vehicles under the CaoCao brand, a different pricing policy applies to the procurement of vehicles under the CaoCao brand from Chongqing Ruilan Automobile Sales by PBV Co. The purchase price payable by PBV Co to Chongqing Ruilan Automobile Sales for the purchase of vehicles under the CaoCao brand (including CaoCao 60) shall be determined by cost plus a reasonable profit margin of no more than 5%. Geely Group is responsible for manufacturing the vehicles. The cost will be calculated with reference to the prices of raw materials, labor costs, the amortization to the production plant and equipment and other costs incurred by Geely Group. The profit margin will be determined taking into account the profit margin of the sale of vehicles under similar arrangements by the Independent Third Parties. In any event, the purchase price of vehicles under the CaoCao brand payable by PBV Co to Chongqing Ruilan Automobile Sales shall be no less favorable to our Group than the price of similar vehicles offered by Independent Third Parties. We will make market inquiries and refer to the market prices of at least two leading commercial vehicles in terms of sales volume of comparable vehicle size, having regard to the cost of producing the CaoCao 60 vehicles.

Historical amounts

The purchase amount paid by us (including Limao Mobility) to Geely Holding Group, Zhejiang Jidi Group and Yizhen Automobile Sales in respect of the procurement of vehicles, including purpose-built vehicles, for each of the years ended December 31, 2022, 2023 and 2024 were RMB1,322.7 million, RMB1,770.1 million and RMB1,177.7 million, respectively.

We have procured (a) approximately 15,767, 1,000 and 35 Maple 80V vehicles, (b) approximately nil, 13,828 and 13,015 CaoCao 60 vehicles, (c) approximately 495, 342 and 75 LEVC vehicles, and (d) approximately 52, 4, and nil other vehicles for our operations in 2022, 2023 and 2024, respectively. We have procured approximately 3,509 Maple 60S vehicles without built-in batteries and 1,934 Maple 60S vehicles with built-in batteries for our operations in 2022 and for external sale 2023.

In 2022, Maple 80V was modified and built based on our needs for purposes of online ride hailing business, and has been deployed for our premier mobility services since April 2022. As a result, we increased our procurement and as of December 31, 2022, we had approximately 17,200 Maple 80V as part of our car fleet. We also started to procure CaoCao 60 from Chongqing Ruilan Automobile Sales since June 2023 and had a total of approximately 18,300 Maple 80V vehicles and 12,707 CaoCao 60 vehicles as part of our car fleet as of December 31, 2023. We also procured approximately 3,000 vehicles with battery swap capability (including 1,100 CaoCao 60) vehicles for external sale for the year ended December 31, 2023. During the year ended December 31, 2024, we only procured (i) approximately 35 Maple 80V vehicles and 3,422 CaoCao 60 vehicles as part of our car fleet, and (ii) approximately 9,593 CaoCao 60 vehicles for external sale. As of December 31, 2024, we had approximately 18,323 Maple 80V vehicles and 16,120 CaoCao 60 vehicles as part of our car fleet. The decrease in purchase amount paid by us to Chongqing Ruilan Automobile Sales in 2024 is primarily due to the decrease in the procurement of CaoCao 60 as part of our car fleet from approximately 12,700 in 2023 to 3,422 in 2024, as we increased our procurement to replace the majority of our existing vehicles in 2023, and we only replaced a small portion of our existing vehicles in accordance with their useful lives in 2024.

Since its establishment in January 2021, Limao Mobility has been providing online ride hailing services and offline taxi hailing services. All rides of Limao Mobility are powered by the LEVC TX 5 model. As of December 31, 2022, 2023 and 2024, Limao Mobility operated approximately 630, 1,060 and 1,060 LEVC TX 5 vehicles, respectively.

Since June 2024, we have been authorized by Lingji Automobile to procure and sell methanol-battery hybrid vehicles as the exclusive distributor for Harbin region. We had procured 25 methanol-battery hybrid vehicles during the year ended December 31, 2024.

Annual caps

The following table sets forth the proposed annual caps for the purchase amount payable by us (including PBV Co and other members of our Group) to Chongqing Ruilan Automobile Sales, Yizhen Automobile Sales and Lingji Automobile under the Vehicle Procurement Framework Agreements:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Purchase amount to be paid by our Group (including PBV Co) to Chongqing Ruilan Automobile Sales, Yizhen Automobile Sales and Lingji Automobile	[3,746.7]	[5,060.6]	[6,867.8]

The proposed annual caps have been estimated based on the following factors:

(i) the historical transaction amounts and vehicle procurement arrangements between us, Geely Group, Zhejiang Jidi Group, Yizhen Automobile Sales and Zhejiang Yizhen Automobile Co., Ltd. during the Track Record Period;

(ii) the manufacturing costs of each type of vehicle, the cost of batteries procured from third parties and the purchase price of the vehicles;

(iii) we expect to procure (a) approximately 165, nil and nil Maple 80V vehicles, (b) approximately 40,000, 53,000 and 68,000 CaoCao 60 vehicles, (c) approximately 250, 500 and 500 LEVC vehicles, (d) approximately 2,000, 2,000, and 2,000 methanol-battery hybrid vehicles, (e) approximately nil, 1,000 and 5,000 Robotaxi vehicles, (f) approximately 30, nil and nil Link Z10 vehicles, and (g) approximately 1,000, 1,500, and 1,500 Galaxy L6 EM-i vehicles in 2025, 2026 and 2027, respectively. The number and types of vehicles to be procured are based on our current estimate of operational demands, which are subject to adjustments to accommodate future needs, provided that in any event the aggregate transaction amounts are expected to remain within the proposed annual caps;

(iv) as disclosed above, PBV Co also procures vehicles under the CaoCao brand from Chongqing Ruilan Automobile Sales to be sold to our customers, including our car partners, drivers and third parties in the shared mobility industry. Most of the CaoCao 60 vehicles we procured from Chongqing Ruilan Automobile Sales in 2023 were deployed for our operations. We began to sell CaoCao 60 vehicles externally in June 2023 and PBV Co has sold approximately 1,100 and 7,914 vehicles to our customers in 2023 and 2024, respectively. Based on the increase in sales of CaoCao 60 in 2024, the gradual recognition of CaoCao 60 by car partners and drivers, and the accumulation of sales experience by our employees, we expect that the number of vehicles to be sold externally will continue to increase in the next three years. We expect to sell approximately 15,000 to 32,000, 25,000 to 45,000 and 40,000 to 60,000 CaoCao 60 vehicles to our customers in 2025, 2026 and 2027, respectively, which will lead to a significant increase in the purchase amount to be paid to Chongqing Ruilan Automobile Sales in the coming three years as compared to that in 2024; and

(v) as disclosed above, we also plan to procure methanol-battery hybrid vehicles and Galaxy L6 EM-i vehicles from Lingji Automobile to be sold to our customers, including our car partners, drivers and third parties in the shared mobility industry. We expect to sell approximately 2,500 to 3,500 methanol-battery hybrid vehicles and Galaxy L6 EM-i vehicles to our customers in each of 2025, 2026 and 2027.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Vehicle Procurement Framework Agreements for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions under the Listing Rules subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules, and the independent shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

11. PBV Vehicle Procurement Framework Agreement

Principal terms

On [●], we entered into a vehicle procurement framework agreement (the "**PBV Vehicle Procurement Framework Agreement**") with PBV Co, pursuant to which PBV Co will sell CaoCao brand purpose-built vehicles managed by it exclusively to other members of our Group, and in return, we shall pay PBV Co purchase price for the vehicles purchased.

The initial term of the PBV Vehicle Procurement Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2027. Subject to compliance with Listing Rules and applicable laws and regulations, the PBV Vehicle Procurement Framework Agreement may be renewed upon mutual consent by the parties. Separate underlying agreements will be entered into which will set out the specifications, price and quantity of vehicles under the CaoCao brand, method of payment and other details of the procurement arrangement in the manner provided in the PBV Vehicle Procurement Framework Agreement.

Reasons for the transaction

As PBV Co is a brand operation entity which is primarily responsible for the design, branding, sales and marketing of vehicles under the CaoCao brand, other members of our Group will purchase such vehicles from PBV Co to carry out online ride hailing services. See the section headed "10. Vehicle Procurement Framework Agreements" above for the reasons and benefits for the establishment of PBV Co and the arrangements for the procurement and sale of vehicles under the CaoCao brand. In order to reduce the initial purchase costs, PBV Co procures purpose-built vehicles under the CaoCao brand with built-in batteries and sells the built-in batteries of most vehicles to Hangzhou Yineng prior to the sale of the vehicles to other members of our Group, and Hangzhou Yineng will then lease the batteries to our Group for the operations of our car fleet. See the sections headed "9. Battery Sales Framework Agreement" and "12. Battery Services Framework Agreements" for the reasons and benefits for battery sales and battery services arrangements.

Pricing policies

The purchase price payable by other members of our Group for the purchase of vehicles under the CaoCao brand from PBV Co will be based on (i) the purchase price of such vehicles paid by PBV Co to Chongqing Ruilan Automobile Sales, (ii) whether the vehicles purchased from PBV Co have built-in batteries, (iii) the expenses of PBV Co spent on the design, development and marketing of the purpose-built vehicles, (iv) the expenses for the operation of the CaoCao brand, (v) the number of vehicles to be procured; and (vi) a profit margin of no more than 10%, which will be determined taking into account the profit margins of vehicle brand operators with similar specifications and the overall average profit margin of the relevant industry. In any event, the purchase price payable by the other members of our Group to PBV Co shall be no less favorable to such members than the price of the same vehicles offered by PBV Co to Independent Third Parties.

Historical amounts

PBV Co started to sell CaoCao 60 vehicles to other members of our Group for our own operations in May 2023. The purchase amount paid by other members of our Group to PBV Co in respect of the procurement of CaoCao brand purpose-built vehicles for each of the years ended December 31, 2022, 2023 and 2024 were nil, RMB864.4 million and RMB307.5 million, respectively.

The decrease in purchase amount paid by other members of our Group to PBV Co in 2024 is due to the decrease in the number of CaoCao 60 vehicles procured by us in 2024, which amounted to approximately 3,422 CaoCao 60 vehicles with built-in batteries, as compared to 12,707 CaoCao 60 vehicles without built-in batteries procured in 2023, as we have increased our procurement in 2023 to replace the majority of our existing vehicles, and we only replaced a small portion of our existing vehicles in accordance with their useful lives in 2024.

Annual caps

The following table sets forth the proposed annual caps for the purchase price payable by other members of our Group to PBV Co under the PBV Vehicle Procurement Framework Agreement:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Purchase price to be paid by other members of our Group to PBV Co	[1,388.5]	[1,044.7]	[1,184.1]

The proposed annual caps have been estimated based on the following factors:

(i) the estimated price of vehicles under the CaoCao brand;

(ii) the expected number of vehicles under the CaoCao brand to be purchased to support the continuous development of our online ride hailing services and external sale for the coming three years, which is expected to be approximately 16,200, 12,500, and 14,000 CaoCao 60 vehicles in each of 2025, 2026 and 2027. For further details, see "Business—Our Strategies"; and

(iii) the estimated number of vehicles with built-in batteries to be sold by PBV Co to other members of the Group in the coming three years, in particular in cities where Hangzhou Yineng does not operate battery swap stations and accordingly are unable to provide battery services to our Group. The built-in batteries of such vehicles are not removed and sold to Hangzhou Yineng, and such batteries are sold together with the vehicles to other members of our Group instead.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the PBV Vehicle Procurement Framework Agreement for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions under the Listing Rules subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules, and the independent shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

12. Battery Services Framework Agreements

Principal terms

On [●], we entered into battery services framework agreements with Hangzhou Yineng and Chongqing Ruilan Automobile Sales (the "**Battery Services Framework Agreements**"), pursuant to which Hangzhou Yineng and Chongqing Ruilan Automobile Sales will provide battery and ancillary services whereby batteries are leased to us, and in return, we shall pay service fees in accordance with the Battery Services Framework Agreements.

The initial term of the Battery Services Framework Agreements will commence on the [**REDACTED**] and end on December 31, 2027, subject to renewal upon mutual consent by the parties. Separate agreements will be entered into which will set out the precise scope of services, service fees calculation, method of payment and other details of the service arrangement in the manner provided in the Battery Services Framework Agreements.

Reasons for the transaction

As disclosed in the section headed "10. Vehicle Procurement Framework Agreements" above, we have been deploying purpose-built vehicles with battery swap capability (namely Maple 80V) since April 2022. In order to lower the initial purchase price of our purpose-built vehicles and to facilitate the swapping of batteries of our purpose-built vehicles at the battery swap station of Geely Group, we have leased batteries from Hangzhou Yineng since 2022. Depleted batteries of our purpose-built vehicles are changed with fully charged batteries at battery swap stations of Geely Group and the depleted batteries are then charged for subsequent battery swaps. In cities where Hangzhou Yineng does not operate battery swap stations, we may procure purpose-built vehicles without batteries and lease batteries from Chongqing Ruilan Automobile Sales directly at the same rate. The Directors consider that the provision of battery services by Hangzhou Yineng and Chongqing Ruilan Automobile Sales would benefit us for the following reasons:

- as Geely Group manufactures our purpose-built vehicles, companies within the Geely Group can provide batteries that are compatible with our purpose-built vehicles;

- the arrangement can comprehensively meet our need for battery leasing services. Hangzhou Yineng operates an established network of battery swap stations for battery swapping which can support our online ride hailing services. Where Hangzhou Yineng does not operate battery swap stations, we can lease batteries from Chongqing Ruilan Automobile Sales directly at the same rate to reduce the initial cost of procurement of batteries; and

- the battery leasing arrangement saves the upfront payment by our Group for the purchase of batteries, which provides more cashflow for our Group's operations.

Pricing policies

The battery service fees payable by us for the battery services provided by Hangzhou Yineng and Chongqing Ruilan Automobile Sales will be charged based on the prevailing market rates and shall be in line with service fees offered by Hangzhou Yineng and Chongqing Ruilan Automobile Sales to Independent Third Parties for the leasing of batteries with similar capacity and output. A discount on the battery service fees will be applied for bulk orders.

We will make inquiries on the service fees charged by Independent Third Parties for battery services in order to assess the prevailing market rates for comparison to ensure that the service fees payable by us are on normal commercial terms and are fair and reasonable and in the interest of our Company and the Shareholders as a whole.

Historical amounts

The total battery service fees paid by us to Yiyi Internet, Hangzhou Yineng and Chongqing Ruilan Automobile Sales for each of the years ended December 31, 2022, 2023 and 2024 were RMB39.5 million, RMB152.6 million and RMB226.1 million, respectively. Due to the adjustment in operation of Yiyi Internet in July 2024, batteries previously sold to Yiyi Internet were transferred to Hangzhou Yineng, and we no longer receive battery services from Yiyi Internet since July 2024.

Annual caps

The following table sets forth the proposed annual caps for service fees payable by us to Hangzhou Yineng and Chongqing Ruilan Automobile Sales under the Battery Services Framework Agreements:

	Proposed Annual Cap for the Year Ending December 31,		
	2025	**2026**	**2027**
	(RMB in millions)		
Service fees to be paid by us to Hangzhou Yineng and Chongqing Ruilan Automobile Sales	[293.4]	[324]	[351.7]

The proposed annual caps have been estimated based on the following factors:

(i) as disclosed in the sections headed "10. Vehicle Procurement Framework Agreements" and "11. PBV Vehicle Procurement Framework Agreement" above, it is expected that we will continue to procure new purpose-built vehicles with battery swap capability from Chongqing Ruilan Automobile Sales and/or PBV Co for our business operations, specifically approximately 8,000 vehicles in each of 2025, 2026 and 2027, which in turn will increase the total number of vehicles with battery swap capability we hold for our operations and our demand for battery services for the coming three years; and

(ii) the expected rate of service fees, taking into account the prevailing market rates offered by Hangzhou Yineng and Chongqing Ruilan Automobile Sales to Independent Third Parties for the leasing of batteries with similar capacity and output and the historical trend.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Battery Services Framework Agreements for each of the three years ending December 31, 2027 calculated for the purposes of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of

our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules, and the independent shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

13. CONTRACTUAL ARRANGEMENTS

Background

As disclosed in the section headed "Contractual Arrangements" in this document, due to regulatory restrictions on foreign ownership in the PRC, we conduct certain business through the Consolidated Affiliated Entities in the PRC. We do not hold any equity interests in the Consolidated Affiliated Entities. The Contractual Arrangements among Hangzhou Youxing, the WFOE and its registered shareholders, including Geely Holding and Zhejiang Jidi, enable us to (i) receive substantially all of the economic benefits from the Consolidated Affiliated Entities in consideration of the services provided by the WFOE to Hangzhou Youxing; (ii) exercise effective control over the Consolidated Affiliated Entities through Hangzhou Youxing; and (iii) hold an exclusive option to purchase all or part of the equity interests and/or assets in Hangzhou Youxing when and to the extent permitted by PRC laws. See the section headed "Contractual Arrangements" for further details.

See the section headed "Contractual Arrangements" for detailed terms of the Contractual Arrangements.

Listing Rules implications

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules upon [**REDACTED**] as Geely Holding and Zhejiang Jidi are connected persons of our Group.

The Directors (including the independent non-executive Directors) are of the view that (i) the Contractual Arrangements and the transactions contemplated thereunder are fundamental to our Group's legal structure and business; and (ii) such transactions have been and will be entered into in the ordinary and usual course of business of our Group on normal commercial terms and are fair and reasonable and in the interests of our Company and the Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into, among others, by the Consolidated Affiliated Entities and any member of our Group technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, the Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company if such transactions are subject to strict compliance with the requirements under Chapter 14A of the Listing Rules, including, among others, the announcement, circular and independent shareholders' approval requirements.

INTERNAL CONTROL PROCEDURES

In order to ensure that the terms under the relevant framework agreements for the continuing connected transactions are fair and reasonable, and no less favorable to us than terms available to or from Independent Third Parties, and the connected transactions are carried out under normal commercial terms, we have adopted the following internal control procedures:

- we have adopted and implemented a management system on connected transactions. Under such system, the audit committee is responsible for the review on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the audit committee, our Board and various internal departments of our Company (including but not limited to the finance department and legal department) are jointly responsible for evaluating the terms under the framework agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;

- the audit committee, our Board and various internal departments of our Company also regularly monitor the fulfillment status and the transaction updates under the framework agreements. In addition, the management of the Company also regularly reviews the pricing policies of the framework agreements;

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation to ensure that, in accordance with the Listing Rules, the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the applicable pricing policies; and

- when considering the fees payable to us by the connected persons or fees payable by us to the connected persons, our Company will continue to regularly research prevailing market conditions and practices and make reference to the pricing and terms between our Company and Independent Third Parties for similar transactions, to ensure that the pricing and terms offered by or to the connected persons are fair, reasonable and are no less favorable to us than those offered by or to Independent Third Parties.

WAIVER APPLICATION

Travel Agency Services Framework Agreement, Online Ride Hailing Services Framework Agreements, Vehicle Insurance Service Framework Agreement and Business, R&D Support Services Framework Agreement, Customer Referral Service Framework Agreement, Vehicle Parts Procurement Framework Agreements, Technology Service Framework Agreement, Used Vehicle Sales Framework Agreements and Battery Sales Framework Agreement

In respect of the Travel Agency Services Framework Agreement, the Online Ride Hailing Services Framework Agreements, Vehicle Insurance Service Framework Agreement and Business, R&D Support Services Framework Agreement, Customer Referral Service Framework Agreement, Vehicle Parts Procurement Framework Agreements, Technology Service Framework Agreement, Used Vehicle Sales Framework Agreements and Battery Sales Framework Agreement, since the highest applicable percentage ratio calculated for the purposes of Chapter 14A of the Listing Rules for each of the three years ending December 31, 2027 is expected to exceed 0.1%, but less than 5% on an annual basis, the transactions contemplated thereunder are exempt from the circular and the independent shareholders' approval requirements, but are subject to the announcement requirements under Rule 14A.35 of the Listing Rules and the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules.

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 strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules in respect of these transactions, provided that the total values of these transactions for each of the three years ending December 31, 2027 will not exceed the relevant proposed annual caps above.

Vehicle Procurement Framework Agreements, PBV Vehicle Procurement Framework Agreement and Battery Services Framework Agreements

In respect of the Vehicle Procurement Framework Agreements, the PBV Vehicle Procurement Framework Agreement and Battery Services Framework Agreements, since the highest applicable percentage ratios calculated for the purposes of Chapter 14A of the Listing Rules for each of the three years ending December 31, 2027 are expected to be exceed 5% on an annual basis, the transactions contemplated thereunder are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

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 strict compliance with the announcement, circular and independent Shareholders' approval requirements under the Listing Rules in respect of these transactions, provided that the total amount of transactions for each of the three years ending December 31, 2027 will not exceed the relevant proposed annual caps as set out above. The independent non-executive Directors and auditors of our Company will review whether the transactions under the above continuing connected transactions have been entered into pursuant to the principal terms and pricing policies under the relevant agreements as disclosed in this section. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually according to the requirements of the Listing Rules.

Contractual Arrangements

In relation to the Contractual Arrangements, our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated thereunder are fundamental to our legal structure and business operations. Our Directors also believe that our structure, whereby the financial results of our Consolidated Affiliated Entities are consolidated into our financial statements as if they were our Company's wholly owned subsidiaries, and all the economic benefits of their business flows to our Group, places our Group in a special position in relation to the connected transactions rules. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into, among others, by our Consolidated Affiliated Entities and any member of our Group from time to time (including our Consolidated Affiliated Entities) (the "**New Intergroup Agreements**") technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, for all such transactions to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and independent shareholders' approval requirements.

In respect of the Contractual Arrangements and the New Intergroup Agreements, we have applied for, and the Stock Exchange [has granted] us, waivers from strict compliance with (i) the announcement, circular and independent shareholders' approval requirements pursuant to Rule 14A.105 of the Listing Rules, (ii) the requirement to limit the term to three years or less under Rule 14A.52 of the Listing Rules, and (iii) the requirement to set annual caps under Rule 14A.53 of the Listing Rules, for so long as our Shares are [**REDACTED**] on the Stock Exchange subject to the following conditions.

No change without independent non-executive Directors' approval

Save as described below, no change to the Contractual Arrangements (including with respect to any fees payable to the WFOE thereunder) will be made without the approval of our independent non-executive Directors.

No change without independent Shareholders' approval

Save as described below, no change to the agreements governing the Contractual Arrangements will be made without the approval of our independent Shareholders. Once independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent Shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company will however continue to be applicable.

Economic benefits and flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through (i) our Group's options (if and when so allowed under applicable PRC laws) to acquire, all or part of the equity interests in the Consolidated Affiliated Entities for nil consideration or the minimum amount of consideration permitted by applicable PRC laws and regulations, (ii) the business structure under which the profit generated by the Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to the WFOE by our Consolidated Affiliated Entities under the Contractual Arrangements, and (iii) our Group's right to control the management and operation of, as well as, in substance, a substantial portion of the voting rights of the Consolidated Affiliated Entities.

Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between, on the one hand, our Company and the subsidiaries in which our Company has direct shareholding and, on the other hand, the Consolidated Affiliated Entities, this framework may be renewed and/or reproduced without an announcement, circular, or obtaining the approval of our Shareholders (i) upon the expiry of the existing arrangements, (ii) in connection with any changes to the shareholders or directors of, or of their shareholdings in, the Consolidated Affiliated Entities, or (iii) in relation to any existing, new or acquired wholly foreign-owned enterprise or operating company (including branch company) engaging in a business similar or relating to those of our Group.

The directors, chief executive or substantial shareholders of any existing, new or acquired wholly foreign-owned enterprise or operating company (including branch company) engaging in a business similar or relating to those of our Group will, upon renewal and/or reproduction of the Contractual Arrangements, be treated as connected persons of our Group and transactions between these connected persons and our Group other than those under similar Contractual Arrangements shall comply with Chapter 14A of the Listing Rules.

This condition is subject to relevant PRC laws, regulations and approvals. Any such renewed or reproduced agreements will be on substantially the same terms and conditions as the existing Contractual Arrangements.

Ongoing reporting and approvals

We will disclose details relating to the Contractual Arrangements on an ongoing basis:

- the Contractual Arrangements in place during each financial period will be disclosed in our Company's annual report and accounts in accordance with the relevant provisions of the Listing Rules;

- our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company's annual report that for the relevant year (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group, and (iii) any new contracts entered into, renewed or reproduced between our Group and the Consolidated Affiliated Entities are fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of our Shareholders as a whole;

- our Company's auditors will carry out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange, confirming that the transactions have been approved by our Board, have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;

- for the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person," our Consolidated Affiliated Entities will be treated as our Company's subsidiaries, but at the same time, the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and their associates will be treated as connected persons of our Company as applicable under the Listing Rules (excluding for this purpose, the Consolidated Affiliated Entities themselves), and therefore transactions between these connected persons and our Group (including for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules; and

- our Consolidated Affiliated Entities will, for so long as our Shares are [**REDACTED**] on the Stock Exchange, provide our Group's management and our Company's auditors with full access to their relevant records for the purpose of reporting on the connected transactions.

DIRECTORS' CONFIRMATION

Our Directors (including independent non-executive Directors) are of the view that: (i) the continuing connected transactions set out above have been and will be entered into in our ordinary and usual course of business on normal commercial terms or better, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, (ii) the proposed annual caps for these transactions are fair and reasonable and in the interests of our Company and the Shareholders as a whole, and (iii) it is normal business practice for the Contractual Arrangements to be of a term greater than three years.

JOINT SPONSORS' CONFIRMATION

The Joint Sponsors have (i) reviewed the relevant documents and information provided by our Company in relation to the above continuing connected transactions; (ii) obtained necessary representations and confirmations from our Company and the Directors, and (iii) participated in the due diligence and discussions with the management of our Group.

Based on the above, the Joint Sponsors are of the view that the aforesaid non-exempt continuing connected transactions, for which waivers have been sought, have been entered into in the ordinary and usual course of our business on normal commercial terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of these non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

With respect to the term of the relevant agreements underlying the Contractual Arrangements which is of a duration longer than three years, the Joint Sponsors are of the view that it is a justifiable and normal business practice to ensure that (i) policies of the Consolidated Affiliated Entities can be effectively controlled by the WFOE, (ii) the WFOE can obtain the economic benefits derived from our Consolidated Affiliated Entities, and (iii) any possible leakages of assets and values of our Consolidated Affiliated Entities can be prevented on an uninterrupted basis.

DIRECTORS

Our Board consists of nine Directors, including one executive Director, five non-executive Directors, and three independent non-executive Directors. The following table sets forth certain information about the Directors.

Name	Age	Position	Joining Date	Appointment Date	Roles and Responsibilities
Mr. Xin Gong (龔昕先生)	38	Executive Director and Chief Executive Officer	May 27, 2021	November 8, 2021	Overall executive and business direction and overall management of our Group
Mr. Jian Yang (楊健先生)	62	Non-Executive Director and Chairman of the Board	January 19, 2023	April 10, 2024	Overseeing Board affairs and providing strategic advice and guidance on the Group's affairs
Mr. Quan Zhang (張權先生)	45	Non-Executive Director	March 30, 2022	April 10, 2024	Overseeing Board affairs and providing strategic advice and guidance on the Group's affairs
Mr. Jinliang Liu (劉金良先生)	58	Non-Executive Director	May 21, 2015	April 10, 2024	Overseeing Board affairs and providing strategic advice and guidance on the Group's affairs
Mr. Yang Li (李陽先生)	39	Non-Executive Director	March 16, 2023	April 10, 2024	Overseeing Board affairs and providing strategic advice and guidance on the Group's affairs
Ms. Xiaohong Zhou (周肖虹女士)	44	Non-Executive Director	August 22, 2022	April 10, 2024	Overseeing Board affairs and providing strategic advice and guidance on the Group's affairs
Ms. Xin Liu (劉欣女士)	63	Independent Non-Executive Director	[REDACTED]	April 22, 2024 (effective upon [REDACTED])	Providing independent opinion and judgment to the Board

Name	Age	Position	Joining Date	Appointment Date	Roles and Responsibilities
Ms. Ning Liu (劉寧女士)	56	Independent Non-Executive Director	[REDACTED]	Effective upon [REDACTED]	Providing independent opinion and judgment to the Board
Mr. Qiang Fu (付強先生)	46	Independent Non-Executive Director	[REDACTED]	Effective upon [REDACTED]	Providing independent opinion and judgment to the Board

Executive Director

Mr. Xin Gong (龔昕先生), aged 38, is an executive Director and the chief executive officer of our Company. Mr. Gong has over 13 years of experience in internet and mobility services. Prior to joining us, Mr. Gong served as general manager of urban services of Ant Group Co., Ltd. from July 2020 to May 2021. From March 2015 to July 2020, he served at DiDi (China) Technology Limited in various management positions, including as the general manager of premier mobility service in 2018, general manager of chauffeur service in 2016 and 2017, and general manager of e-bike sharing service. As general manager of these business units, Mr. Gong oversaw various aspects of the services including product, technology, growth, operation, human resources, and finance. From July 2011 to March 2015, he served as senior product manager at Tencent Technology (Shenzhen) Company Limited.

Mr. Gong received a bachelor's degree in communication engineering and a master's degree in communication and information system from the University of Electronic Science and Technology of China in July 2008 and June 2011, respectively.

Non-Executive Directors

Mr. Jian Yang (楊健先生), aged 62, is a non-executive Director and Chairman of the Board of our Company. Mr. Yang has served as the vice chairman of the board of directors of Geely Holding since December 2012 and as a director of Geely Holding since March 2003. Mr. Yang has served as the vice chairman of the board of Zhejiang Qianjiang Motorcycle Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000913) since November 2016. Mr. Yang served as a director of Lifan Technology (Group) Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 601777) from January 2021 to September 2022, an executive director of Geely Automobile (stock code: 175 (HKD counter) and 80175 (RMB counter)) from June 2005 to May 2022, and a director of Hunan Corun New Energy Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600478) from October 2018 to August 2020.

Mr. Yang graduated from Zhejiang Radio and TV University (currently known as Zhejiang Open University) with a major in engineering management in July 1987. Mr. Yang is a senior economist recognized by the Personnel Department of Zhejiang Province, and a senior engineer recognized by China Society of Automotive Engineers in 2007. Mr. Yang was recognized as Hangzhou High-level Talent by the Talent Office of the Hangzhou Municipal Committee of the Communist Party of China and Hangzhou Human Resources and Social Security Bureau.

Mr. Quan Zhang (張權先生), aged 45, is a non-executive Director of our Company. Mr. Zhang joined Geely Holding in 2014 and has held a number of different positions. Mr. Zhang has served as Geely Holding's vice president since July 2022 and as its chief financial officer since May 2021. Mr. Zhang served as Geely Holding's deputy chief financial officer from December 2020 to May 2021.

Mr. Zhang received a bachelor's degree in international accounting from Shanghai University of Finance and Economics in July 2002.

Mr. Jinliang Liu (劉金良先生), aged 58, is a non-executive Director of our Company. Mr. Liu is a director of Hangzhou Youxing and served as the chairman of the board of directors of Hangzhou Youxing from December 2017 to March 2022. Mr. Liu currently serves as the chairman of the board of directors of Weixing Technology Co., Ltd. and the chairman of the board of directors of Chongqing Xingfu Qianwanjia Technology Co., Ltd. For a description of the delineation of business between us and Weixing Technology Co., Ltd. and Chongqing Xingfu Qianwanjia Technology Co., Ltd., see "Relationship with Our Controlling Shareholders—Delineation of Business."

Mr. Liu currently serves as the chairman of the board of directors of Hangzhou Langge Technology Co., Ltd. from January 2024, the chief executive officer of Yiyi Internet Technology Co., Ltd. from February 2023, a director of Lifan Technology (Group) Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 601777) from September 2022, and a director of Chongqing Ruilan Automobile Technology Co., Ltd. from January 2022. Mr. Liu served as a director of Zhejiang Geely Automobile Research Institute Co., Ltd. from February 2011 to September 2022.

Mr. Liu received his bachelor's degree in industrial and business management from Beijing Institute of Economics (currently known as Capital University of Economics and Business) in July 1989.

Mr. Yang Li (李陽先生), aged 39, is a non-executive Director of our Company. Mr. Yang Li is a seasoned professional in the fields of private equity and investment management, and has been serving as senior vice president of Oceanpine Capital since September 2017.

Mr. Yang Li graduated from Beijing Institute of Technology with a major in biological engineering in July 2007, and obtained a master's degree in business administration from Renmin University of China in June 2016.

Ms. Xiaohong Zhou (周肖虹女士), aged 44, is a non-executive Director of our Company. Ms. Zhou has served as a director and general manager of Xiandao (Suzhou) Digital Industry Investment Co., Ltd. since February 2022, and is currently serving as its president. From August 2022 to August 2023, Ms. Zhou served as a director of Hubei ECARX Science and Technology Co., Ltd. From August 2021 to July 2022, Ms. Zhou worked as a general manager at Suzhou Gaotie Xincheng Smart Internet of Vehicles Industry Development Co., Ltd.

Ms. Zhou received a bachelor's degree in accounting from China University of Geosciences in July 2006.

Independent Non-executive Directors

Ms. Xin Liu (劉欣女士), aged 63, was appointed as an independent non-executive Director of our Company taking effect on the [**REDACTED**].

Ms. Liu has over 30 years of experience in the finance industry. Ms. Liu has served as an independent director of Zhejiang Qianjiang Motorcycle Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000913) since May 2021 and a director of Great Wall Changsheng Life Insurance Co., Ltd. since November 2015. Ms. Liu has also served as a director of VOFON Boosting Systems (Ningbo) Co., Ltd. and Hezhong Property Insurance Co., Ltd., since December 2020 and October 2021, respectively. Ms. Liu previously served as a senior expert at the subsidiary management department of China Great Wall Asset Management Co., Ltd. starting from May 2020, a general manager of the Beijing branch office of Great Wall Changsheng Life Insurance Co., Ltd. from March 2011, and a senior lecturer at the Agricultural Bank of China.

Ms. Liu received a bachelor's degree in economics from Shaanxi Institute of Finance and Economics in June 1988. Ms. Liu obtained a qualification certificate as an independent director recognized by the Shenzhen Stock Exchange in January 2022.

Ms. Liu possesses appropriate professional accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules. She has gained such expertise through her experiences, including the following:

- serving as the general manager of the Beijing branch office of Great Wall Changsheng Life Insurance Co., Ltd., overseeing and managing the financial position, financial budgeting and risk exposure of the company;

- serving as a director of Great Wall Changsheng Life Insurance Co., Ltd., reviewing the annual financial statements and formulating the financial budget of the company;

- serving as a senior lecturer at the Agricultural Bank of China, where Ms. Liu gave lectures and authored training materials on numerous accounting, auditing and financial management related topics;

- serving as an independent director of Zhejiang Qianjiang Motorcycle Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000913) where Ms. Liu is involved in the periodic reviews of financial statements and reports, overseeing the financial reporting system and the review of risk management and internal control systems;

- serving as a director in VOFON Boosting Systems (Ningbo) Co., Ltd. and Hezhong Property Insurance Co., Ltd., and serving as an independent director in Bank of Taizhou Co., Ltd., which are non-listed companies, where Ms. Liu is/was involved in the periodic reviews of financial statements and reports, overseeing the financial reporting system and the review of risk management and internal control systems; and

- editing publications on financial, auditing and accounting related subjects, including *Singapore Financial System* and *Internal Auditing Practice* of *Financial Asset Management Company.*

Ms. Ning Liu (劉寧女士), aged 56, was appointed as an independent non-executive Director of our Company taking effect on the [**REDACTED**]. Ms. Liu has extensive experience in the securities industry and was the secretary of the board of directors of China Merchants Shekou Industrial Zone Holdings Co., Ltd. from December 2015 to January 2023 and its senior consultant from January 2023 to December 2023. Ms. Liu is currently a director of Fuhua Tongda Chemical Company. Ms. Liu has served as an independent director of CIMC Vehicles (Group) Co., Ltd. (stock code: 301039) since September 2024, and an independent director of Guangdong TCL Smart Home Appliances Co., Ltd. (stock code: 002668) since June 2024. Ms. Liu has served as an independent director of Han's Laser Technology Industry Group Co., Ltd. (stock code: 002008) from January 2024, served as its independent director from June 2017 to December 2018, and served as a director of China Merchants Property Operation & Service Co., Ltd. (stock code: 001914) from December 2019 to February 2023. The above four companies are all listed on the Shenzhen Stock Exchange. Ms. Liu also served as a non-executive director of the China Merchants Commercial Real Estate Investment Trust (stock code: 1503) from December 2019 to May 2023 and a non-executive director of China Merchants Land Limited (stock code: 978) from June 2012 to February 2023, both of which are listed on the Stock Exchange.

Ms. Liu was a member of the 8th and 9th sessions of the Listing Committee of the Shenzhen Stock Exchange from September 2014 to September 2016, and from September 2016 to September 2018.

Ms. Liu obtained a Master of Business Administration from Macau University of Science and Technology in March 2003. Ms. Liu holds a Qualification Certificate for Secretary of the Board of Directors issued by the Shenzhen Stock Exchange in October 2004.

Mr. Qiang Fu (付強先生), aged 46, was appointed as an independent non-executive Director of our Company taking effect on the [**REDACTED**]. Mr. Fu has approximately 10 years of experience in online ride hailing and mobility services. Mr. Fu has served as the chief executive officer of Zhixiang Technology Co., Ltd. since March 2024. Prior to that, Mr. Fu served various position at an internet company from April 2014 to March 2023, including as chief executive officer of a major business group.

Mr. Fu graduated from Sichuan University with a major in radio physics in June 2005.

Save as disclosed above, none of the Directors had held any directorships in listed companies during the three years immediately prior to the Latest Practicable Date. There is no other information in respect of the Directors to be disclosed pursuant to Rules 13.51(2)(a) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders or potential [**REDACTED**].

SENIOR MANAGEMENT

The following table provides information about members of the senior management of our Company:

Name	Age	Position	Joining Date	Appointment Date	Roles and Responsibilities
Mr. Xin Gong (龔昕先生)	38	Chief Executive Officer	May 27, 2021	May 27, 2021	Overall executive and business direction and overall management of our Group
Mr. Sensen Liu (also known as Leslie Liu) (柳森森先生)	43	Executive President and Chief Financial Officer	November 9, 2021	November 9, 2021	Overall management of our Group and overseeing capital operation and finance
Mr. Qi Qiang (強琦先生)	47	Chief Technology Officer	November 1, 2021	November 1, 2021	Responsible for our product and technology development
Mr. Liqun Liu (劉立群先生)	43	General Manager of CaoCao Vehicle Center	October 10, 2021	October 10, 2021	Responsible for managing our vehicle related businesses

Mr. Xin Gong (龔昕先生), aged 38, is the executive director and the chief executive officer of our Company. For further details, please see the paragraph headed "– Executive Director" in this section.

Mr. Sensen Liu (also known as Leslie Liu) (柳森森先生), aged 43, is the executive president and the chief financial officer of our Company. Mr. Liu has more than 9 years of experience in online ride hailing and mobility services. Prior to joining us, Mr. Liu served as a partner and the chief financial officer of a road freight transportation platform from September 2019 to November 2021. Prior to that, Mr. Liu served in various senior positions of a leading shared mobility company from September 2015 to September 2019, including as executive finance director of the company and the chief financial officer of its international division. Prior to that, Mr. Liu worked for nine years at Deloitte's Toronto and Shanghai offices, most recently as senior manager at the audit department, from July 2006 to August 2015.

Mr. Liu received his bachelor's degree from McMaster University in June 2006, with a major in management and a minor in economics. Mr. Liu has been a member of the American Institute of Certified Public Accountants and the Institute of Internal Auditors.

Mr. Qi Qiang (強琦先生), aged 47, is the chief technology officer of our Company. Mr. Qiang has more than 16 years of experience in software development. Prior to joining us, Mr. Qiang worked at Alibaba Group since December 2008 in various senior positions, including as vice president of the DingTalk business unit and chairman of DingTalk's technical committee where he had in depth participation in the development of DingTalk's products and services. From 2008 to 2016, Mr. Qiang served as senior technology specialist successively at Alibaba Group's search technology department and the data department of Alibaba Cloud, during which he was responsible for, among others, the big data infrastructure and computing platform of Alibaba Cloud.

Mr. Qiang received a bachelor's degree in industrial automation from North China University of Technology in July 2000 and a master's degree in computer science and technology from Zhejiang University in March 2006.

Mr. Liqun Liu (劉立群先生), aged 43, is the general manager of the CaoCao Vehicle Center of our Company. Mr. Liu has more than 16 years of experience in online ride hailing and mobility services. Prior to joining us, Mr. Liu joined Alibaba Group in May 2020 and served as senior business development expert. Prior to that, Mr. Liu joined WM Motor Technology Co., Ltd. (currently known as WM Motor Technology Group Co., Ltd.) in March 2016 and worked as director of market planning and general manager of the mobility business development department. Mr. Liu joined SAIC General Motors Company Ltd. in June 2008 as an expert advisor.

Mr. Liu received a bachelor's degree in advertising from Shanghai University in July 2004.

JOINT COMPANY SECRETARIES

Mr. Xueyin Zhong (鍾雪垠先生), aged 40, is one of our joint company secretaries. He joined our Group in November 2022 and is currently also our general counsel. Mr. Zhong is experienced in securities regulation and capital market. Prior to joining our Group, Mr. Zhong worked as a counsel in O'Melveny & Myers LLP from May 2021 to October 2022, an associate in Skadden, Arps, Slate, Meagher & Flom LLP's Hong Kong and Beijing office from September 2014 to April 2021, and a foreign attorney in TMI Associates' Tokyo Office from April 2011 to June 2013. During his career, Mr. Zhong has assisted more than 20 companies to raise billions of US dollars from public capital markets in the United States and Hong Kong.

Mr. Zhong received his bachelor's degree in law from Wuhan University in June 2007, master's degree in law from The University of Tokyo and New York University School of Law in March 2011 and May 2014 respectively. He is a Chartered Financial Analyst and qualified to practice law in New York state of the United States and the People's Republic of China.

Mr. Chung Shing Lee (李忠成先生) is one of our joint company secretaries. Mr. Lee has over 20 years of experience in auditing, financial management, company secretarial and investors relation in listed companies in Hong Kong. He is currently an assistant vice president in the Governance Services Department of Computershare Hong Kong Investor Services Limited and the joint company secretary/company secretary of various companies, whose shares are listed on the Stock Exchange.

Mr. Lee obtained a bachelor's degree in accountancy from City University of Hong Kong in December 1994 and a master's degree in business administration (financial services) from The Hong Kong Polytechnic University in November 2002. He was admitted as an associate of the Hong Kong Institute of Certified Public Accountants in March 1999 and a fellow member of the Association of Chartered Certified Accountants in July 2003.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Audit committee

We have established an audit committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls system of our Group and provide advice and recommendations to the Board. The audit committee comprises three members, namely, Ms. Xin Liu, Mr. Quan Zhang and Ms. Ning Liu, with Ms. Xin Liu as the chairperson of the audit committee.

Remuneration committee

We have established a remuneration committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the remuneration committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management. The remuneration committee comprises three members, namely Mr. Qiang Fu, Mr. Xin Gong and Ms. Xin Liu, with Mr. Qiang Fu as the chairperson of the remuneration committee.

Nomination committee

We have established a nomination committee with written terms of reference in compliance with Rule 3.27A and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the nomination committee are to make recommendations to our Board on the appointment of Directors and management of Board succession. The nomination committee comprises three members, namely Mr. Jian Yang, Ms. Ning Liu and Mr. Qiang Fu, with Mr. Jian Yang as the chairperson of the nomination committee.

Corporate Governance Code

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

Board Diversity

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company's competitive advantage and enhancing its ability to attract, retain, and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a Director of our Company, the nomination committee will consider a number of factors, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. Pursuant to the board diversity policy, the nomination committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption. Upon [**REDACTED**], our board will include three female directors.

Management Presence

According to Rule 8.12 of the Listing Rules, we must have sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Since the principal business operations of our Group are conducted in China, members of our senior management are, and are expected to continue to be, based in China. Further, we only have one executive Director, who plays a vital role in our Group's operations, it is crucial for him to remain in close proximity to our Group's central management located in China. Our Company does not and, for the foreseeable future, will not have a sufficient management presence in Hong Kong. We have applied for, and the Stock Exchange [has granted], a waiver from compliance with Rule 8.12 of the Listing Rules. For further details, see "Waivers and exemptions—Management presence in Hong Kong."

Confirmation from our Directors

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in April 2024, and (ii) understands his or her obligations as a director of a [**REDACTED**] under the Listing Rules.

Each of our independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as at the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

REMUNERATION

Our Directors receive remuneration, including salaries, discretionary bonuses, share-based payments, and other benefits in kind.

The aggregate amount of remuneration for our Directors for the years ended December 31, 2022, 2023, and 2024, was [**REDACTED**], [**REDACTED**], and [**REDACTED**], respectively. None of our Directors waived any remuneration during the aforesaid periods.

The five highest paid individuals of our Group for the years ended December 31, 2022, 2023, and 2024, included 1, 2, and 1 Directors, respectively. The aggregate amount of remuneration for the remaining highest paid individuals for the years ended December 31, 2022, 2023, and 2024, was [**REDACTED**], [**REDACTED**], and [**REDACTED**], respectively.

Save as disclosed above, no other payments have been paid or are payable, in respect of the years ended December 31, 2022, 2023, and 2024 by our Company to our Directors. For the year ending December 31, 2025, we expect to pay approximately [**REDACTED**] in aggregate remuneration to our Directors.

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors or past directors for the Track Record Period for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the same period.

Compliance Advisor

We have appointed Altus Capital Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company, among others, in the following circumstances:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this document;

(d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its [**REDACTED**] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Advisor shall commence on the [**REDACTED**] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

COMPETITION

Each of the Directors confirms that as of the Latest Practicable Date, save as disclosed in this document, he or she did not have any interest in a business which materially competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the Pre-[**REDACTED**] Share Incentive Plan, the following persons will have interests and/or short positions (as applicable) in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting rights of our Company or any other member of our Group:

SUBSTANTIAL SHAREHOLDERS OF OUR COMPANY

Name of substantial shareholders	Capacity/Nature of Interest	Number of Shares[(1)]	Approximate percentage of shareholding in our Company as at the Latest Practicable Date	Approximate percentage of shareholding in each class of share of our Company after the [REDACTED][(1)]
Ugo Investment Limited[(2)]	Beneficial interest	419,346,000	83.9%	[REDACTED]%
	Interest through voting rights entrustment arrangement[(4)]	21,403,500	4.3%	[REDACTED]%
Mr. Li[(2)]	Interest in controlled corporations	419,346,000	83.9%	[REDACTED]%
	Interest through voting rights entrustment arrangement[(4)]	21,403,500	4.3%	[REDACTED]%
Xiangcheng Xiangxing VC[(3)]	Beneficial interest	37,234,000	7.4%	[REDACTED]%

Notes:

(1) The table assumes (i) the [**REDACTED**] becomes unconditional and the [**REDACTED**] are issued pursuant to the [**REDACTED**], and (ii) the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Share Incentive Plan.

(2) Ugo Investment Limited is wholly owned by Mr. Li.

(3) The general partner of Xiangcheng Xiangxing VC is Suzhou Xiangcheng Venture Capital Co., Ltd. ("**Xiangcheng VC**"), which is wholly owned by Suzhou Xiangcheng Financial Holdings (Group) Co., Ltd., which is wholly owned by Suzhou Xiangcheng State-owned Capital Investment Co., Ltd., a state-owned enterprise controlled by Suzhou Xiangcheng District People's Government State-owned

Assets Supervision and Administration Office. More than one-third of the limited partnership interest is held by (i) Suzhou Huanxiuhu No. 1 Investment Co., Ltd., which is wholly owned by Suzhou Gaotie Xincheng Innovation and Venture Capital Co., Ltd., which in turn is wholly owned by Suzhou Gaotie Xincheng State-owned Assets Holding (Group) Co., Ltd., a state-owned enterprise controlled by Suzhou Gaotie Xincheng Management Committee, and (ii) Suzhou Xiangcheng District People's Government State-owned Assets Supervision and Administration Office through its two indirect wholly owned subsidiaries, namely Xiangcheng VC and Suzhou Xiangcheng Industry Investment Co., Ltd. Each of Xiangcheng VC, Suzhou Xiangcheng Financial Holdings (Group) Co., Ltd., Suzhou Xiangcheng State-owned Capital Investment Co., Ltd., Suzhou Huanxiuhu No. 1 Investment Co., Ltd., Suzhou Gaotie Xincheng Innovation and Venture Capital Co., Ltd., Suzhou Gaotie Xincheng State-owned Assets Holding (Group) Co., Ltd. is deemed to be interested in the Shares held by Xiangcheng Xiangxing VC under the SFO.

(4) Pursuant to the Voting Rights Entrustment Agreement, Oceanpine Marvel has entrusted Ugo Investment Limited to exercise the voting rights attached to the Shares held by it. For further details, see "History, Reorganization and Corporate Structure—Voting Rights Enstrustment Arrangement" in this [**REDACTED**].

SUBSTANTIAL SHAREHOLDERS OF OTHER MEMBERS OF OUR GROUP

Member of our Group	Name of substantial shareholder	Nature of interests	Approximate % held by the substantial shareholder
Shantou Youxing Taxi Co., Ltd.	Shantou Transportation Group Co., Ltd.	Beneficial interest	20%
Shenzhen Geely Youxing Technology Co., Ltd.	Shenzhen Junyuan Automobile Sales Service Co., Ltd.	Beneficial interest	40%
Chongqing Geely Youxing Technology Co., Ltd.	Chongqing Jinglian Travel Technology Co., Ltd.	Beneficial interest	16.3%
Suzhou Caozhi Automobile Co., Ltd.	Chongqing Ruilan Automobile Technology Co., Ltd.	Beneficial interest	45%

Save as disclosed above, our Directors are not aware of any other person who will, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the Pre-[**REDACTED**] Share Incentive Plan), have any interest and/or short positions in our Shares or underlying Shares which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other member of our Group.

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of our authorized share capital and the amount in issue and to be issued as fully paid or credited as fully paid immediately prior to and following the completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the Pre-[**REDACTED**] Share Incentive Plan:

Share capital as at the date of this document

Authorized share capital

Number	Description of share	Aggregate nominal value
4,919,346,000	Ordinary share with a par value of US$0.00001	US$49,193.46
80,654,000	Preferred share with a par value of US$0.00001	US$806.54
5,000,000,000	**Shares in total**	**US$50,000.00**

Issued shares

Number	Description of share	Aggregate nominal value
419,346,000	Ordinary share with a par value of US$0.00001	US$4,193.46
80,654,000	Preferred share with a par value of US$0.00001	US$806.54
500,000,000	**Shares in total**	**US$5,000.00**

Share capital immediately following the completion of the [REDACTED]

Issued share capital

Number	Description of share	Aggregate nominal value
[500,000,000]	Shares in issue	US$[5,000.00]
[REDACTED]	Shares to be issued pursuant to the [REDACTED]	US$[REDACTED]
[REDACTED]	**Shares in total**	**US$**[REDACTED]

Ranking

The [**REDACTED**] rank equally with all Shares currently in issue or to be issued as mentioned in this document and, in particular, will rank pari passu for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this document.

POTENTIAL CHANGES TO SHARE CAPITAL AFTER [REDACTED]

Circumstances under which general meeting and class meeting are required

Our Company may by ordinary resolution (i) increase its share capital by the creation of new shares; (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares; (iii) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person; and (iv) sub-divide its shares or any of them into shares of smaller amount. In addition, our Company may by special resolution reduce its share capital or any capital redemption reserve subject to any conditions prescribed by the Cayman Companies Act.

See "Summary of the Constitution of our Company and Cayman Islands Company Law—2. Articles of Association—(a) Shares—(iii) Alteration of capital" in Appendix III for further details.

If at any time the share capital of our Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Cayman Companies Act, be varied or abrogated only with (in addition to a special resolution to amend the Memorandum or the Articles) the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class by members holding shares representing three-fourths in nominal value of the shares Present (as defined in the Articles) and voting at such meeting.

See "Summary of the Constitution of our Company and Cayman Islands Company Law—2. Articles of Association—(a) Shares—(ii) Variation of rights of existing shares or classes of shares" in Appendix III for further details.

General mandate to issue Shares

Subject to the [**REDACTED**] becoming unconditional, our Directors were granted a general mandate to allot, issue and deal with any Shares or securities convertible into Shares (including the resale or transfer of treasury shares by our Company) of not more than the sum of:

- 20% of the total number of Shares in issue immediately following the completion of the [**REDACTED**] (but excluding any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and the shares to be issued under the Pre-[**REDACTED**] Share Incentive Plan); and

- the total number of Shares repurchased by our Company pursuant to the authority referred to in "—General mandate to repurchase Shares" below.

This general mandate to issue Shares will remain in effect until the earliest of:

- the conclusion of the next annual general meeting of our Company unless, by resolution of members passed at that meeting, the authority is renewed, either unconditionally or subject to condition;

- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the memorandum and articles of association of our Company; and

- the passing of resolution of members by our Shareholders in a general meeting revoking or varying the authority.

General mandate to repurchase Shares

Subject to the [**REDACTED**] becoming unconditional, our Directors were granted a general mandate to repurchase our own Shares up to 10% of the total number of Shares in issue immediately following the completion of the [**REDACTED**] (but excluding any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and the shares to be issued under the Pre-[**REDACTED**] Share Incentive Plan).

This mandate only relates to repurchases on the Stock Exchange or on any other stock exchange on which the securities of our Company may be [**REDACTED**] and which is recognized by the SFC and the Stock Exchange for this purpose, and in accordance with all applicable laws and the requirements under the Listing Rules or equivalent rules or regulations of any other stock exchange as amended from time to time.

This general mandate to repurchase Shares will remain in effect until the earliest of:

- the conclusion of the next annual general meeting of our Company unless, by resolution of members passed at that meeting, the authority is renewed, either unconditionally or subject to condition;

- the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the memorandum and the articles of association of our Company; and

- the passing of resolution of members by our Shareholders in a general meeting revoking or varying the authority.

See "Statutory and general information—Further information about our Group—5. Explanatory statement on repurchase of our own securities" in Appendix IV for further details of this general mandate to repurchase Shares.

SHARE INCENTIVE PLAN

We have adopted the Pre-[**REDACTED**] Share Incentive Plan. See "Statutory and general information—Pre-[**REDACTED**] Share Incentive Plan" in Appendix IV for further details.

You should read the following discussion and analysis in conjunction with our consolidated financial information and the related notes thereto included in the Accountant's Report in Appendix I to this document. Our consolidated financial information has been prepared in accordance with IFRS.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this document. For further details, see "Forward-Looking Statements."

OVERVIEW

We are a ride hailing platform in China originally incubated by Geely Group. We are known for our service quality, and have strengthened our brand image with a continually evolving fleet of purpose-built vehicles. According to Frost & Sullivan, we have ranked among the top three ride hailing platforms in China based on GTV in the last three years.

Predominantly, our revenues are generated from mobility services, particularly ride hailing. We provide vehicle leasing mainly to our car partners. Additionally, we engage in the sale of vehicles to these partners, independent fleet operators, and individual drivers. For a revenue breakdown of our services, see "—Description of Major Components of Our Results of Operations—Revenues."

We operated in 136 cities as of December 31, 2024. Our total GTV was RMB12.2 billion in 2023, representing an increase of 37.5% from 2022, and reached RMB17.0 billion in 2024, representing an increase of 38.8% from 2023 and 5.4% market share according to Frost & Sullivan. As of December 31, 2024, we have deployed a fleet of over 34,000 purpose-built vehicles across 31 cities, and the vehicles accounted for 25.1% of our total GTV in 2024. Our commitment to excellence is reflected in CaoCao Mobility's No. 1 ranking in user recognition for "best service quality" among China's leading shared mobility platforms in five consecutive quarterly surveys of thousands of shared mobility users nationwide from the fourth quarter of 2023 to the fourth quarter of 2024 by an independent third party.

We have accomplished growth and improved our profitability at the same time. From 2022 to 2024, our revenues increased from RMB7.6 billion to RMB14.7 billion, and our gross profit margin improved from -4.4% to 8.1%.

REVENUE MODEL FOR MOBILITY SERVICES

Our mobility service revenue accounted for 97.9%, 96.6%, and 92.6% of our total revenues in 2022, 2023, and 2024, respectively. We act as a principal in providing mobility services to users and generate revenue on a gross basis from the amount paid by users. Our revenues are equal to GTV less (i) tolls, fees, and taxes and (ii) user incentives.

The following table sets forth a hypothetical table illustration of our revenue recognition process and the accounting for earnings and incentives for mobility services. This table is intended for illustrative purposes only to demonstrate the accounting treatment and does not reflect actual transaction values. The transaction price of RMB10.00 below is a hypothetical number and refers to the ride fare presented to users on our app or through the app of aggregation platforms.

	RMB
Transaction price of RMB10.00	10.00
Add: tolls, fees, and taxes	0.40
Less: user incentives	(1.20)
Passenger pays	**9.20**
Transaction price of RMB10.00	10.00
Add: tolls, fees, and taxes	0.40
GTV	**10.40**
Less: tolls, fees, and taxes	(0.40)
Less: user incentives	(1.20)
Mobility service revenue	**8.80**
Cost of revenue	
Less: driver earnings and incentives for mobility services	(6.90)
Less: depreciation and car maintenance cost	(1.20)
Less: commissions paid to our car partners	(0.20)

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Industry Development

The overall development of the shared mobility industry is the most important factor affecting our results of operations. Over the past decade, shared mobility has seen rapid adoption and growth, which was subsequently affected by fluctuations due to stringent regulations and pandemic-related restrictions. The industry has rapidly recovered in the first half of 2023 after most of the pandemic-related restrictions were lifted, and this growth trajectory is expected to continue in the coming years, with a projected CAGR of 20.6% in terms of GTV from 2024 to 2028.

Another significant development in the shared mobility industry is the decentralization of user traffic. China's shared mobility market has transformed from one where a single player dominated the market to one where user traffic is more diversely distributed. In 2024, 31.0% of total orders in the industry were facilitated through aggregation platforms, compared to only 7.0% in 2019. This ratio is expected to grow to 53.9% in 2029 as nationally popular apps continue to keep their user traffic open to facilitate transactions by shared mobility service providers.

We are also affected by other general factors driving China's shared mobility industry, including the competitive landscape of this industry and relevant government policies and regulations.

Growth Strategy

Our results of operations are also affected by our ability to implement the right growth strategy to scale up quickly without sacrificing unit economics. We do not solely target growing scale, although aggregation platforms supply abundant user traffic and a great number of potential drivers could join the industry as long as lucrative incentives are offered. Instead, we aim for a sustainable growth that comes with a healthy unit economics, leveraging our competitive advantages on provision of satisfactory user experience, our purpose-built vehicles, and auto solution infrastructure. Starting from 2022, we strategically balance our goal to achieve profitability and our goal to grow in scale by pacing our nationwide expansion with operating efficiency. Our GTV increased by 37.5% from RMB8.9 billion in 2022 to RMB12.2 billion in 2023, and reached RMB17.0 billion in 2024. More importantly, we managed to improve our profitability while achieving this growth in scale. Our gross profit margin was negative 4.4% in 2022, and we achieved positive gross profit margins of 5.8% and 8.1% in 2023 and 2024, respectively.

China's shared mobility industry is expected to continue to expand, which forms an opportunity for industry players to grow. We will continue to explore and optimize our growth strategy, aiming to achieve a healthy combination of fast growth and profitability.

Technology

Technology is another essential factor that drives scale and efficiency. Our AI-powered CaoCao Brain ensures efficient order dispatch and efficient allocation of passenger and driver incentives to boost GTV growth. CaoCao Brain optimizes the use of the incentive within a prescribed budget. Currently, CaoCao Brain is responsible for allocating all of our user incentives, which greatly enhances our marketing efficiency with more targeted and optimized distribution of user incentives. We will continue to invest in technology driving growth and efficiency improvement going forward.

TCO-Optimized Purpose-Built Vehicles

Our differentiating advantage in the industry is our purpose-built vehicles that offer high-quality and intelligent ride experience for users and optimized TCO for drivers, translating to improved unit economics for us. Our continuing success depends on the smooth rollout, upgrade, and popular reception of our purpose-built vehicles. In addition, a growing number of drivers are attracted to our platform by the improved driving experience and TCO while we gradually contain our spending on driver incentives.

As of December 31, 2024, we deployed a fleet of over 34,000 purpose-built vehicles in 31 cities in China for the use of our affiliated drivers, making our fleet of purpose-built vehicles the largest among ride hailing platforms, according to Frost & Sullivan. In addition, in 2024, we have entered 85 new cities in collaboration with local car partners through selling them our purpose-built vehicles. This is expected to further upgrade our mobility service, attract more drivers to our platform, and become an additional driver of revenue growth as we plan to open CaoCao 60, vehicle intelligence capabilities, and fleet management system to the whole shared mobility industry.

Selling and Marketing Efficiency

We have been enhancing our selling and marketing efficiency. Our selling and marketing expenses represented 7.8% of our total revenues in 2023, down from 8.4% in 2022, primarily due to a decrease in promotion, advertising, and incentives for customer referrals expenses, although the percentage increased to 8.3% in 2024 as we entered 85 new cities and incurred increased customer referral expenses.

PATH TO PROFITABILITY

We have a distinctive business model, underpinned by a foundation of great service quality, a fleet of continually evolving purpose-built vehicles, and a broad array of auto solutions. Although we recorded net losses throughout the Track Record Period, we believe that our business strategy constructs a substantial value proposition for both passengers and drivers.

Our net losses incurred during the Track Record Period reflected the necessary investments made to build our shared mobility network and reach the critical mass required for our business. These investments included costs and expenses associated with user and driver acquisition and retention, marketing and branding, technology and operational enhancements, fleet expansion, and purpose-built vehicle development. All these factors contributed to our ecosystem and elevated us to the scale needed to compete with major players in the industry.

Since 2022, after achieving substantial scale in major tier-one and tier-two cities across China, we began to prioritize operating efficiency and profitability, supported by technology and brand awareness, over aggressive nationwide expansion. In 2023, our financial performance improved significantly, paving the way for our expansion into new cities with an asset-light model in 2024 and beyond.

Our early investment in purpose-built vehicles has allowed us to deliver high-quality services and a differentiated user experience at scale. Coupled with the loyalty of our core users, enhanced collaboration with third-party aggregation platforms, and the recovery of the shared mobility industry from the COVID-19 pandemic, our order volume and AOV grew substantially since 2023. This growth led to a significant increase in our GTV and revenues. Specifically, our revenues increased from RMB7.6 billion in 2022 to RMB14.7 billion in 2024.

Our increase in total order volume and improvement in vehicle operating efficiency and user recognition enabled us to reduce our dependence on driver incentives and concurrently increase average driver IPH to attract and retain drivers. Adjusted driver earnings and incentives as a percentage of mobility service revenue decreased from 84.2% in 2022 to 79.1% in 2023 and 79.0% in 2024, while drivers' average IPH increased from RMB30.9 in 2022 to RMB36.1 in 2023 and slightly decreased to RMB35.7 in 2024, a year when driver IPH generally decreased across the industry due to increased competition and our driver IPH remained higher than other major participants, according to Frost & Sullivan. In the same period, we also entered a number of new cities and driver IPH is generally lower in the initial ramp-up period of new city entries, which contributed to the slight decrease in driver IPH. Consequently, our gross profit margin improved from -4.4% in 2022 to 8.1% in 2024.

Additionally, we have been able to acquire user traffic effectively through our enhanced collaboration with aggregation platforms. Coupled with the advancements of our AI-powered CaoCao Brain for more effective distribution of user incentives, our total user acquisition costs decreased as a percentage of total GTV from 22.2% in 2022 to 18.1% in 2023, although it increased to 22.8% in 2024 as we entered 85 new cities and incurred relatively higher user acquisition costs as a percentage of total GTV in these cities to quickly capture market share and as we increased spending on user acquisitions in existing cities.

Benefited from the above, we pivoted to generating positive net operating cash flow in 2023 from a state of negative net operating cash flow in 2022. We continued to generate positive net operating cash flow in 2024.

Going forward, we plan to further improve profitability primarily through the following approaches.

Driving Sustainable and Efficient Revenue Growth

Our mobility service revenue accounted for over 90% of our total revenues during the Track Record Period. We anticipate a steady revenue growth by continually increasing our GTV. This will be primarily facilitated through increasing order volume while maintaining a stable AOV.

We expect our order volume to experience sustained growth in the foreseeable future, primarily supported by three key factors as follows.

Expansive shared mobility market size with high growth potential

The Chinese economy began to steadily recover from the impact of the COVID-19 pandemic in 2023. Market enhancement is expected post-pandemic due to rising consumer demand for mobility in lower-tier cities, growing inclination towards BEVs, and expanding business activities. Consequently, China's mobility market is expected to increase from RMB8.1 trillion in 2024 to RMB10.3 trillion in 2028. The fastest growth is expected to be observed in the shared mobility market, with a projected increase from RMB354.7 billion in 2024 to RMB751.3 billion in 2028, owing to rising consumer demand for economical mobility options and an amplified penetration of shared mobility services in lower-tier cities.

As a top shared mobility platform in China, we are well-positioned to capitalize on the upward industry trend and replicate our success. We plan to increase our penetration in existing cities and thoughtfully expand our reach in China by tapping into new city markets. This expansion will be executed efficiently and cost-effectively, allowing us to augment our total GTV whilst controlling expenditure to achieve profitability. To this end, we intend to partner with local stakeholders such as car partners to strengthen our on-the-ground capabilities for geographical expansion. We believe that our expansion strategy is feasible due to our scalable infrastructure and technology and our track record of steadily increasing gross profit performance along with expansive scale, which allows efficient replication of our business model in new cities. Strategic partnerships with local stakeholders will facilitate smooth market entry and help us navigate competitive landscapes. Furthermore, our strong brand recognition and operating efficiency will help attract users and manage costs effectively, ensuring sustainable growth. We are also well-positioned to accelerate the development of our other businesses, including vehicle sales, benefiting from strong synergies during expansion. In 2024, we have entered 85 new cities with an asset-light model under which we supply local car partners with purpose-built vehicles and work with aggregation platforms to provide ride hailing services to users.

Enhanced collaboration with multiple aggregation platforms

In recent years, aggregation platforms have gained rising significance in the shared mobility industry. The portion of ride hailing orders fulfilled through aggregation platforms increased from 7.0% in 2019 to 31.0% in 2024, and is expected to further increase to 53.9% in 2029. Unlike past trends where a single app dominated user interactions, aggregation platforms have enabled the rise of various emerging players that access users primarily through them.

Amid this industry phenomenon, we too have enhanced our collaboration with various aggregation platforms. In 2022, 2023, and 2024, orders attributable to aggregation platforms accounted for 49.9%, 73.2%, and 85.4% of our GTV and 51.4%, 74.1%, and 85.7% of our order volume, respectively. In 2024, the top three aggregation platforms that we worked with contributed 42.5%, 11.8%, and 10.4% of our GTV, respectively. By harnessing the intelligence capabilities of our proprietary, AI-powered CaoCao Brain, we are adept at strategizing the distribution of our mobility capacity across diverse aggregation platforms. This is achieved by dynamically adjusting our recommendations and incentives to optimize operations. We plan to continually capture more extensive user traffic, maintain our growth in order volumes, and optimize operations. We anticipate that orders facilitated through multiple aggregation platforms will continue to rise, allowing for more effective user traffic conversion while also retaining loyal consumers. We believe that this approach is feasible because our established relationships with these platforms provide a solid foundation for sustainable collaboration in the future. In addition, AI-powered CaoCao Brain ensures effective management of users from third-party aggregation platforms and our platform, enhancing our ability to meet demand efficiently.

Brand image enhancement through our differentiated services and user experience

We consistently deliver high-quality services and differentiated user experience on a large scale, positioning as one of China's leading ride-hailing platforms and boosting our brand recognition. This enables us to attract more users and bolster the loyalty of our core users, enhancing our order volume growth. A significant aspect of our differentiated user experience is our fleet of purpose-built vehicles. As of December 31, 2024, we operated a fleet of over 34,000 purpose-built vehicles across 31 cities in China for the use of our affiliated drivers, the largest of its kind according to Frost & Sullivan.

The following table sets forth our order volume, which refers to the number of completed orders, during the periods indicated. We expect that our order volume will continually increase in the foreseeable future as we continue to enhance user experience and brand recognition and deepen our collaboration with aggregation platforms.

	For the Year Ended December 31,		
	2022	**2023**	**2024**
Order volume (in thousands)	383,429	447,778	598,052

Additionally, we expect our AOV to remain stable in the foreseeable future. This is primarily due to increasing demand for business and leisure travel and the growing prevalence of premier mobility services, taking into account potential dilution of our AOV as we expand into lower-tier cities.

As the shared mobility industry recuperated from the impact of the COVID-19 pandemic, and with the launch of our high-AOV premier mobility service in 2022, our overall AOV grew significantly in 2023. The following table sets forth our AOV during the periods indicated.

	For the Year Ended December 31,		
	2022	2023	2024
AOV (RMB)	23.2	27.3	28.3

Continually Improving Gross Profit Margin

In 2023 and 2024, we reported gross profit of RMB615.4 million and RMB1,186.0 million, respectively, which represents a meaningful turnaround from the gross loss of RMB339.0 million in 2022. Our cost of sales primarily consists of driver earnings and incentives for mobility services, depreciation charges, and auto servicing costs. We attained gross profit margins of 5.8% in 2023 and 8.1% in 2024, contrasting with gross profit margins of -4.4% in 2022.

During the Track Record Period, our gross profit margin improved notably due to the successful implementation of our strategies to optimize vehicle TCO supported by the rollout of our purpose-built vehicles and comprehensive auto solutions, as well as the reduction in driver incentives resulting from the increased number of orders that we distributed to each driver and the increased AOV, which enhanced comprehensive income for drivers and improved our platform's driver retention rate. We increased the number of orders distributed to each driver primarily through scaling up our business to increase order density and reduce idle time for drivers. As a result, our drivers' average IPH increased from RMB30.9 in 2022 to RMB36.1 in 2023 and slightly decreased to RMB35.7 in 2024, a year when driver IPH generally decreased across the industry due to increased competition and our driver IPH remained higher than other major participants, according to Frost & Sullivan. In the same period, we also entered a number of new cities and driver IPH is generally lower in the initial ramp-up period of new city entries, which contributed to the slight decrease in driver IPH. As to our purpose-built vehicles, according to Frost & Sullivan, the respective estimated TCO of Maple 80V and CaoCao 60, shared between us and the drivers, amounts to RMB0.53 and RMB0.47 per kilometer. This reveals a TCO reduction of 33% and 40% compared to typical BEVs, respectively. In 2022, 2023, and 2024, GTV from purpose-built vehicles accounted for 5.3%, 20.1%, and 25.1% of our total GTV, respectively. As a result of the above, we were able to reduce our dependence on driver incentives to attract and retain drivers. The adjusted driver earnings and incentives as a percentage of mobility service revenue decreased from 84.2% in 2022 to 79.1% in 2023 and 79.0% in 2024.

To successfully implement our expansion strategies, we plan to enhance our collaboration with third-party aggregation platforms to drive more traffic to our platform in a cost-effective manner. Additionally, we will leverage our CaoCao Brain to optimize user incentive allocation, order distribution, operating efficiency, and user experience. We will continually enhance our brand recognition by emphasizing high-quality mobility services, increasing market presence through collaboration with third-party aggregation platforms, and attracting more users and fostering user loyalty through targeted marketing. Furthermore, we will deepen our collaboration with car partners to enable rapid expansion into new cities.

As our business scales, we expect depreciation charges and auto servicing costs to decrease as a percentage of mobility service revenues, leading us towards further improvement in gross profit margins.

Further Improve Selling and Marketing Efficiency

The following table sets forth our selling and marketing expenses in an absolute amount and as a percentage of total revenues, during the Track Record Period.

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Selling and marketing expenses	639,329	8.4	836,299	7.8	1,222,042	8.3

In 2023, our selling and marketing expenses accounted for 7.8% of our total revenues, a decrease from 8.4% in 2022. This was primarily due to lowered costs relating to promotions, advertising, and incentives for customer referrals, as we have strategically shifted our growth increasingly towards aggregation platforms since the beginning of 2023, which enables us to obtain user traffic more cost-effectively. Our increased collaboration with aggregation platforms allows us to diversify our user acquisition methods cost-effectively, expand our customer base, and increase our total order volume. As a result, our total user acquisition costs, including user incentives, commissions charged by third-party aggregation platforms, promotions, advertising, and customer referral incentives, decreased as a percentage of total GTV from 22.2% in 2022 to 18.1% in 2023, although it increased to 22.8% in 2024 as we incurred relatively higher user acquisition costs as a percentage of total GTV when entering new markets to quickly capture market share and as we increased spending on user acquisitions in existing cities.

We will strive to lower our total user acquisition costs as a percentage of our GTV over the long term, through enhanced user satisfaction and loyalty, increased brand recognition, advancement of our AI-powered CaoCao Brain for more effective distribution of user incentives, and ongoing collaboration with aggregation platforms, although this metric is expected to remain stable in 2025 given our plan to enter new markets. In particular, we will continue to refine our user acquisition strategies by leveraging our enhanced collaboration with third-party aggregation platforms to reach potential users. Additionally, we will carefully manage user incentives to ensure that we are maximizing user acquisition and retention at the lowest possible cost. Furthermore, we expect that our continually improved brand awareness will contribute to lowering user acquisition costs, as a stronger brand presence would enhance user trust and reduce the efforts needed to attract and retain users. The feasibility of this approach is supported by our previous track record and the continued advancements in CaoCao Brain.

IMPACT OF THE COVID-19 PANDEMIC ON OUR OPERATIONS AND FINANCIAL PERFORMANCE

The COVID-19 pandemic had materially and adversely affected our operations and financial performance in 2022. In particular, in 2022, there were sporadic COVID-19 outbreaks in China due to the Delta and Omicron variants. The associated restrictions, quarantines, lockdowns, and related measures in various regions of China constrained the public demand for mobility services and the supply of drivers on our platform. China continuously optimized and adjusted COVID-19 prevention and control measures with the aim of protecting health, and lifted most of the travel restrictions and quarantine requirements in December 2022. There were significant increases of COVID-19 cases in many cities in China around this time, which adversely affected our operations and financial performance in the fourth quarter of 2022. As a result, our GTV was RMB8.9 billion in 2022 and our revenue was RMB7.6 billion in 2022. See "Risk Factors—Risks Relating to our Business and Industry—Our business could be adversely affected by natural disasters, public health crises, economic downturns, or other unexpected events."

On January 8, 2023, China downgraded the management of COVID-19 from Class A to Class B, and most of the pandemic control measures were therefore lifted or adjusted. As a result, our total drivers' service hours increased from 57.8 million in the fourth quarter of 2022 to 59.0 million in the first quarter of 2023, and further to 76.0 million in the second quarter of 2023. We rapidly grew our business in 2023 amid the rapid recovery of shared mobility in a post-pandemic ear. As a result, our GTV increased to RMB12.2 billion in 2023 from RMB8.9 billion in 2022, and our revenue from mobility service increased to RMB10.3 billion in 2023 from RMB7.5 billion in 2022. In light of the recovery of the share mobility market and our business, our Directors are of the view that, although the COVID-19 pandemic materially and adversely affected our business during the Track Record Period, such adverse impact was temporary.

BASIS OF PRESENTATION

Our historical financial information has been prepared in accordance with IFRS accounting standards, which comprise all standards and interpretations approved by the International Accounting Standards Board. We have adopted all IFRS accounting standards effective for the accounting period commencing from January 1, 2022, together with the relevant transitional provisions, in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss, which are carried at fair value. The preparation of the historical financial information in conformity with IFRS accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information, are disclosed in note 4 to the Accountant's Report included in Appendix I to this document.

The Group resulted from the Reorganization is regarded as a continuation of the business operated by our PRC operating entities. The historical financial information has been prepared on a consolidated basis and is presented using the respective carrying amounts of our business as recorded in the consolidated financial statements of our PRC operating entities for all periods presented.

Inter-company transactions, balances, and unrealized gains or losses on transactions between group companies are eliminated on consolidation.

As of December 31, 2024, we have net current liabilities of RMB8.1 billion and total deficit of RMB7.2 billion. In 2024, we incurred a net loss of RMB1.2 billion, although we had net operating cash inflow of RMB0.2 billion. Historically, in addition to capital contribution from shareholders, we have relied on multiple financing sources, including borrowings from banks and other financial institutions, ABSs, and ABNs, some of which guaranteed by related parties, to fund our operations and business development. Our ability to continue as a going concern is largely dependent on the successful implementation of our plan to obtain additional external financing on a timely basis, improve our operating cashflow, and manage our capital expenditures. Our management has prepared a cash flow projection covering not less than 12 months from December 31, 2024. The cash flow projection has taken into account the anticipated cash flows to be generated by us and the available financing resources during the projection period. Our Directors, after making due enquiries and considering the basis of management's projection described above, believe that our current cash and cash equivalents, cash proceeds from recent financing arrangements and the anticipated cash flows from operations and financing activities will be sufficient to meet our anticipated working capital requirements, capital expenditure requirements and to repay our liabilities for the next twelve months from the date of issuance of these consolidated financial statements. Consequently, the historical financial information has been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For details, see note 2 to the Accountant's Report in Appendix I to this document.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions that we use and the judgments that we make in applying our accounting policies have a significant impact on our financial condition and results of operations. Our management continually evaluates such estimates, assumptions, and judgments based on past experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

Set forth below are discussions of the accounting policies that we believe are of critical importance to us or involve the most significant estimates, assumptions, and judgments used in the preparation of our financial statements. Other material accounting policies, estimates, assumptions, and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in note 39 to the Accountant's Report in Appendix I to this document.

Revenue Recognition

We generate revenues primarily from mobility services in the form of ride hailing. In connection with the mobility services, we also generate revenues from vehicle leasing, vehicle sales, and other services. We recognize revenues when or as the control of the promised goods or services is transferred to customers, netting of value-added tax. Depending on the terms of the contracts and the laws that apply to the contracts, if control of the promised goods or services is transferred over time, revenues are recognized over the period of the contracts by reference to the progress towards complete satisfaction of those performance obligations. Otherwise, revenues are recognized at a point in time when the users obtain control of the promised goods or services. Revenues are only recognized to the extent that it is highly probable that a significant reversal will not occur.

We evaluate whether we act as a principal or an agent to determine whether it is appropriate to record the gross amount of revenues and related costs or the net amount earned as commission. We are a principal if we control the specified goods or services before being transferred to customers. Generally, a principal is the primary obligor, has latitude in establishing the selling price, or is subject to inventory risks. Otherwise, we are an agent to arrange for goods or services to be provided by other parties.

Principal Revenue Types

Mobility Services – Ride Hailing

We provide mobility services in the form of ride hailing under the brand of CaoCao Mobility and Limao Mobility. Meanwhile, we also provide offline taxi hailing services under the brand of Limao Mobility. According to the relevant PRC regulations and the service agreements with users, we consider ourselves a mobility service provider. For all ride hailing services offered, names of the services and the service providers with the corresponding service agreements are displayed on our platform. Users can choose ride hailing services based on their needs and preferences. When a user selects and initiates a ride service request, an estimated service fee is displayed, and the user can further decide whether to place the service request or not. Once a user places the ride service request and we accept the service request, a service agreement is entered into between the user and us. Upon completion of the ride hailing services, we recognize mobility service revenue on a gross basis. Please refer to "—Revenue Model for Mobility Services" for details.

According to the relevant PRC regulations, online ride hailing service platforms are required to obtain online ride hailing permit and take full responsibility of the ride services. The relevant regulations also require the licensed platforms to ensure that the drivers and vehicles engaged in providing ride services meet the requirements stipulated by the regulations. Accordingly, we, as an online ride hailing service platform, consider ourselves the principal for our ride hailing services because we control the services provided to users. The control over the services provided to users is demonstrated through the following factors: (i) we are able to direct registered drivers to deliver ride hailing services on our behalf based on the service agreement that we entered into with users, and if the assigned driver is not able to deliver the services under limited circumstances, we will assign another registered driver to deliver the services; (ii) in accordance with the agreements between the drivers and us, the drivers are obligated to comply with service standards and implementation rules set by us when providing the ride hailing services on behalf of us; and (iii) we evaluate the drivers' performance regularly in accordance with the standards set by us. Other indicators of us as the principal are demonstrated by the following factors: (i) we are obligated to fulfill the promise to provide the ride hailing services to users in accordance with the relevant PRC regulations and service agreements; and (ii) according to applicable necessary procedures, we have the discretion in setting the prices for the services.

A contract liability represents our obligation to transfer services to a user for which we have received consideration (or an amount of consideration is due) from the user. Our contract liabilities were mainly resulted from advance payments by users from ride hailing services in China.

The incremental costs of obtaining a contract with a user is recognized as an asset if we expect to recover those costs. As a practical expedient, we elect to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that we would have otherwise recognized is one year or less.

Vehicle Leasing

We also lease vehicles to primarily our car partners with discounts conditioned on completion of certain number of orders to incentivize them to contribute more service capacity to our platform. We generally consider ourselves to be the accounting lessor, as applicable, in these arrangements in accordance with IFRS 16.

A lease is classified as a financing lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

We also earn rental income from operating leases of vehicles. Rental income is recognized on a straight-line basis over the term of lease.

Vehicle Sales

During the Track Record Period, we sold vehicles to our car partners, third-party fleet operators, individual drivers and automobile dealers. Revenue is generally recognized at a point in time when the customers obtain possession of and control of the promised goods in the contract. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional. We offered sales rebate if certain criteria were met according to the sales contracts. Revenue is recognized netting of such sales rebate.

Others

We provide or used to provide advertising, transportation support services, intra-city delivery, customer referrals, technological support, and certain other services.

Advertising revenue is derived by delivering advertisements on CaoCao Mobility's platforms and its vehicles. Advertising revenue is recognized on a pro rata basis over the contractual service period. We provided transportation support services to Geely Group during the 2023 Asian Games and Asian Para Games in Hangzhou, China and such revenue is recognized over the contractual service period. We historically provided intra-city delivery service, and its revenue is recognized at a point in time when the service is completed and accepted by users. We provided customer referral services to a related party who enters into finance lease contracts with vehicle buyers. This revenue is recognized when the service has been rendered. Technological support and other services are recognized at a point in time when the customers obtain control of the promised goods or services.

Incentive Programs

User Incentives

We offer various incentive programs to our users, including fixed amount discounts and fixed percentage discounts. If we do not receive distinct goods or services from our users, user incentives are recorded as a reduction of revenue. That said, the revenue is recognized after deducting user incentives. We operate a loyalty program where users accumulate reward points for orders placed, which entitle them to discounts on future orders. A contract liability for reward points is recognized at the time of sale, which is allocated between the fair value of the services provided and the reward points. Revenue is recognized when the points are redeemed or when they expire.

Customer Referrals

Customer referral fees are earned by an existing user when the existing user refers a new user to us and the new user referred uses services offered on our platform. These customer referral incentives are typically paid in cash to the referring users to attract new users to our platform. We record the liability for these referrals and corresponding expenses as sales and marketing expenses at the time that the referral fee is earned by the referring users.

Variable Considerations

The amount of consideration to which we will be entitled may be less than the estimated service fee in the service request if the consideration is variable because we may offer the customer a price concession. We also offer rebates to our car partners that are conditional on completion of certain number of orders. We estimate the amount of consideration to which we will be entitled using the most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

When there are changes in circumstances, we update the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to better predict the circumstances present at the end of the reporting period and the changes in circumstances during the Track Record Period.

Incentives to Registered Drivers Providing Ride Hailing Services

The incentives to drivers providing ride hailing services are recognized as cost of sales as they are part of our fulfillment costs for completing the performance obligation under the ride hailing services.

Share-Based Compensation

Share-based compensation benefits are provided to employees via the employee option plan. The fair value of options granted under the employee option plan is recognized as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

1. including any market performance conditions (e.g. the entity's share price),

2. excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

3. including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Our grant of equity instruments to the employees of our subsidiaries and Consolidated Affiliated Entities are made in exchange for their services related to the subsidiaries and Consolidated Affiliated Entities. Accordingly, the share-based compensation expenses are treated as part of the "investments in subsidiaries" in our statements of financial position.

Estimation of the Fair Value of Level 3 Financial Liabilities

Financial Instruments Issued to Investors of Series B Preferred Shares

Financial liabilities are measured at FVPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 Business Combinations applies, (ii) held for trading or (iii) designated as financial liabilities at FVPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as financial liabilities at FVPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with our documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as financial liabilities at FVPL.

We have designated the financial instruments issued to investors of Series B Preferred Shares which contains redemption features and other embedded derivatives as financial liabilities at FVPL on initial recognition. The fair value change of financial instruments issued to investors of Series B Preferred Shares is recognized to profit or loss except for the portion attributable to credit risk change which shall be recognized to other comprehensive income, if any. Our Directors considered that the credit risk change on the financial liabilities that drive the fair value change of the financial liabilities during the Track Record Period is immaterial. Financial instruments issued to investors of Series B Preferred Shares are classified as non-current liabilities as of December 31, 2022, and 2023, and as current liabilities as of December 31, 2024.

Subsidiaries Controlled Through Contractual Arrangements

In order to comply with the PRC laws and regulations which prohibit or restrict foreign control of companies involved in internet content provision services, we operate our business operations within these areas in the PRC through the Consolidated Affiliated Entities, whose equity interests are held by its registered shareholders ("Nominee Shareholders"). We signed Contractual Arrangements with the Consolidated Affiliated Entities. The Contractual

Arrangements include exclusive management services and business cooperation agreement, exclusive option agreements, equity pledge agreements, powers of attorney and spousal consents letters, which enable us to:

- govern the financial and operating policies of the Consolidated Affiliated Entities;
- exercise equity holder voting rights of the Consolidated Affiliated Entities;
- receive substantially all of the economic interest returns generated by the Consolidated Affiliated Entities in consideration for the technical support, consulting and other services provided exclusively by the WFOE's discretion;
- obtain an irrevocable and exclusive right to purchase part or all of the equity interests in the Consolidated Affiliated Entities at any time and from time to time, at the minimum consideration permitted by the relevant law in China at the time of transfer; and
- obtain a pledge over all of its equity interests from its respective Nominee Shareholders as collateral for all of the Consolidated Affiliated Entities' payments due to us to secure performance of entities' obligation under the Contractual Arrangements.

Accordingly, we have the rights to control the Consolidated Affiliated Entities. As a result, the Consolidated Affiliated Entities are presented as entities controlled by us.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the Track Record Period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives:

	Estimated useful lives	Residual rate
Vehicles	5~6 years	0%~20%
Furniture and office equipment	5~8 years	5%
Leasehold improvement	Shorter of remaining lease term or useful life	

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in "Other gains/(losses) – net" in the consolidated statements of profit or loss.

Property, plant and equipment and right-of-use assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. At the end of each reporting period, we review the recoverable amount of property, plant and equipment, right-of-use assets, intangible assets and CGUs allocated with goodwill which involves judgment on the determination of their fair value less costs of disposal and value in use. The fair value less costs of disposal is determined based on market comparison approach by reference to recent sales or market rents of comparable assets and the value in use is determined by discounting projected cash flow series associated with the assets using risk-adjusted discount rates. Property, plant and equipment and right-of-use assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. See notes 13 and 39.5 to the Accountant's Report in Appendix I for details.

Borrowings and Borrowing Costs

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheets when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

RESULTS OF OPERATIONS

The following table sets forth a summary of our consolidated statements of profit or loss in absolute amount and as a percentage of our revenues for the periods indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this document. The results of operations in any period are not necessarily indicative of our future trends.

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Revenue	7,630,961	100.0	10,667,894	100.0	14,657,499	100.0
Cost of sales	(7,969,949)	(104.4)	(10,052,491)	(94.2)	(13,471,519)	(91.9)
Gross (loss)/profit	**(338,988)**	**(4.4)**	**615,403**	**5.8**	**1,185,980**	**8.1**
Selling and marketing expenses	(639,329)	(8.4)	(836,299)	(7.8)	(1,222,042)	(8.3)
General and administrative expenses	(743,841)	(9.7)	(1,204,092)	(11.3)	(762,019)	(5.2)
Research and development expenses	(225,224)	(3.0)	(339,473)	(3.2)	(234,462)	(1.6)
Other income	39,122	0.4	139,870	1.2	192,314	1.3
Other gains, net	45,291	0.6	52,104	0.5	47,419	0.3
Net impairment losses on financial assets	(3,059)	(0.0)	(2,910)	(0.0)	(7,694)	(0.1)
Operating loss	**(1,866,028)**	**(24.5)**	**(1,575,397)**	**(14.8)**	**(800,504)**	**(5.5)**

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Finance income	9,193	0.1	17,097	0.1	10,822	0.1
Finance costs	(259,325)	(3.4)	(312,636)	(2.9)	(327,967)	(2.2)
Finance costs, net	(250,132)	(3.3)	(295,539)	(2.8)	(317,145)	(2.1)
Changes in the carrying amount of financial liabilities at fair value through profit or loss	(14,144)	(0.2)	(69,060)	(0.6)	(88,693)	(0.6)
Loss before income tax	**(2,130,304)**	**(28.0)**	**(1,939,996)**	**(18.2)**	**(1,206,342)**	**(8.2)**
Income tax credit/(expenses)	123,204	1.7	(41,062)	(0.4)	(40,047)	(0.3)
Loss for the year	**(2,007,100)**	**(26.3)**	**(1,981,058)**	**(18.6)**	**(1,246,389)**	**(8.5)**
Loss for the year attributable to:						
Owners of the Company	(1,972,065)	(25.8)	(1,916,483)	(18.0)	(1,250,769)	(8.5)
Non-controlling interests	(35,035)	(0.5)	(64,575)	(0.6)	4,380	0.0

NON-IFRS MEASURES

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) facilitate comparisons of operating performance from period to period and company to company.

We believe that adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) provide useful information to [**REDACTED**] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted loss (non-IFRS measure) as loss for the year/period excluding share-based compensation expenses, [**REDACTED**] expenses, and changes in the carrying amount of financial liabilities at fair value through profit or loss. We define adjusted EBITDA (non-IFRS measure) as loss for the year/period adding back finance costs, net, income tax expenses, depreciation charges of property, plant and equipment, depreciation charges of right-of-use assets, and amortization of intangible assets, and subtracting income tax credit, which is EBITDA (non-IFRS measure), excluding share-based compensation expenses, [**REDACTED**] expenses, and changes in the carrying amount of financial liabilities at fair value through profit or loss. Share-based compensation expenses are non-cash in nature arising from the grant of share options under our Pre-[**REDACTED**] Share Incentive Plan. [**REDACTED**] expenses represents expenses related to the [**REDACTED**]. Changes in the carrying amount of financial liabilities at fair value through profit or loss are non-cash in nature arising from the financial instruments issued to investors of Series B Preferred Shares. The Series B Preferred Shares will be automatically converted into Ordinary Shares upon completion of the [**REDACTED**], and we do not expect to further record this item after the [**REDACTED**].

The following tables reconcile (in absolute amounts and as percentages of total revenues for the year indicated) our adjusted loss (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) for the year presented in accordance with IFRS, which is loss for the year.

	For the Year Ended December 31,		
	2022	**2023**	**2024**
	(RMB in thousands, except percentages)		
Loss for the year	**(2,007,100)**	**(1,981,058)**	**(1,246,389)**
Net loss margin (%)	(26.3)	(18.6)	(8.5)
Add:			
[**REDACTED**] expenses	5,843	25,000	32,283
Share-based compensation expenses	335,782	920,537	401,416
Changes in the carrying amount of financial liabilities at fair value through profit or loss	14,144	69,060	88,693
Adjusted loss for the year (non-IFRS measure)	**(1,651,331)**	**(966,461)**	**(723,997)**
Adjusted loss margin (non-IFRS measure) (%)	**(21.6)**	**(9.1)**	**(4.9)**

	For the Year Ended December 31,		
	2022	2023	2024
	(RMB in thousands, except percentages)		
Loss for the year	**(2,007,100)**	**(1,981,058)**	**(1,246,389)**
Net loss margin (%)	(26.3)	(18.6)	(8.5)
Add:			
Finance costs, net	250,132	295,539	317,145
Income tax (credit)/expenses	(123,204)	41,062	40,047
Depreciation charges of property, plant and equipment	657,577	664,322	685,561
Depreciation charges of right-of-use assets	92,798	75,490	61,668
Amortization of intangible asset	994	1,388	2,140
EBITDA (non-IFRS measure)	**(1,128,803)**	**(903,257)**	**(139,828)**
EBITDA margin (non-IFRS measure) (%)	**(14.8)**	**(8.5)**	**(1.0)**
Add:			
[**REDACTED**] expenses	5,843	25,000	32,283
Share-based compensation expenses	335,782	920,537	401,416
Changes in the carrying amount of financial liabilities at fair value through profit or loss	14,144	69,060	88,693
Adjusted EBITDA (non-IFRS measure)	**(773,034)**	**111,340**	**382,564**
Adjusted EBITDA margin (non-IFRS measure) (%)	**(10.1)**	**1.0**	**2.6**

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenues

During the Track Record Period, we derived our revenues primarily from mobility services in the form of ride hailing. We also offer vehicle leasing primarily to our car partners, and sell vehicles primarily to our car partners, third-party fleet operators, and individual drivers. Mobility service revenue accounted for 97.9%, 96.6%, and 92.6% of our total revenues in 2022, 2023, and 2024, respectively.

The following table sets forth a breakdown of our revenues both in absolute amount and as a percentage of our total revenues for the periods indicated.

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Revenues:						
Mobility Services	7,467,295	97.9	10,300,213	96.6	13,566,590	92.6
Vehicle Leasing	101,087	1.3	150,571	1.4	187,083	1.3
Vehicle Sales	32,184	0.4	114,564	1.1	866,760	5.9
Others	30,395	0.4	102,546	0.9	37,066	0.2
Total	**7,630,961**	**100.0**	**10,667,894**	**100.0**	**14,657,499**	**100.0**

Mobility Services

Mobility service revenue is generated from our online ride hailing services on the CaoCao Mobility app, Limao Mobility app, mini-programs on WeChat and Alipay, and various aggregation platforms. Our ride hailing services include express mobility service and premier mobility service. The express mobility service under the brand of CaoCao Mobility is our main service line and offers an affordable, convenient, and comfortable option for the daily needs of users. The premier mobility service under the brand of CaoCao Mobility delivers enhanced level of comfort and higher-quality service with professionally trained drivers and a variety of amenities. In addition, under the brand of Limao Mobility, we provide both online ride hailing services and offline taxi hailing services.

We recognize mobility service revenue on a gross basis as we consider ourselves the ride service provider in accordance with the service agreements and the regulations in China. Please refer to "—Revenue Model for Mobility Services" and "—Critical Accounting Policies and Estimates—Revenue Recognition" for details.

Our mobility service revenue grew significantly from 2022 to 2024 as we rapidly grew our business amid the rapid recovery of shared mobility in a post-pandemic era, gained more user traffic from third-party aggregation platforms, and enhanced user satisfaction and loyalty backed by our strong brand recognition among users with a growing fleet of purpose-built vehicles. We expect our mobility service revenue to continue to grow and be a material contributor to our total revenues in the foreseeable future as the shared mobility industry continues to expand and as we implement our growth strategy.

Vehicle Leasing

We generate revenues from leasing vehicles. We lease vehicles primarily to our car partners to increase our platform's service capacity. Our car partners independently hold and manage the vehicles and supply them to our platform and sometimes to other shared mobility platforms. To incentivize the car partners and drivers to contribute more service capacity to our platform, we offer discounts of leasing fees conditioned on the completion of certain number of orders. Vehicle leasing revenue is recognized on a straight-line basis over the term of lease.

Our vehicle leasing revenue fluctuated during the Track Record Period in line with the number of vehicles we leased, and the revenue was not a significant contributor to our total revenue. We expect our vehicle leasing revenue to fluctuate in line with the number of vehicles we lease.

Vehicle Sales

We generate revenues from selling vehicles. Vehicle sales revenue is recognized at a point in time when the customers obtain possession and control of the promised goods in the contract and net of sales rebate.

Before 2023, we occasionally sold vehicles purchased from Geely Group to our car partners to increase the service capacity of our platform. In 2023, we launched our second-generation purpose-built vehicle, CaoCao 60. Our revenue from vehicle sales increased significantly since 2023 as we developed our vehicle sales business more systematically. We sold purpose-built vehicles through the PBV Co. Our target customers for purpose-built vehicles include our car partners, third-party fleet operators, and individual drivers. We expect our vehicle sales revenue to increase in the near future.

Cost of Sales

Our cost of sales primarily consists of (i) driver earnings and incentives for mobility services, (ii) depreciation charges of property, plant and equipment, primarily our vehicles, (iii) auto servicing costs, and (iv) commissions paid to car partners, among others.

The following table sets forth a breakdown of our cost of sales both in absolute amount and as a percentage of total cost of sales for the periods indicated.

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Cost of sales:						
Driver earnings and incentives for mobility services	6,285,003	78.9	8,146,397	81.0	10,715,053	79.5
Depreciation charges of property, plant and equipment	649,974	8.2	655,259	6.5	676,171	5.0
Battery service fee	39,462	0.5	152,608	1.5	226,145	1.7
Auto servicing cost:						
– Vehicle maintenance charges	149,817	1.9	112,439	1.2	136,699	1.0
– Insurance cost	440,259	5.5	426,025	4.2	342,425	2.5
Subtotal of auto servicing cost	590,076	7.4	538,464	5.4	479,124	3.5
Commissions paid to car partners	133,672	1.7	192,021	1.9	308,926	2.3
Employee benefits[(1)]	1,179	0.0	—	—	—	—
Depreciation charges of right-of-use assets	65,662	0.8	55,411	0.6	46,838	0.3
Cost of vehicles sold	27,894	0.3	113,621	1.1	820,087	6.1
Others	177,027	2.2	198,710	2.0	199,175	1.6
Total	**7,969,949**	**100.0**	**10,052,491**	**100.0**	**13,471,519**	**100.0**

Note:

(1) Certain drivers for the CaoCao Mobility brand were employed under labor contracts in 2022, whose earnings were recorded as employee benefits of cost of sales. All of these drivers were converted from employees to independent contractors by the end of 2022. After such conversion, driver earnings for the same group of drivers are recorded under driver earnings and incentives for mobility services. For details, see "Business—Our Drivers—Our Driver Base."

Since 2022, after achieving substantial scale across China, we began to prioritize operating efficiency and profitability supported by technology and brand awareness, over aggressive nationwide expansion driven by passenger and driver incentives. We focused on driving revenue growth by service quality, continually improving gross profit margin, and further enhancing operating leverage, and thereby improving profitability and business sustainability. Our adjusted driver earnings and incentives (which measures our total driver cost) as a percentage of mobility service revenue has decreased progressively from 84.2% in 2022 to 79.1% in 2023 and 79.0% in 2024. Our cost of sales increased in absolute amount as we grew our business, but decreased as a percentage of our total revenues from 2022 to 2024, mainly due to the decrease in driver earnings and incentives for mobility services as a percentage of our total revenues, resulting from our improved operating efficiency, reduced incentives for drivers, and a fleet of continually growing purpose-built vehicles with reduced vehicle TCO.

Gross (Loss)/Profit

Our gross profit represents our revenue less our cost of sales. Our gross margin represents our gross (loss)/profit as a percentage of our revenue. Our gross loss was RMB339.0 million in 2022. Our gross profit was RMB615.4 million and RMB1,186.0 million in 2023 and 2024, respectively. Our gross loss margin was 4.4% in 2022. Our gross profit margin was 5.8% and 8.1% in 2023 and 2024, respectively.

Our gross margin improved significantly during the Track Record Period primarily due to the improvement in our gross margin for mobility services, which, in turn, was primarily because the growth rate of our revenues growth rate outpaced the growth rate of our cost of sales. Specifically, we increased our mobility service revenue as a result of our business expansions, and decreased driver earnings and incentives for mobility services as a percentage of our mobility service revenue as we were able to reduce driver incentives with the increased number of orders that we distributed to each driver and the increased AOV, as well as the reduced vehicle TCO supported by the rollout of our purpose-built vehicles and comprehensive auto solutions. The gross margin for vehicle leasing increased from 2022 to 2023 and decreased subsequently, primarily because the margin in 2022 and 2023 was abnormally high since certain old vehicle models that we leased had no corresponding depreciation charges in those periods (because their depreciation had already been fully accounted for). In 2024, those old vehicle models had been retired, bringing gross profit margin lower, although the decrease is partially offset by our shift towards leading higher-margin vehicle models in general. The gross margin for vehicle sales decreased significantly in 2023, primarily because we procured certain vehicle batteries at higher prices for CaoCao 60 when the supply of vehicle batteries could not meet demand in China, and subsequently sold these vehicles according to the then market price that have fallen back to normal in 2023. We do not expect this abnormal event to reoccur in the foreseeable future, and the gross margin for vehicle sales rebounded in 2024.

The following table sets forth a breakdown of our gross (loss)/profit and gross margin for the periods indicated.

	For the Year Ended December 31,					
	2022		2023		2024	
	Gross (loss)/ profit	Gross (loss)/ profit margin	Gross (loss)/ profit	Gross (loss)/ profit margin	Gross profit	Gross profit margin
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Mobility Services	(374,891)	(5.0)	569,994	5.5	1,080,527	8.0
Vehicle Leasing	19,566	19.4	37,460	24.9	41,850	22.4
Vehicle Sales	4,291	13.3	(13,694)	(12.0)	46,673	5.4
Others	12,046	39.6	21,643	21.1	16,930	45.7
Total	**(338,988)**	**(4.4)**	**615,403**	**5.8**	**1,185,980**	**8.1**

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) commissions charged by third-party aggregation platforms, (ii) promotion, advertising, and incentives for customer referrals, (iii) employee benefit expenses, and (iv) customer service fees, among others.

The following table sets forth a breakdown of our selling and marketing expenses both in absolute amount and as a percentage of our total selling and marketing expenses for the periods indicated.

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Selling and marketing expenses:						
Commissions charged by third-party aggregation platforms	321,579	50.3	666,857	79.7	1,046,279	85.6
Promotion, advertising, and incentives for customer referrals	260,744	40.8	114,503	13.7	85,681	7.0
Employee benefit expenses	31,132	4.9	29,812	3.6	38,229	3.1
Customer service fees	23,262	3.6	20,484	2.4	22,049	1.8
Others	2,612	0.4	4,643	0.6	29,804	2.5
Total	**639,329**	**100.0**	**836,299**	**100.0**	**1,222,042**	**100.0**

Our selling and marketing expenses increased significantly in absolute amount during the Track Record Period primarily due to our investment in passenger and driver acquisition. The increasing transaction value of orders facilitated by aggregation platforms also significantly contributed to the increase as we paid more commissions. Specifically, GTV attributable to aggregation platforms accounted for 49.9%, 73.2%, and 85.4% of our total in 2022, 2023, and 2024, respectively. The commission fees we paid to these platforms as a percentage of the GTV they facilitated remained stable, accounting for 7.3%, 7.5%, and 7.2% of the GTV they facilitated in 2022, 2023, and 2024, respectively. Leveraging our brand recognition built through previous investments, our promotion, advertising, and incentives for customer referrals expenses decreased between 2022 and 2024. We have strategically shifted our growth increasingly towards aggregation platforms since the beginning of 2023, which enables us to obtain user traffic more cost-effectively. These tactical adjustments allow us to diversify our user acquisition methods cost-effectively, expand our customer base, and increase our total order volume. As a result, our total user acquisition costs, including user incentives, commissions charged by third-party aggregation platforms, promotions, advertising, and customer referral incentives, decreased as a percentage of total GTV from 22.2% in 2022 to 18.1% in 2023, although it increased to 22.8% in 2024 as we entered 85 new cities and incurred relatively higher user acquisition costs as a percentage of total GTV in these cities to quickly capture market share and as we increased spending on user acquisitions in existing cities.

General and Administrative Expenses

Our general and administrative expenses primarily consist of (i) employee benefit expenses, (ii) operation agent service fee, which represents service fee for operation agents that help us manage our vehicles and affiliated drivers in certain cities, (iii) depreciation charges of right-of-use assets, (iv) depreciation charges of property, plant and equipment, and (v) professional service expenses, among others.

The following table sets forth a breakdown of our general and administrative expenses both in absolute amount and as a percentage of our total general and administrative expenses for the periods indicated.

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
General and administrative expenses:						
Employee benefit expenses	584,717	78.6	1,032,735	85.8	559,926	73.5
Operation agent service fee	30,154	4.1	46,321	3.8	60,604	8.0
Depreciation charges of right-of-use assets	20,279	2.7	14,668	1.2	10,248	1.3

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Depreciation charges of property, plant and equipment	6,533	0.9	7,767	0.6	8,507	1.1
Professional service expenses	10,333	1.4	8,671	0.7	16,489	2.2
Audit services	588	0.1	639	0.1	623	0.1
Others	91,237	12.2	93,291	7.8	105,622	13.8
Total	**743,841**	**100.0**	**1,204,092**	**100.0**	**762,019**	**100.0**

Our general and administrative expenses increased significantly in absolute amounts from 2022 to 2023 as we improved our internal support functions along with our business growth and incurred share-based compensation expenses. Our general and administrative expenses decreased significantly in absolute amounts from 2023 to 2024, primarily due to a decrease in share-based compensation expenses.

Research and Development Expenses

Our research and development expenses primarily consist of employee benefit expenses, technology services, and others that primarily include depreciation of right-of-use assets, depreciation of property, and plant and equipment, among others.

The following table sets forth a breakdown of our research and development expenses both in absolute amount and as a percentage of our total research and development expenses for the periods indicated.

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)					
Research and development expenses:						
Employee benefit expenses	202,903	90.1	270,644	79.7	209,087	89.2
Others	22,321	9.9	68,829	20.3	25,375	10.8
Total	**225,224**	**100.0**	**339,473**	**100.0**	**234,462**	**100.0**

Our research and development expenses increased modestly in absolute amounts from 2022 to 2023 as we gradually increased our investments to expand the capabilities and scale of our platform, design our purpose-built vehicles and its vehicle intelligence technology, and enhance user experience, and incurred share-based compensation expenses. Our research and development expenses decreased in absolute amounts from 2023 to 2024, primarily due to a decrease in share-based compensation expenses.

Taxation

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

Hong Kong

The Company's subsidiaries domiciled in Hong Kong are subject to a two-tiered income tax rate for taxable income earned in Hong Kong effectively since April 1, 2018. The first 2 million Hong Kong dollars of profits earned by the company are to be taxed at an income tax rate of 8.25%, while the remaining profits will continue to be taxed at the existing tax rate, 16.5%. To avoid abuse of the two-tiered tax regime, each group of connected entities can nominate only one entity to benefit from the two-tiered tax rate. Additionally, payments of dividends by the subsidiaries incorporated in Hong Kong to the Company are not subject to any Hong Kong withholding tax.

Mainland China

Generally, our subsidiaries and the Consolidated Affiliated Entities in China are subject to enterprise income tax on their taxable income in China at a rate of 25%, except where a special preferential rate applies. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards. In addition, as part of the PRC government's effort to ease the burden of business affected by the COVID-19 pandemic, the Ministry of Finance and the State Taxation Administration temporarily reduced or exempted value-added tax on revenues derived from the provision of certain transportation services throughout 2022.

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Risk Factors—Risks Relating to Doing Business in China—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders."

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenues

Our revenues increased by 37.4% from RMB10.7 billion in 2023 to RMB14.7 billion in 2024, primarily because (i) our mobility service revenue increased by 32.0% from RMB10.3 billion in 2023 to RMB13.6 billion in 2024, which was mainly attributable to the growth in our order volume from 447.8 million in 2023 to 598.1 million in 2024 as we gained more user traffic from third-party aggregation platforms and expanded our services geographically, and (ii) an increase in vehicle sales revenue from RMB114.6 million in 2023 to RMB866.8 million in 2024, as we sold more purpose-built vehicles, primarily to local car partners in the new cities that we entered under an asset-light model.

Cost of sales

Our cost of sales increased by 33.7% from RMB10.1 billion in 2023 to RMB13.5 billion in 2024, primarily due to (i) a 32.1% increase in driver earnings and incentives for mobility services from RMB8.1 billion in 2023 to RMB10.7 billion in 2024, driven by increases in total number of orders completed and GTV as we grow our business, and (ii) a significant increase in the cost of vehicles sold from RMB113.6 million in 2023 to RMB820.1 million in 2024. Our cost of sales as a percentage of our total revenues decreased from 94.2% in 2023 to 91.9% in 2024, mainly due to (i) the decrease in driver earnings and incentives for mobility services as a percentage of our total revenues, and (ii) the decreases in depreciation charges of property, plant and equipment and auto servicing costs as percentages of our total revenues, partially offset by the increase in cost of vehicles sold as a percentage of our total revenues.

Gross profit and gross profit margin

As a result of the foregoing, we recorded gross profit of RMB1,186.0 million in 2024, compared to gross profit of RMB615.4 million in 2023. Our gross profit margin was 8.1% in 2024, compared to gross profit margin of 5.8% in 2023. Our gross profit margin improved from 2023 to 2024, primarily as a result of the growth rate of our revenues growth rate outpaced the growth rate of our cost of sales. Specifically, our mobility service revenue increased by 32.0%, mainly attributable to the increase in order volume of 150.3 million, as a result of more user traffic from third-party aggregation platforms and our geographical expansion, while our driver earnings and incentives for mobility services only increased by 32.1%, mainly attributable to fewer driver incentives distributed by us resulting from the increased number of orders that we distributed to each driver and the increased AOV.

Selling and marketing expenses

Our selling and marketing expenses increased by 46.1% from RMB836.3 million in 2023 to RMB1,222.0 million in 2024, primarily due to a 56.9% increase in commissions charged by third-party aggregation platforms from RMB666.9 million in 2023 to RMB1,046.3 million in 2024, partially offset by a 25.2% decrease in promotion, advertising, and incentives for customer referrals from RMB114.5 million in 2023 to RMB85.7 million in 2024.

General and administrative expenses

Our general and administrative expenses decreased by 36.7% from RMB1,204.1 million in 2023 to RMB762.0 million in 2024, primarily due to the decrease in our share-based compensation expenses for general and administrative personnel.

Research and development expenses

Our research and development expenses decreased by 30.9% from RMB339.5 million in 2023 to RMB234.5 million in 2024, primarily due to the decrease in our share-based compensation for research and development personnel.

Other income

Our other income increased by 37.5% from RMB139.9 million in 2023 to RMB192.3 million in 2024, mainly due to an increase in special government subsidies from a local government based on our local tax contributions.

Other gains, net

Our net other gains decreased by 9.0% from RMB52.1 million in 2023 to RMB47.4 million in 2024, primarily due to a decrease in gains from disposal of subsidiaries, partially offset by an increase in gains on disposal of property, plant, and equipment and assets classified as held for sale and an increase in gains on termination of right-of-use assets.

Finance costs, net

Finance Income. Our finance income decreased by 36.8% from RMB17.1 million in 2023 to RMB10.8 million in 2024, primarily due to a decrease in interest income on cash and cash equivalents.

Finance Costs. Our finance costs increased by 4.9% from RMB312.6 million in 2023 to RMB328.0 million in 2024, primarily due to the increases in the interest expenses of our borrowings.

As a result of the foregoing, our net finance costs increased by 7.3% from RMB295.5 million in 2023 to RMB317.1 million in 2024.

Income tax expenses

We recorded income tax expenses of RMB41.1 million in 2023 and RMB40.0 million in 2024.

Loss for the year

As a result of the foregoing, our loss for the year decreased by 37.1% from RMB2.0 billion in 2023 to RMB1.2 billion in 2024.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenues

Our revenues increased by 39.8% from RMB7.6 billion in 2022 to RMB10.7 billion in 2023, primarily because (i) our mobility service revenue increased by 37.9% from RMB7.5 billion in 2022 to RMB10.3 billion in 2023, which was mainly attributable to the growth in our order volume from 383.4 million in 2022 to 447.8 million in 2023 as we rapidly grew our business amid the rapid recovery of shared mobility in a post-pandemic era and gained more user traffic from third-party aggregation platforms, and (ii) an increase in vehicle sales revenue from RMB32.2 million in 2022 to RMB114.6 million in 2023.

Cost of sales

Our cost of sales increased by 26.1% from RMB8.0 billion in 2022 to RMB10.1 billion in 2023, primarily due to a 29.6% increase in driver earnings and incentives for mobility services from RMB6.3 billion in 2022 to RMB8.1 billion in 2023, driven by increases in total order volume and GTV as we grow our business. Our cost of sales as a percentage of our total revenues decreased from 104.4% in 2022 to 94.2% in 2023, mainly due to (i) the decrease in driver earnings and incentives for mobility services as a percentage of our total revenues, resulting from improvement of operating efficiency and our reduced vehicle TCO, and (ii) the decreases in depreciation charges of property, plant and equipment and auto servicing cost as percentages of our total revenues.

Gross (loss)/profit and gross (loss)/profit margin

As a result of the foregoing, we recorded gross profit of RMB615.4 million in 2023, compared to gross loss of RMB339.0 million in 2022. Our gross profit margin was 5.8% in 2023, compared to gross loss margin of 4.4% in 2022. Our gross margin improved significantly from 2022 to 2023 primarily because the growth rate of our revenues growth rate outpaced the growth rate of our cost of sales. Specifically, our mobility service revenue increased by 37.9%, mainly attributable to the increase in order volume of 64.3 million, as a result of our rapid recovery and more user traffic from third-party aggregation platforms, while our driver earnings and incentives for mobility services only increased by 29.6%, mainly attributable to fewer driver incentives distributed by us resulting from the increased number of orders that we distributed to each driver and the increased AOV, as well as the reduced vehicle TCO supported by the rollout of our purpose-built vehicles and comprehensive auto solutions.

Selling and marketing expenses

Our selling and marketing expenses increased by 30.8% from RMB639.3 million in 2022 to RMB836.3 million in 2023, primarily due to a 107.4% increase in commissions charged by third-party aggregation platforms from RMB321.6 million in 2022 to RMB666.9 million in 2023, partially offset by a 56.1% decrease in promotion, advertising, and incentives for customer referrals from RMB260.7 million in 2022 to RMB114.5 million in 2023, also generally in line with the decrease in the GTV generated from orders from our own platform.

General and administrative expenses

Our general and administrative expenses increased by 61.9% from RMB743.8 million in 2022 to RMB1.2 billion in 2023, primarily due to the increase in our share-based compensation expenses for general and administrative personnel.

Research and development expenses

Our research and development expenses increased by 50.7% from RMB225.2 million in 2022 to RMB339.5 million in 2023, primarily due to the increase in our share-based compensation expenses for research and development personnel, and, to a lesser extent, due to the increases in our expenses for purpose-built vehicles and other system development to further enhance the functions of our platform.

Other income

Our other income increased significantly from RMB39.1 million in 2022 to RMB139.9 million in 2023, mainly due to an increase in special government subsidies from a local government based on our local tax contributions.

Other gains, net

Our net other gains increased from RMB45.3 million in 2022 to RMB52.1 million in 2023, primarily due to the increases in (i) gains on disposal of property, plant, and equipment and assets classified as held for sale, and (ii) gains from disposal of subsidiaries.

Finance costs, net

Finance Income. Our finance income increased significantly from RMB9.2 million in 2022 to RMB17.1 million in 2023, primarily due to an increase in interest income on cash and cash equivalents.

Finance Costs. Our finance costs increased by 20.6% from RMB259.3 million in 2022 to RMB312.6 million in 2023, primarily due to the increases in the interest expenses of our borrowings.

As a result of the foregoing, our net finance costs increased by 18.2% from RMB250.1 million in 2022 to RMB295.5 million in 2023.

Income tax credit/(expenses)

We recorded income tax credit of RMB123.2 million in 2022 and income tax expenses of RMB41.1 million in 2023.

Loss for the year

As a result of the foregoing, our loss for the year remained relatively stable at RMB2.0 billion and RMB2.0 billion in 2022 and 2023, respectively.

OUR FINANCIAL POSITION

To finance the purchase of our vehicles and also our operating activities, we incurred indebtedness such as ABSs and ABNs as well as borrowings from banks and other financial institutions. The following table sets forth our consolidated balance sheets, which have been extracted from the Accountant's Report in Appendix I to this document:

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Assets			
Non-current assets			
Property, plant and equipment and right-of-use assets	2,933,954	2,957,865	2,340,619
Intangible assets	2,226	2,628	52,079
Prepayments and other receivables	111,122	147,446	108,013
Deferred income tax assets	122,674	81,591	41,823
Total non-current assets	**3,169,976**	**3,189,530**	**2,542,534**
Current assets			
Inventories	3,241	167,262	223,079
Prepayments, other receivables and other current assets	603,431	665,255	716,748
Trade receivables	175,937	266,053	274,012
Restricted cash	226,906	105,576	68,247
Cash and cash equivalents	379,995	582,995	159,497
Assets classified as held for sale	107,573	96,213	93,535
Total current assets	**1,497,083**	**1,883,354**	**1,535,118**
Total assets	**4,667,059**	**5,072,884**	**4,077,652**

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Liabilities			
Non-current liabilities			
Borrowings	2,107,100	2,353,010	1,541,737
Lease liabilities	141,477	81,665	59,993
Deferred income tax liabilities	220	—	—
Financial liabilities at fair value through profit or loss	1,814,144	1,883,204	—
Total non-current liabilities	**4,062,941**	**4,317,879**	**1,601,730**
Current liabilities			
Trade and notes payables	1,141,888	680,061	702,206
Accruals and other payables	919,865	917,650	927,106
Contract liabilities	206,271	226,200	263,196
Income tax payables	—	—	150
Borrowings	3,472,123	5,176,890	5,676,550
Lease liabilities	84,892	72,970	56,528
Deferred income	77,129	54,828	83,864
Financial liabilities at fair value through profit or loss	—	—	1,971,901
Total current liabilities	**5,902,168**	**7,128,599**	**9,681,501**
Total liabilities	**9,965,109**	**11,446,478**	**11,283,231**
Deficit			
Share capital	—	—	30
Other equity instruments	—	—	2
Other reserves	5,086,244	6,006,782	6,411,142
Accumulated losses	(10,213,956)	(12,130,439)	(13,381,208)
Deficit attributable to owners of the Company	**(5,127,712)**	**(6,123,657)**	**(6,970,034)**
Non-controlling interests	(170,338)	(249,937)	(235,545)
Total deficit	**(5,298,050)**	**(6,373,594)**	**(7,205,579)**

Property, Plant and Equipment (PP&E) and Right-of-Use (ROU) Assets

Our PP&E and ROU assets are our largest asset item, which primarily consists of our vehicles. Our PP&E and ROU assets were stable at RMB2.9 billion and RMB3.0 billion as of December 31, 2022 and 2023, and decreased to RMB2.3 billion as of December 31, 2024, primarily due to the depreciation and disposal of owned vehicles. Vehicles unready for use represent the mobility operating vehicles purchased by us that have not yet reached an operational status for commercial use prior to obtaining necessary insurance as required by applicable regulations.

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Property, plant and equipment and right-of-use assets:			
Self-owned vehicles	2,069,786	2,468,907	2,161,712
Vehicles unready for use	587,396	303,827	43,148
Leased vehicles	95,238	37,626	—
Leased license plate	47,451	72,864	98,901
Leased properties	95,110	45,259	14,213
Furniture and office equipment	8,910	13,141	11,167
Leasehold improvement	30,063	16,241	11,478
Total	**2,933,954**	**2,957,865**	**2,340,619**

An impairment loss is recognized in profit and loss if the carrying amount of property, plant and equipment and right-of-use assets exceeds its recoverable amount. As of December 31, 2022, 2023, and 2024, we recognized impairment provisions of approximately RMB19.5 million, nil, and nil, respectively, on certain vehicles with relatively low utilization rate, based on the comparable vehicle disposal price on the markets. Certain impairment provision was derecognized upon disposal of the relevant vehicles during the Track Record Period. See note 13 to the Accountant's Report in Appendix I for details.

Summary of Our Debt

We historically financed our business expansion and the growing fleet of purpose-built vehicles primarily through debt instruments and capital contribution from shareholders. During the Track Record Period, our debt mainly consist of ABSs and ABNs, bank borrowings, factor borrowings, and loans from related parties. We strategically and diligently monitor our debt structure to achieve a balance of short-term liquidity and long-term solvency by leveraging different sources of debt with different tenors. We choose from various sources of debt financing based on availability, interest rates, and other terms. During the Track Record Period, ABSs and ABNs were the largest component of our debt.

As a result, as of December 31, 2022, 2023, and 2024, our total borrowing amounted to RMB5.6 billion, RMB7.5 billion, and RMB7.2 billion, respectively. In the short term, we expect to have sufficient working capital to meet our present requirements, taking into account the credit facilities available, the ABS shelf-offerings approved by the China Insurance Asset Registration and Trading System, and the estimated net [**REDACTED**] that we expect to receive from this [**REDACTED**]. Going forward, we expect our liquidity to improve as a result of (i) our improved cashflow from operations as a result of organic revenue growth driven by service quality, continually improving gross profit margin, and further enhanced operating leverage, all of which are rooted in our unique business model and our business strategy to prioritize operating efficiency and achieving profitability over further aggressive nationwide expansion driven by passenger and driver incentives; and (ii) more debt and equity financing resources, including ABSs and ABNs available to us as a result of our business and fleet expansion.

The following table sets forth a summary of our short-term debt and current portion of long-term debt.

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Short-Term Debt and Current Portion of Long-term Debt:				
Borrowings:				
Current portion of long-term borrowings:				
Current portion of ABSs and ABNs	1,750,632	2,904,937	2,859,969	2,704,260
Current portion of bank borrowings, guaranteed	165,366	94,716	6,270	—
Current portion of other borrowings	267,976	103,637	11,862	8,557
Bank borrowings, guaranteed	729,515	1,027,193	1,482,460	1,689,925
Bank borrowings, secured	743	—	—	—
Factoring borrowings	445,783	851,197	415,257	488,141
Loans from related parties	112,108	195,210	900,732	1,608,946
Total	**3,472,123**	**5,176,890**	**5,676,550**	**6,499,829**

The following table sets forth a summary of our non-current portion of long-term debt.

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Non-current portion of Long-term Debt:				
ABSs and ABNs	1,893,000	2,283,000	1,490,000	1,031,000
Other borrowings	132,100	63,760	51,737	37,300
Bank borrowings, guaranteed	82,000	6,250	—	—
Total	**2,107,100**	**2,353,010**	**1,541,737**	**1,068,300**

ABSs and ABNs

ABSs and ABNs are our major long-term debt instruments. During the Track Record Period, we issued several tranches of ABSs and ABNs with payment terms of two or three years and fixed interest rates ranging from 2.5% to 4.9% per annum. These ABSs and ABNs are currently listed on the Shanghai Stock Exchange or traded in the China Interbank Bond market. They are secured by the pledge in favor of the holders of the ABSs of the rights to receive the future service fees derived from the use of certain vehicles owned by us for the provision of shared mobility services, and are guaranteed by Geely Holding. The principals and interests of these ABSs and ABNs are repaid on a quarterly basis.

As of December 31, 2022, 2023, and 2024, and February 28, 2025, the balance of ABSs and ABNs amounted to RMB3.6 billion, RMB5.2 billion, RMB4.3 billion, and RMB3.7 billion, respectively, within which RMB1.8 billion, RMB2.9 billion, RMB2.9 billion and RMB2.7 billion will become due within one year from the respective date.

The following table sets forth the current and non-current portion of ABSs and ABNs as of the dates indicated.

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
ABSs and ABNs:				
Current	1,750,632	2,904,937	2,859,969	2,704,260
Non-current	1,893,000	2,283,000	1,490,000	1,031,000
Total	**3,643,632**	**5,187,937**	**4,349,969**	**3,735,260**

Bank Borrowings, Guaranteed

We obtain short-term and long-term liquidity from bank borrowings.

As of December 31, 2022, 2023, and 2024 and February 28, 2025, our long-term bank borrowings amounted to RMB247.4 million, RMB101.0 million, RMB6.3 million, and nil, respectively, of which RMB165.4 million, RMB94.7 million, RMB6.3 million, and nil will be due within one year from the respective date. These borrowings were guaranteed by Geely Holding and the guarantees are expected to continue after the [**REDACTED**]. These guaranteed long-term bank borrowings bear interests at fixed interest rates ranging from 3.8% to 4.2% per annum.

During the Track Record Period, we entered into several short-term bank borrowing agreements with interest rates ranging from 3.00% to 4.35% per annum. As of December 31, 2022, 2023, and 2024 and February 28, 2025, our short-term bank borrowings amounted to RMB729.5 million, RMB1.0 billion, RMB1.5 billion, and RMB1.7 billion, respectively. The borrowings were guaranteed by Geely Holding and the guarantees are expected to continue after the [**REDACTED**].

The following table sets forth the current and non-current portion of guaranteed bank borrowings as of the dates indicated.

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Bank borrowings, guaranteed:				
Current portion:				
– Short-term bank borrowings, guaranteed:	729,515	1,027,193	1,482,460	1,689,925
– Long-term bank borrowings, guaranteed:	165,366	94,716	6,270	—
Subtotal of current potion	894,881	1,121,909	1,488,730	1,689,925
Non-current portion:				
– Long-term bank borrowings, guaranteed:	82,000	6,250	—	—
Total	**976,881**	**1,128,159**	**1,488,730**	**1,689,925**

Bank Borrowings, Secured

During the Track Record Period, we entered into borrowing agreements with certain commercial banks. The bank borrowings generally had tenors of one year and were secured by related insurance policies.

Other Borrowings

Other borrowings primarily relate to liquidity that we obtain from financing lease companies under sale-and-leaseback agreements to finance part of our fleet of vehicles. As of December 31, 2022, 2023, and 2024, and February 28, 2025, our other borrowings were RMB400.1 million, RMB167.4 million, RMB63.6 million, and RMB45.9 million, respectively. These borrowings were secured borrowings. The effective interest rates of these secured borrowings during the Track Record Period ranged from 4.95% to 6.70% per annum. The carrying value of assets under these arrangements was disclosed in note 13(d) to the Accountant's Report in Appendix I to this document. RMB38.4 million of other borrowings as of December 31, 2024 were guaranteed by Zhejiang Yizhen Automobile Co., Ltd., which will be released before the [**REDACTED**] and the guarantor will be changed to Hangzhou Youxing before the [**REDACTED**].

The following table sets forth the current and non-current portion of other borrowings as of the dates indicated.

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Other borrowings:				
Current	267,976	103,637	11,862	8,557
Non-current	132,100	63,760	51,737	37,300
Total	**400,076**	**167,397**	**63,599**	**45,857**

Factoring Borrowings

During the Track Record Period, the letters of credit and notes payables issued by certain of our subsidiaries for intra-group transaction settlements were discounted to certain commercial banks. The directors were of the view that balance under such factoring arrangements were borrowings from banks. As of December 31, 2022, 2023, and 2024, and February 28, 2025, the average discounted rates were 3.66%, 3.17%, 3.19%, and 3.24% per annum, respectively. The borrowings were guaranteed by Geely Holding, Zhejiang Jidi, and Zhejiang Geely Automobile.

Loans from Related Parties

As of December 31, 2022, 2023, and 2024, and February 28, 2025, our loans from related parties were RMB112.1 million, RMB195.2 million, RMB900.7 million, and RMB1,608.9 million, respectively. As of the Latest Practicable Date, our loans from related parties amounted to RMB1,845.1 million. We incurred RMB1,650.0 million of the loans from related parties outstanding as of the Latest Practicable Date between December 2024 and April 2025, which is non-trade in nature and attributable to unexpected delays in our application for ABS offerings. We incurred these loans from related parties as bridge loans and intend to settle them after we successfully complete our ABS offerings. We plan to settle all our outstanding loans from related parties before the [**REDACTED**]. The effective interest rate of the loans from related parties during the Track Record Period ranged from 3.79% to 4.35% per annum, except for the interest-free loans with two related parties. For more details about our related party transactions, see note 33 to the Accountant's Report in Appendix I to this document.

Current Assets and Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Current assets:				
Inventories	3,241	167,262	223,079	155,307
Prepayments, other receivables and other current assets	603,431	665,255	716,748	620,769
Trade receivables	175,937	266,053	274,012	301,642
Restricted cash	226,906	105,576	68,247	81,279
Cash and cash equivalents	379,995	582,995	159,497	461,086
Assets classified as held for sale	107,573	96,213	93,535	89,410
Total current assets	**1,497,083**	**1,883,354**	**1,535,118**	**1,709,493**

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Current liabilities:				
Trade and notes payables	1,141,888	680,061	702,206	690,189
Accruals and other payables	919,865	917,650	927,106	853,421
Contract liabilities	206,271	226,200	263,196	230,926
Income tax payables	—	—	150	152
Borrowings	3,472,123	5,176,890	5,676,550	6,499,829
Lease liabilities	84,892	72,970	56,528	56,941
Deferred income	77,129	54,828	83,864	65,270
Financial liabilities at fair value through profit or loss	—	—	1,971,901	1,971,901
Total current liabilities	**5,902,168**	**7,128,599**	**9,681,501**	**10,368,629**
Net current liabilities	**4,405,085**	**5,245,245**	**8,146,383**	**8,659,136**

Our unique business model, built upon a fleet of continually growing purpose-built vehicles, requires a heavy and front-loaded capital investment in vehicles which is non-current assets in nature. As discussed in "—Summary of Our Debt," we primarily finance the purchase of vehicles and our operations through various sources of debt financing. As a result, we recorded a relatively large amount of short-term borrowings and current portion of long-term borrowing during the Track Record Period, which resulted in our net current liability positions.

We had net current liabilities positions as of December 31, 2022, 2023, and 2024, and February 28, 2025. Our net current liabilities positions as of each of these dates were primarily attributable to our large balance of current borrowings and trade and notes payables, partially offset by our prepayments, other receivables and other current assets, and cash and cash equivalents. Borrowings account for a substantial portion of our current liabilities. See "—Liquidity and Capital Resources" for further details on change of the balance of our cash and cash equivalents. The following table sets forth the maturity structure of our debts as of the Latest Practicable Date. We intend to decide whether to pay down or renew these debts as they come due, taking into account our capital needs then and available funding sources.

	Within One Year	Between One And Two Years	Between Two And Five Years	Over Five Years
		(RMB in thousands, unaudited)		
ABSs	2,287,000	916,000	100,000	–
Bank borrowings	1,560,824	–	–	–
Factoring borrowings	504,893	–	–	–
Other borrowings	8,534	14,302	21,751	–
Loans from related parties	1,845,090	–	–	–
Total	6,206,341	930,302	121,751	–

Notwithstanding the above, our directors are of the view that we will have sufficient working capital to meet our present requirements and for at least the next twelve months from the date of this document, considering the following reasons.

- we have obtained ABS shelf-offerings of RMB6.0 billion on April 26, 2023, approved by Shanghai Stock Exchange. As of the Latest Practicable Date, we completed the total issuance of ABSs of RMB5.5 billion in four tranches. We have also obtained ABS shelf-offerings of RMB6.0 billion on April 24, 2025, approved by the China Insurance Asset Registration and Trading System, and expect to issue the first tranche of ABSs thereunder in early May. We have also submitted applications for new ABS shelf-offerings of up to RMB6.0 billion to each of the Shanghai Stock Exchange and Shenzhen Stock Exchange;

- in case we are unable to satisfy our liquidity needs through the issuance of ABSs, we may rely on our external funding channels including unutilized bank credit facilities. As of the Latest Practicable Date, our unutilized bank credit facilities obtained from independent commercial banks and guaranteed by Geely Group amounted to approximately RMB0.4 billion; and

- in 2023 and 2024, we generated net operating cash inflow, as compared to net operating cash outflow in 2022. We will continue our efforts to improve our operating cashflows in order to strengthen our working capital and manage our capital expenditures in line with our operating activities and financing activities. We believe our improving operating cashflows, combined with our experience of past successful financing activities, will enable us to rollover and/or refinance our existing debts at favorable terms.

To improve our net current liabilities position as of December 31, 2024, we plan to continually enhance our cash flow from operations by working towards profitability, which is expected to increase our cash and cash equivalents. See "—Path to Profitability" for details. We generated net cash inflow from operations in 2023 and 2024 and expect to do so in the foreseeable future. In addition, we expect that our capital investment in purpose-built vehicles will moderate in the near future compared to the Track Record Period, during which we launched and rapidly expanded our fleet. This moderation is expected to contribute to the improvement of our net current liabilities position in conjunction with the expected cash inflow from operation as discussed above. Furthermore, we plan to continually optimize our debt structure. For example, we plan to partially repay the principal and interest of certain bank borrowings with net [**REDACTED**] from the [**REDACTED**].

Our net current liabilities increased by 19.1% from RMB4.4 billion as of December 31, 2022, to RMB5.2 billion as of December 31, 2023. The increase was mainly due to (i) an increase in borrowings of RMB1.7 billion, primarily as a result of our issuance of ABSs and ABNs which led to a RMB1.2 billion increase in the current portion of our ABSs and ABNs, partially offset by (i) a decrease in trade and notes payables of RMB461.8 million, (ii) an increase in cash and cash equivalents of RMB203.0 million, and (iii) an increase in inventories of RMB164.0 million which was primarily due to our procurement of mobility operating vehicles, including our purpose-built vehicle Maple 80V and another mobility operating vehicle model Maple 60S for sales in 2023. While we have focused on promoting and selling our second-generation purpose-built vehicle CaoCao 60 since 2023, we procured these mobility operating vehicles for sales mainly to expand our sales network, develop new clients, and meet the diverse needs of different customers for various vehicle models. These vehicle models are primarily aimed at third-party fleet operators.

Our net current liabilities increased by 55.3% from RMB5.2 billion as of December 31, 2023, to RMB8.1 billion as of December 31, 2024. The increase was mainly due to (i) an increase in financial liabilities at fair value through profit or loss of RMB2.0 billion, primarily as a result of the reclassification of our issuance of financial instruments with certain preferred rights to investors of our Series B Preferred Shares from non-current liabilities to current liabilities upon the completion of the reorganization, and (ii) an increase in borrowings of RMB499.7 million, primarily as a result of a RMB705.5 million increase in loans from related parties and a RMB366.8 million increase in the current portion of our bank borrowings, guaranteed, partially offset by a decrease in factoring borrowings of RMB435.9 million.

Discussion of Other Balance Sheet Items

Prepayments, other receivables, and other current assets

Our prepayments, other receivables, and other current assets primarily consist of (i) prepayments for insurance costs, (ii) value-added tax recoverable, (iii) amounts due from related parties, (iv) trust protection fund, and (v) prepayments for global positioning system and other equipment. The following table sets forth our current prepayments, other receivables, and other current assets as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Prepayments, other receivables, and other current assets:			
Prepayments:			
Prepayments for insurance costs	325,184	269,876	250,951
[**REDACTED**] expenses directly attributable to the issue of shares to be capitalized	494	2,473	5,274
Others	4,820	4,145	7,676
	330,498	276,494	263,901
Other receivables:			
Deposits to trust institutions	18,340	36,600	34,430
Rental and other deposits	6,555	12,133	7,308
Amounts due from related parties(1)	—	5,550	—
Short-term finance lease receivables, net	7,375	3,481	3,500
Loans to third parties	3,644	3,644	3,644
Capital contribution receivables from Ugo Investment Limited(2)	—	—	30
Others	8,456	11,461	12,956
	44,370	72,869	61,868
Other current assets:			
Value-added tax recoverable	235,041	322,843	395,708
Less: loss allowance	(6,478)	(6,951)	(4,729)
Total	**603,431**	**665,255**	**716,748**

Note:

(1) See note 33(c)(x) to the Accountant's Report in Appendix I to this document.

(2) See note 22 to the Accountant's Report in Appendix I to this document.

Our prepayments, other receivables, and other current assets increased by 10.2% from RMB603.4 million as of December 31, 2022, to RMB665.3 million as of December 31, 2023. The increase was mainly due to an increase in value-added tax recoverable of RMB87.8 million, primarily relating to newly purchased vehicles, partially offset by a decrease in prepayments for insurance costs of RMB55.3 million, as a result of the decreased insurance costs per vehicle.

Our prepayments, other receivables, and other current assets slightly increased by 7.7% from RMB665.3 million as of December 31, 2023, to RMB716.7 million as of December 31, 2024. The increase was mainly due to an increase in value-added tax recoverable of RMB72.9 million, primarily relating to newly purchased vehicles, partially offset by a decrease in prepayments for insurance costs of RMB18.9 million, as a result of the decreased insurance costs per vehicle.

Trade receivables

Our trade receivables primarily consist of outstanding amounts payable by third-party aggregation platforms for mobility services. The following table sets forth our trade receivables as of the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Trade receivables:			
Trade receivables from contracts with customers	182,833	273,703	289,762
Less: loss allowance	(6,896)	(7,650)	(15,750)
Total	**175,937**	**266,053**	**274,012**

Our trade receivables increased by 51.2% from RMB175.9 million as of December 31, 2022 to RMB266.1 million as of December 31, 2023, and further increased by 3.0% from RMB266.1 million as of December 31, 2023 to RMB274.0 million as of December 31, 2024. These increases were mainly due to the increases in our transaction volume on third-party aggregation platforms.

The following table sets forth the aging analysis of our trade receivables as at the date indicated.

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Trade receivables:			
Within 3 months	172,061	261,644	263,483
3 months to 6 months	6,871	6,398	12,793
6 months to 1 year	324	3,570	5,915
Over 1 year	3,577	2,091	7,571
Total	**182,833**	**273,703**	**289,762**

The following table sets forth the turnover days of our trade receivables as at the date indicated.

	As of December 31,		
	2022	2023	2024
Trade receivables turnover days	8.1	7.6	6.7

Note:

(1) Trade receivables turnover days for a period equals the average of the opening and closing trade receivables balance divided by total revenue during the relevant period and multiplied by 365 days.

Our trade receivables turnover days were 8.1 days in 2022, 7.6 days in 2023, and 6.7 days in 2024.

As of February 28, 2025, RMB223.4 million, or 77.1%, of our trade receivables as of December 31, 2024, had been settled.

Trade and notes payables

Our trade and notes payables consist of (i) trade payables, including payables for vehicles, earnings and incentives payable to drivers, and payable for services, among others, and (ii) notes payables. The following table sets forth our trade and notes payables as of the dates indicated:

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Trade payables:			
Payables for vehicles	572,062	263,211	114,104
Earnings and incentives payable to drivers	175,726	244,934	422,439
Payables for services[(1)]	102,850	157,882	163,150
Others	12,116	12,433	2,513
	862,754	678,460	702,206
Notes payables	**279,134**	**1,601**	**—**
Total	**1,141,888**	**680,061**	**702,206**

Note:

(1) This item mainly consists of payables for commissions paid to car partners, vehicle maintenance charges, and battery service fees.

Our trade and notes payables decreased by 40.4% from RMB1.1 billion as of December 31, 2022, to RMB680.1 million as of December 31, 2023. The decrease was mainly due to (i) a decrease in payables for vehicles of RMB308.9 million as we shifted to a prepayment approach for the procurement of CaoCao 60, and (ii) a decrease in notes payables of RMB277.5 million, primarily due to the repayment of notes at maturity, primarily offset by (i) an increase in earnings and incentives payable to drivers of RMB69.2 million, in line with the increase in driver earnings and incentives, and (ii) an increase in payables for services of RMB55.0 million, primarily due to the increases in commissions payable to our car partners and battery service fees for purpose-built vehicles.

Our trade and notes payables increased by 3.3% from RMB680.1 million as of December 31, 2023, to RMB702.2 million as of December 31, 2024. The increase was mainly due to an increase in earnings and incentives payable to driver of RMB177.5 million, in line with the increase in driver earnings and incentives, partially offset by a decrease in payables for vehicles of RMB149.1 million, as CaoCao 60 are procured with a prepayment approach and the amount payable for other vehicle models decreased.

The following table sets forth the aging analysis of our trade payables as at the date indicated.

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Trade payables:			
0 to 90 days	784,927	661,773	692,105
91 to 180 days	37,914	1,104	560
181 days to 1 year	29,522	5,367	275
Over 1 year	10,391	10,216	9,266
Total	**862,754**	**678,460**	**702,206**

The following table sets forth the turnover days of our trade payables for drivers as at the date indicated.

	As of December 31,		
	2022	**2023**	**2024**
Turnover days of trade payables for drivers[(1)]	11.8	9.4	11.4

Note:

(1) Trade payables turnover days for a period equals the average of the opening and closing earnings and incentives payable to drivers balance divided by total driver earnings and incentives for mobility services during the relevant period and multiplied by 365 days.

The turnover days of our trade payables for drivers were 11.8 days in 2022, 9.4 days in 2023, and 11.4 days in 2024.

As of February 28, 2025, RMB587.8 million, or 83.7%, of our trade payables as of December 31, 2024, had been settled.

Accruals and other payables

Accruals and other payables mainly consist of (i) deposits from drivers, (ii) staff costs and welfare accruals, (iii) accrued promotion, advertising and incentives for customer referrals, (iv) taxes and surcharges payables, among others. The following table sets forth our accruals and other payables as of the dates indicated:

	As of December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Accruals and other payables:			
Deposits from drivers	338,939	332,524	291,092
Advances from disposal of used vehicles	87,041	118,859	106,983
Deposits from suppliers	78,408	92,267	115,065
Staff costs and welfare accruals	83,646	80,687	80,510
Amounts due to related parties	178,521	61,258	66,309
Other deposits	21,787	45,953	47,649
Taxes and surcharges payables	17,864	39,396	50,158
Accrued promotion, advertising and incentives for customer referrals	42,645	34,535	30,998
Payables for [**REDACTED**] expenses	5,834	21,747	33,193
Provision for litigation and disputes	8,784	16,106	31,742
Amounts collected for hitch and chauffer services	10,268	1,875	630
Others	46,128	72,443	72,777
Total	**919,865**	**917,650**	**927,106**

Our current accruals and other payables decreased slightly by 0.2% from RMB919.9 million as of December 31, 2022, to RMB917.7 million as of December 31, 2023. The decrease was mainly due to a decrease in amounts due to related parties of RMB117.3 million relating to the settlement of the bridge loan of RMB156.4 million from the related party following the discharge of Limao Mobility's guarantee obligation, partially offset by (i) an increase in advances from disposal of used vehicles of RMB31.8 million as we disposed of a larger number of used vehicles in 2023, and (ii) an increase in taxes and surcharges payables of RMB21.5 million, primarily due to the COVID-19 tax reduction and exemption policy in 2022.

Our current accruals and other payables increased by 1.0% from RMB917.7 million as of December 31, 2023, to RMB927.1 million as of December 31, 2024. The increase was mainly due to an increase in deposits from suppliers and others of RMB24.5 million and an increase in provision for litigation and disputes of RMB15.6 million as a result of our increased scale, partially offset by a decrease in deposits from drivers of RMB41.4 million.

Our deposits from drivers decreased slightly from RMB338.9 million as of December 31, 2022 to RMB332.5 million as of December 31, 2023, and further decreased to RMB291.1 million as of December 31, 2024, primarily due to our initiative to reduce the financial burden on drivers by lowering the deposit required for each vehicle in 2023 and 2024. Specifically, the average amount of deposit required per vehicle as of December 31, 2022, 2023, and 2024 amounted to RMB10.1 thousand, RMB9.1 thousand, and RMB7.9 thousand, respectively.

Among the balances of amounts due to related parties as of December 31, 2024, RMB12.5 million were interest-free and non-trade in nature. Whether or not such remaining RMB12.5 million due to Geely Commercial Vehicle will be settled prior to the [**REDACTED**] will be subject to further commercial discussions between the parties. See "Relationship with Our Controlling Shareholders—Independence from Controlling Shareholders—Financial Independence" for details of this arrangement.

Contract liabilities

Our contract liabilities mainly arise from the advance payments made by users while the mobility services are yet to be provided.

Our contract liabilities increased by 9.7% from RMB206.3 million as of December 31, 2022 to RMB226.2 million as of December 31, 2023, and further increased by 16.4% to RMB263.2 million as of December 31, 2024, mainly due to the rise of advance payments from vehicle sales.

As of February 28, 2025, RMB143.4 million, or 54.5%, of our contract liabilities as of December 31, 2024 had been subsequently utilized and recognized in revenue.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Current portion:				
Borrowings	3,472,123	5,176,890	5,676,550	6,499,829
Lease liabilities	84,892	72,970	56,528	56,941
Financial liabilities at fair value through profit or loss	–	–	1,971,901	1,971,901
Other payables	168,928	12,500	12,500	12,500
Non-current portion:				
Borrowings	2,107,100	2,353,010	1,541,737	1,068,300
Lease liabilities	141,477	81,665	59,993	50,415
Financial liabilities at fair value through profit or loss	1,814,144	1,883,204	–	–
Total	**7,788,664**	**9,580,239**	**9,319,209**	**9,659,886**

Borrowings

Details of our borrowings has been discussed in "—Our Financial Position—Summary of Our Debt." The following table sets forth our borrowings as of the dates indicated.

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Borrowings:				
ABSs and ABNs	3,643,632	5,187,937	4,349,969	3,735,260
Other borrowing	400,076	167,397	63,599	45,857
Bank borrowings[(1)]	977,624	1,128,159	1,488,730	1,689,925
Factoring borrowings	445,783	851,197	415,257	488,141
Loans from related parties	112,108	195,210	900,732	1,608,946
Total	**5,579,223**	**7,529,900**	**7,218,287**	**7,568,129**

Note:

(1) Of our total bank borrowings, RMB976.9 million, RMB1.1 billion, RMB1.5 billion, and RMB1.7 billion as of December 31, 2022, 2023, and 2024, and February 28, 2025 are guaranteed borrowings, RMB0.7 million, nil, nil, and Nil as of December 31, 2022, 2023, and 2024, and February 28, 2025 are secured borrowings.

As of December 31, 2022, 2023, and 2024, and February 28, 2025, our borrowings were repayable as follows:

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Within 1 year	3,472,123	5,176,890	5,676,550	6,499,829
Between 1 and 2 years	1,546,900	1,961,891	1,299,376	945,239
Between 2 and 5 years	560,200	383,797	242,361	123,061
Over 5 years	—	7,322	—	—
Total	**5,579,223**	**7,529,900**	**7,218,287**	**7,568,129**

Our Directors confirm that we have not been in material violation of any of the covenants nor have we been subject to material financial covenants pursuant to the applicable borrowing agreements that we entered into with the respective lenders for the years ended December 31, 2022, 2023, and 2024, and up to February 28, 2025.

Financial liabilities at fair value through profit or loss

As of December 31, 2022, 2023, and 2024, and February 28, 2025, our financial instruments issued to investors of our Series B Preferred Shares classified as financial liabilities at fair value through profit or loss had fair value of RMB1.8 billion, RMB1.9 billion, RMB2.0 billion and RMB2.0 billion, respectively. From December 31, 2024 to February 28, 2025, we did not issue or repurchase any preferred shares.

We have designated the financial instruments issued to investors of our Series B Preferred Shares which contains redemption features and other embedded derivatives as financial liabilities at fair value through profit or loss on initial recognition. The fair value change of financial instruments issued to investors of our Series B Preferred Shares is recognized to profit or loss, except for the portion attributable to credit risk change, which shall be recognized to other comprehensive income, if any. Upon the completion of the [**REDACTED**], all the preferred shares of the Company will be automatically converted into the ordinary shares of the Company on a one-to-one basis. All of the financial instruments issued to Series B Investors will be re-designated from liabilities to equity. For further details, please refer to Note 37 to the Accountant's Report set out in Appendix I to this [**REDACTED**].

Lease Liabilities

Our lease liabilities are in relation to leased vehicles, leased license plates, and properties that we lease for our offices.

The following table sets forth present value of our lease liabilities as of the dates indicated:

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Lease liabilities:				
Current	84,892	72,970	56,528	56,941
Non-current	141,477	81,665	59,993	50,415
Total	**226,369**	**154,635**	**116,521**	**107,356**

The following table categorizes our lease liabilities into relevant maturity groups based on the remaining period from the balance sheet date to the contractual maturity date:

	As of December 31,			As of February 28,
	2022	2023	2024	2025
	(RMB in thousands)			
				(Unaudited)
Present value of lease liabilities:				
Within 1 year	84,892	72,970	56,528	56,941
Between 1 and 2 years	62,988	60,760	31,711	23,320
Between 2 and 5 years	78,489	20,905	28,282	27,095
Total	**226,369**	**154,635**	**116,521**	**107,356**

Other payables

Our other payables are non-trade in nature and amounted to RMB168.9 million, RMB12.5 million, RMB12.5 million, and RMB12.5 million as of December 31, 2022, 2023, and 2024 and February 28, 2025, respectively. The RMB12.5 million outstanding as of February 28, 2025 was payable to Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd., not interest-bearing, and not expected to be settled before listing. For details related to this item, see "Relationship with Our Controlling Shareholders—Independence from Controlling Shareholders—Financial Independence." For a breakdown of other payables, see Note 33(c)(viii) to the Accountant's Report set out in Appendix I to this [**REDACTED**].

No Other Outstanding Indebtedness

Except as discussed above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts, or other similar indebtedness, financing lease, or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured, or unsecured as of December 31, 2024 and February 28, 2025. Our Directors confirm that there is no material change in our indebtedness since February 28, 2025 up to the date of [**REDACTED**]. Our Directors confirm that we did not experience any material difficulty in obtaining bank loans and borrowing or any default in payment of bank loans and other borrowings during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that we have not been in material violation of any of the covenants or have been subject to material financial covenants during the Track Record Period and up to the Latest Practicable Date.

KEY FINANCIAL RATIOS

	For the Year Ended December 31,		
	2022	2023	2024
Revenue growth rate	6.7%	39.8%	37.4%
Gross (loss)/profit margin[(1)]	-4.4%	5.8%	8.1%
Net loss margin[(2)]	-26.3%	-18.6%	-8.5%
Adjusted loss margin (non-IFRS measure)[(3)]	-21.6%	-9.1%	-4.9%
Adjusted EBITDA margin (non-IFRS measure)[(4)]	-10.1%	1.0%	2.6%
Debt ratio[(5)]	119.5%	148.4%	177.0%

Notes:

(1) Gross (loss)/profit margin represents the gross (loss)/profit for the year as percentages of the revenue for such year.

(2) Net loss margin represents the loss for the year as percentages of the revenue for such year.

(3) Adjusted loss margin (non-IFRS measure) represents the adjusted loss (non-IFRS measure) for the year as percentages of the revenue for such year. For details of the adjusted loss (non-IFRS measure), see "—Non-IFRS Measures."

(4) Adjusted EBITDA margin (non-IFRS measure) represents the adjusted EBITDA (non-IFRS measure) for the year as percentages of the revenue for such year. For details of the adjusted EBITDA (non-IFRS measure), see "—Non-IFRS Measures."

(5) Represents total debts divided by total assets as of the end of the year. Total debts represent the sum of the current and non-current borrowings as of the end of the year.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital

During the Track Record Period and up to the Latest Practicable Date, we funded our cash requirements principally from capital contribution from shareholders, financing through private placements, ABS and ABN arrangements, and bank and other borrowings. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. Our cash and cash equivalents represent cash and bank balances. We had cash and cash equivalents of RMB380.0 million, RMB583.0 million, and RMB159.5 million as of December 31, 2022, 2023, and 2024, respectively. Our net cash generated from operating activities was RMB136.4 million and RMB235.9 million in 2023 and 2024, respectively, as compared to our net cash used in operating activities of RMB1.1 billion in 2022, primarily due to the improvement of profitability.

Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities, the net [**REDACTED**] received from the [**REDACTED**], our future issuance of ABSs and ABNs, and our future bank borrowings. We currently do not have any other plans for additional financing that are expected to be material to our operations and results of operations.

We have established comprehensive internal control procedures to monitor our liquidity and to report and approve financing arrangements. Our financial department closely monitors our liquidity status and cash flow situation to ensure proper repayment of all the principals and interests of our outstanding borrowings, including bank borrowings and ABSs. In particular, the treasury team of our finance department creates monthly treasury plans to ensure effective liquidity management. In addition, it is required that each business lines to submit demands over RMB50,000 via email for approval, with ad hoc demands over RMB100,000 needing specific reasons and senior approval. Furthermore, we ensure a robust segregation of duties in the cash payment process, focusing on the roles of the payment requestor, approver, and cashier. This segregation minimizes the risk of errors and fraud, ensuring that all cash payments are properly authorized and documented.

We have established a comprehensive approval procedures for financial arrangements. Our treasury team should evaluate and initiate financial arrangements. Any significant financing arrangements must be approved by our senior management and Board. Once executed, the treasury team maintains a master data ledger of the loans, which is shared with the accounting and reporting team to ensure comprehensive internal control and accurate financial records.

We do not expect our capital expenditures and resources to materially deviate from our business operations during the Track Record Period.

Cash Flows

The following table sets forth our cash flows for the periods indicated.

	For the Year Ended December 31,		
	2022	2023	2024
	(RMB in thousands)		
Net cash (used in)/generated from operating activities	(1,127,215)	136,372	235,901
Net cash (used in)/generated from investing activities	(431,011)	(1,498,540)	22,576
Net cash generated from/ (used in) financing activities	1,520,472	1,565,167	(681,975)
Net (decrease)/increase in cash and cash equivalents	(37,754)	202,999	(423,498)
Cash and cash equivalents at beginning of the year	417,741	379,995	582,995
Effects of exchange rate changes on cash and cash equivalents	8	1	—
Cash and cash equivalents at end of the year	**379,995**	**582,995**	**159,497**

Net Cash (Used in)/Generated from Operating Activities

In 2024, net cash generated from operating activities was RMB235.9 million, primarily attributable to our loss of RMB1,246.4 million, as adjusted by (i) adding back non-cash and non-operating expenses, which primarily consist of depreciation charges of property and equipment of RMB685.6 million, share-based compensation expenses of RMB401.4 million, and finance costs of RMB317.1 million, and (ii) cash absorbed by working capital, which primarily result from an increase in prepayments, other receivables and other current assets of RMB63.7 million and an increase in inventory of RMB55.8 million, partially offset by a decrease in restricted cash of RMB37.3 million.

In 2023, net cash generated from operating activities was RMB136.4 million, primarily attributable to our loss of RMB2.0 billion, as adjusted by (i) adding back non-cash and non-operating expenses, which primarily consist of share-based compensation expenses of RMB920.5 million, depreciation charges of property, plant and equipment of RMB664.3 million, and net finance costs of RMB295.5 million, and (ii) cash released by working capital, which primarily result from an increase in trade and notes payables of RMB310.7 million and an increase in accruals and other payables of RMB123.3 million, partially offset by an increase in inventory of RMB164.0 million, an increase in prepayments, other receivables and other current assets of RMB48.4 million, and an increase in trade receivables of RMB92.4 million.

In 2022, net cash used in operating activities was RMB1.1 billion, primarily attributable to our loss of RMB2.0 billion, as adjusted by (i) adding back non-cash and non-operating expenses, which primarily consist of depreciation charges of property, plant and equipment of RMB657.6 million, share-based compensation expenses of RMB335.8 million, net finance costs of RMB250.1 million, and depreciation charges of right-of-use assets of RMB92.8 million, and (ii) cash absorbed by working capital, which primarily result from a decrease in accruals and other payables of RMB142.7 million, an increase in prepayments, other receivables and other current assets of RMB118.4 million, a decrease in contract liabilities of RMB58.8 million, and a decrease in trade and notes payables of RMB34.4 million, partially offset by an increase in deferred income of RMB77.1 million.

See "—Our Financial Position—Discussion of Other Balance Sheet Items" for primary reasons relating to the underlying causes for our operating cash flow changes.

Net Cash (Used in)/Generated from Investing Activities

In 2024, net cash generated from investing activities was RMB22.6 million, primarily attributable to proceeds from disposal of property, plant and equipment and assets classified as held for sale of RMB313.6 million, partially offset by payments for property, plant and equipment of RMB292.8 million.

In 2023, net cash used in investing activities was RMB1.5 billion, primarily attributable to payments for property, plant and equipment of RMB1.9 billion, partially offset by proceeds from disposal of property, plant and equipment and assets classified as held for sale of RMB381.4 million.

In 2022, net cash used in investing activities was RMB431.0 million, primarily attributable to payments for property, plant and equipment of RMB741.9 million, partially offset by proceeds from disposal of property, plant and equipment and assets classified as held for sale of RMB286.9 million.

Net Cash (Used in)/Generated from Financing Activities

In 2024, net cash used in financing activities was RMB682.0 million, primarily attributable to repayments of ABSs and ABNs of RMB3.5 billion and repayments of borrowings, excluding ABSs and ABNs, of RMB2.7 billion, partially offset by proceeds from ABSs and ABNs of RMB2.7 billion and proceeds from borrowings, excluding ABSs and ABNs of RMB2.5 billion.

In 2023, net cash generated from financing activities was RMB1.6 billion, primarily attributable to proceeds from ABSs of RMB3.8 billion, proceeds from borrowings, excluding ABSs and ABNs of RMB2.4 billion, and proceeds from loans from related parties of RMB443.8 million, partially offset by repayments of ABSs of RMB2.3 billion, repayments of borrowings, excluding ABSs and ABNs of RMB2.0 billion, and repayments to loans from related parties of RMB359.8 million.

In 2022, net cash generated from financing activities was RMB1.5 billion, primarily attributable to proceeds from ABSs of RMB3.3 billion, proceeds from borrowings, excluding ABSs and ABNs of RMB1.6 billion, and proceeds from loans from related parties of RMB1.1 billion, partially offset by repayments of ABSs and ABNs of RMB1.5 billion, repayments of borrowings, excluding ABSs and ABNs of RMB1.3 billion, and repayments to loans from related parties of RMB1.3 billion.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of purchase of property, plant and equipment, which included purchase of vehicles, furniture and office equipment, and leasehold improvement. The following table sets forth our capital expenditures for the periods indicated.

	For the Year Ended December 31,		
	2022	**2023**	**2024**
	(RMB in thousands)		
Purchases of property, plant, and equipment	1,336,822	1,060,501	339,547
Total	**1,336,822**	**1,060,501**	**339,547**

Our capital expenditures were RMB1.3 billion in 2022, RMB1.1 billion in 2023, and RMB339.5 million in 2024.

We expect that our capital expenditures in 2025 will primarily consist of purchases of vehicles. We intend to fund our future capital expenditures with our existing cash balance, cash generated from our operating activities and financing activities, and [**REDACTED**] from the [**REDACTED**]. See the section headed "Future Plans and Use of [**REDACTED**]" for more details. We may reallocate the fund to be utilized on capital expenditure and long-term investments based on our ongoing business needs.

CONTRACTUAL OBLIGATIONS

Capital Commitments

Our capital commitments during the Track Record Period were related to purchase of property, plant and equipment. The table below sets forth the breakdown of our capital commitments as of the dates indicated.

	As of December 31,		
	2022	2023	2024
	(RMB in thousands)		
Property, plant and equipment	—	79,115	29,904
Total	**—**	**79,115**	**29,904**

As of December 31, 2022, 2023, and 2024, the total amount of our outstanding capital commitments was nil, RMB79.1 million, and RMB29.9 million, respectively.

Other than the contractual obligations set forth above and disclosure set forth elsewhere in this document, we do not have any other long-term debt obligations, operating lease commitments, capital commitments or other long-term liabilities.

Contingent Liabilities or Guarantee

As of December 31, 2022, 2023, and 2024, we did not have any material contingent liabilities or guarantees. Our Directors confirm that there has been no material change in our contingent liabilities since December 31, 2024.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

MATERIAL RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, we entered into various related party transactions. For more details about our related party transactions, see note 33 to the Accountant's Report in Appendix I to this document and "Relationship with Our Controlling Shareholders."

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm's-length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL RISK DISCLOSURE

We are exposed to a variety of financial risks, including credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. The board of directors of our Company reviewed and agreed the following risk management policies. See note 3 to the Accountant's Report in Appendix I to this document for a detailed description of our financial risk management.

Market Risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not our entities' functional currency. We operate mainly in the PRC with most of the transactions settled in RMB. We consider that our business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of ours are denominated in the currencies other than the respective functional currencies of our entities, so that we do not hedge against any fluctuation in foreign currency.

Cash flow and fair value interest rate risk

Our income and operating cash flows are substantially independent of changes in market interest rates.

Our significant interest-bearing assets and liabilities include notes payables and borrowings, lease liabilities, cash and cash equivalents, and restricted cash. Those carried at floating rates expose us to cash flow interest rate risk whereas those carried at fixed rates expose us to fair value interest rate risk. Our interest rate risk mainly arises from notes payables and borrowings. As at December 31, 2022, 2023, and 2024, our notes payables were carried at fixed rates, and our borrowings were partially carried at floating rates.

We do not anticipate significant impact to interest-bearing assets and other liabilities resulted from the changes in interest rates. If interest rates had been 50 basis points higher or lower with all other variables held constant, loss before tax for the years ended December 31, 2022, 2023, and 2024 would have been approximately RMB23.5 million, RMB25.2 million, and RMB38.9 million higher or lower, respectively.

Credit Risk

Credit risk mainly arises from cash and cash equivalents, restricted cash, trade receivables, and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheet. See note 3 to the Accountant's Report in Appendix I to this document for further information relating to our credit risk.

Liquidity Risk

We aim to maintain sufficient cash and cash equivalents for our business development and expansion. Due to the dynamic nature of the underlying businesses, our policy is to regularly monitor our liquidity risk and to maintain adequate cash and cash equivalents to meet our liquidity requirements. See note 3 to the Accountant's Report in Appendix I to this document for further information relating to our liquidity risk.

FUTURE DIVIDENDS

During the Track Record Period, we did not declare or distribute any dividend. According to our Articles of Association and applicable laws and regulations, the decision on whether to pay dividends will be made at the discretion of our Directors and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant. We do not have a pre-determined dividend payout ratio. As advised by our legal advisor on Cayman Islands law, Appleby, under the Cayman Companies Act and the Articles of Association, a position of accumulated losses does not necessarily restrict us to declare and pay dividends to our shareholders as dividends may be declared and paid out of our share premium account notwithstanding our profitability unless, immediately following the date on which the distribution or dividend is proposed to be paid, we will be unable to pay our debts as they fall due in the ordinary course of business.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends shall be paid only out of the profit for the year determined according to PRC accounting principles. PRC laws also require foreign-invested enterprises to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, until the agreement amount of such funds reaches 50% of their registered capital, which are not available for distribution as cash dividends. Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate.

WORKING CAPITAL CONFIRMATION

Taking into account the financial resources available to us, including our cash and cash equivalents on hand and the estimated net [**REDACTED**] from the [**REDACTED**], our Directors are of the view, and the Joint Sponsors concur, that we have sufficient working capital to meet our present needs and for the next twelve months from the date of this document. Our Directors confirm that we had no material defaults in payment of trade and non-trade payables during the Track Record Period.

DISTRIBUTABLE RESERVES

As of September 30, 2024, our Company did not have any distributable reserves available for distribution to our shareholders.

[**REDACTED**] EXPENSE

Based on the mid-point [**REDACTED**] of [**REDACTED**], the total estimated [**REDACTED**] expenses in relation to the [**REDACTED**] is approximately [**REDACTED**], representing approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**] (assuming no new Shares are [**REDACTED**] under the [**REDACTED**] or the Pre-[**REDACTED**] Share Incentive Plan and each Preferred Share is converted into an Ordinary Share of the Company on a 1:1 basis immediately prior to the [**REDACTED**]). Such estimated total [**REDACTED**] expenses include (i) [**REDACTED**] related expenses (including, but not limited to, commissions and fees) of approximately [**REDACTED**]; (ii) fees and expenses of our legal advisors and reporting accountant of approximately [**REDACTED**]; and (iii) other fees and expenses of approximately [**REDACTED**].

Up to December 31, 2024, we incurred [**REDACTED**] expenses of [**REDACTED**], of which (i) [**REDACTED**] was charged to our consolidated statements of profit or loss during the Track Record Period and (ii) [**REDACTED**] was recognized as [**REDACTED**] expenses directly attributable to the [**REDACTED**] of shares to be deducted from equity upon the [**REDACTED**].

We expect to incur additional [**REDACTED**] expenses of approximately [**REDACTED**], of which approximately [**REDACTED**] is expected to be charged to our consolidated statements of profit or loss and approximately [**REDACTED**] will be deducted from equity.

UNAUDITED [**REDACTED**] STATEMENT OF ADJUSTED NET TANGIBLE LIABILITIES

The following unaudited [**REDACTED**] statement of adjusted net tangible liabilities of our Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the [**REDACTED**] on the net tangible liabilities of our Group attributable to the owners of our Company as of December 31, 2024, as if the [**REDACTED**] had taken place on December 31, 2024.

This unaudited [**REDACTED**] statement of adjusted net tangible liabilities has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of our Group attributable to the owners of our Company as at December 31, 2024, or at any future dates following the [**REDACTED**].

	Audited consolidated net tangible liabilities of our Group attributable to the owners of our Company as at December 31, 2024	**Estimated net [REDACTED] from the [REDACTED]**	**Estimated impact related to the conversion of the Preferred Shares from liabilities to equity upon the completion of [REDACTED]**	**Unaudited [REDACTED] adjusted consolidated net tangible liabilities of our Group attributable to the owners of our Company as at December 31, 2024**	**Unaudited [REDACTED] adjusted net tangible liabilities per Share**	
	(Note 1)	*(Note 2)*	*(Note 3)*		*(Note 4)*	*(Note 5)*
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB*	*HK$*
Based on an [**REDACTED**] of [**REDACTED**] per Share	(7,022,113)	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Based on an [**REDACTED**] of [**REDACTED**] per Share	(7,022,113)	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

Notes:

(1) The audited consolidated net tangible liabilities of our Group attributable to the owners of our Company as at December 31, 2024, is extracted from the Accountant's Report set out in Appendix I to this document, which is based on the audited consolidated net liabilities of our Group attributable to the owners of our Company as at December 31, 2024, of approximately RMB6,970,034,000 with adjustments for the intangible assets as at December 31, 2024, of RMB52,079,000.

(2) The estimated net [**REDACTED**] from the [**REDACTED**] are based on the indicative [**REDACTED**] of [**REDACTED**] and [**REDACTED**] per Share, being the low end to high end of the indicative [**REDACTED**] range, respectively, after deduction of the [**REDACTED**] fees and other related expenses (excluding [**REDACTED**] expenses of approximately [**REDACTED**] which have been accounted for in our Group's consolidated statements of comprehensive loss prior to December 31, 2024) paid or payable by our Company and has not taken into account of (i) any options which may be granted under the Pre-[**REDACTED**] Share Incentive Plan and (ii) any Shares which may be allotted and issued or repurchased by our Company under the general mandate to issue Shares and general mandate to repurchase Shares as described in the section headed "Share Capital" in this document.

(3) Upon the completion of the [**REDACTED**], all the Preferred Shares of our company will be automatically converted into the Ordinary Shares of our Company on a one-to-one basis. These Preferred Shares will be re-designated from liabilities to equity. Accordingly, for the purpose of the unaudited [**REDACTED**] financial information, the unaudited [**REDACTED**] adjusted consolidated net tangible liabilities attributable to the owners of our Company will be increased by approximately [**REDACTED**], being the carrying amounts of the financial instruments issued to investors of Series B Preferred Shares as at December 31, 2024.

(4) The unaudited [**REDACTED**] net tangible liabilities per Share is arrived at after the adjustments as described in preceding paragraphs and on the basis that [**REDACTED**] were in issue assuming that the [**REDACTED**] had been completed on December 31, 2024 but takes no account of (i) any options which may be granted under the Pre-[**REDACTED**] Share Incentive Plan and (ii) any Shares which may be allotted and issued or repurchased by our Company under the general mandate to issue Shares and general mandate to repurchase Shares as set out in the section headed "Share Capital" in this document.

(5) For the purpose of this unaudited [**REDACTED**] adjusted net tangible liabilities, the balances stated in Renminbi are converted into Hong Kong dollars at the rate of RMB0.9285 to HK$1.00. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(6) Except as disclosed above, no adjustment has been made to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2024.

NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this document, there have been no material adverse changes in our financial, operational, or trading position or prospects since December 31, 2024, being the date of the latest reporting period of our consolidated financial statements as set out in the Accountant's Report in Appendix I to this document, and there is no event since December 31, 2024, that would materially affect the information as set out in the Accountant's Report included in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

For a detailed description of our future plans, see "Business—Our Strategies."

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately [**REDACTED**] based on an [**REDACTED**] of [**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and assuming no exercise of the [**REDACTED**], or [**REDACTED**] if the [**REDACTED**] is exercised in full, after deducting [**REDACTED**] commissions and fees and other estimated [**REDACTED**] expenses paid and payable by us in relation to the [**REDACTED**].

In line with our strategies, we plan to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- **approximately [REDACTED]% of the net [REDACTED], or approximately [REDACTED], will be used in the next three years to improve our auto solutions and improve our service quality. In particular,**

  - approximately [**REDACTED**]% of the net [**REDACTED**], or approximately [**REDACTED**], will be used in the next three years for the enhancement of our auto solutions to support our growing fleet of vehicles. In particular, approximately [**REDACTED**]%, [**REDACTED**]%, and [**REDACTED**]% of the net [**REDACTED**] is expected to cover (i) insurance costs, (ii) expenses related to leasing batteries and purchasing battery swap services, as well as (iii) maintenance and repair costs, respectively. We expect to incur these expenses as we work with Geely Group to further expand the geographic coverage of battery swap stations and auto servicing shops and leverage data insights to enhance the effectiveness of the site selection. We also plan to track the latest battery swap technology to reduce average waiting time for drivers. For more details, see "Business—Our Strategies—Improving our auto solutions to reinforce our advantage in full-lifecycle vehicle management"; and

  - approximately [**REDACTED**]% of the net [**REDACTED**], or approximately [**REDACTED**], will be used in the next three years to improve our service quality, enhance our brand image, and enrich user experience. This is expected to cover: (i) expenses for online and offline advertisements and promotional campaigns; (ii) expenses for implementing smart cabin features in our purpose-built vehicles, including hardware purchases such as interactive screens for rear seat passengers, procurement of third-party technology services such as our cloud-based DMS and vision-based FCW system, and compensation for employees involved in these implementations; and (iii) expenses to deliver a better user experience, including costs associated with offline driver training events and compensation for employees who design and maintain our driver training and management protocols. For more details, see "Business—Our Strategies—Elevating service standards and bolstering our brand image to deepen user engagement and loyalty."

- **approximately [REDACTED]% of the net [REDACTED], or approximately [REDACTED], will be used in the next three years to enhance and launch our range of purpose-built vehicles. For more details, see "Business—Our Strategies—Enhancing and launching purpose-built vehicles to meet evolving market demands." In particular,**

  - approximately [**REDACTED**]% of the net [**REDACTED**], or approximately [**REDACTED**], will be used in the next three years to facilitate the market adoption of our purpose-built vehicles. We will incur cost for the procurement of purpose-built vehicles. We plan to procure approximately 8,000 purpose-built vehicles in each of 2025, 2026, and 2027. The funding for these procurements is expected to come from such net [**REDACTED**], our operating cash, and other financing arrangements, such as ABSs and bank borrowings. We plan to sell and lease some of our purpose-built vehicles to our car partners and to other shared mobility platforms. Specifically, we plan to gradually replace the outdated mobility operating vehicle models with purpose-built vehicles. In 2025 and 2026, we expect to replace approximately 8,000 old, non-purpose-built vehicles each year. As a result, the service capacity of our purpose-built vehicles will continue to improve. In 2027, we expect to replace approximately 8,000 old, purpose-built vehicles. We expect that the number of purpose-built vehicles deployed on our platform will amount to approximately 42,000, 50,000, and 50,000 at the end of each year from 2025 to 2027, respectively; and

  - approximately [**REDACTED**]% of the net [**REDACTED**], or approximately [**REDACTED**], will be used in the next three years to (i) pay cost associated with obtaining the Transportation Permits and other requisite licenses and permits for vehicles that we will keep and operate ourselves, as we may hire agents to help with the administrative processes involved in setting up local branches and applying for such licenses and permits for better cost efficiency and in keeping with industry norm, and (ii) upgrade our existing purpose-built vehicle models to offer best value for money to users and reduce vehicle TCO for drivers. For example, we plan to upgrade braking systems for our existing purpose-built vehicles, which will enhance energy recovery and reduce energy consumption, thereby increasing vehicle range. In addition, we plan to optimize vehicle motor to improve electrical energy utilization and lowers energy consumption. We will continue to upgrade the current models with facelifts to track our latest development in vehicle intelligence.

- **approximately [REDACTED]% of the net [REDACTED], or approximately [REDACTED], will be used in the next three years to enhance our technology and invest in autonomous driving. In particular,**

  - approximately [**REDACTED**]% of the net [**REDACTED**], or approximately [**REDACTED**], will be used in the next three years to invest in autonomous driving. In particular, approximately [**REDACTED**]% of the net [**REDACTED**] will be used to cover the costs associated with modifying our vehicles to incorporate necessary hardware and software for autonomous driving in collaboration with Geely Group; approximately [**REDACTED**]% of the net [**REDACTED**] will be used to cover the costs associated with developing new vehicle models purpose-built for autonomous driving in collaboration with Geely Group, including an L4 level robotaxi model fully designed for autonomous driving which is expected to be launched by the end of 2026; and approximately [**REDACTED**]% of the net [**REDACTED**] will be used to cover the cost of procuring robotaxis from Geely Group starting from 2025. For more details, see "Business—Our Strategies—Investing in autonomous driving technologies to seize future market opportunities"; and

  - approximately [**REDACTED**]% of the net [**REDACTED**], or approximately [**REDACTED**], will be used to enhance our technology in the next three years to achieve higher operating efficiency and better user experience, which is expected to cover: (i) upgrades and optimizations to the CaoCao Brain, including compensation for relevant research and development employees; specifically, we plan to further refine the logic behind order distribution of CaoCao Brain to enhance the efficiency of driver operations. We also plan to further enhance the accuracy of our incentive distribution mechanisms of CaoCao Brain to allow for more precise allocation of incentives, thereby increasing the effectiveness of our incentives and enhancing our operating efficiency; (ii) development and enhancement of our vehicle operation management platform, which will involve costs associated with compensation for the relevant research and development and operational employees; (iii) the compensation for research and development employees involved in developing our platform's foundational technologies. We expect the total number of our research and development personnel to remain stable from 2024 to 2027, and the net [**REDACTED**] will be used to pay the salaries of our research and development personnel at the current scale. For more details, see "Business—Our Strategies—Advancing our technology to improve user experiences and increase operating efficiency."

- **approximately [REDACTED]% of the net [REDACTED], or approximately [REDACTED], will be used in the next three years to expand our geographical coverage.** In particular, this is expected to cover the costs and expenses associated with entering new lower-tier cities. Specifically, [**REDACTED**]% of the net [**REDACTED**], or approximately [**REDACTED**], will be used to cover expenses for driver incentives, [**REDACTED**]% of the net [**REDACTED**], or approximately [**REDACTED**], will be used to cover commissions to third-party aggregation

platforms to increase user traffic to our platform, and [**REDACTED**]% of the net [**REDACTED**], or approximately [**REDACTED**], will be used to cover sales and marketing expenses associated with selling purpose-built vehicles in these new lower-tier cities. We currently plan to enter into lower-tier cities mainly located in the southwest, northwest, and eastern parts of China. According to Frost & Sullivan, the lower-tier cities in these regions have a large population base. In addition, shared mobility has become a popular choice among residents in these cities, exhibiting promising market potential for shared mobility services. The competition in these lower-tier cities is not as intense as in tier-one and -two cities, providing favorable competitive conditions for market players. See "Industry Overview—Key Growth Drivers of China's Shared Mobility Market—Demand Side—Penetration into Lower-tier Cities and Reaching a Vast Consumer Base" for details of the industry landscape. Whether or not we will decide to enter a particular lower-tier city will depend on several factors, including, among others, communication with local stakeholders, the suitability of local car partners, and local licensing applications and other market conditions. For more details, see "Business—Our Strategies—Expanding our geographical footprint and exploring innovative operational models."

- **Approximately [REDACTED]% of the net [REDACTED], or approximately [REDACTED], will be used for partial repayment of the principals and interests of certain of our bank borrowings, which have respective principal amounts of RMB116 million, RMB150 million, RMB160 million, and RMB200 million, each with a fixed term of one year. These bank borrowings bear fixed interest rates of 3.15%, 3.35%, 3.10%, and 3.20% per annum, respectively, and are set to mature in September 2025, October 2025, February 2026, and February 2026, respectively. We incurred these bank borrowings to finance the purchase of our vehicles and support our operating activities.**

- **approximately [REDACTED]% of the net [REDACTED], or approximately [REDACTED], is expected to be used for working capital and other general corporate purposes.**

In the event that the [**REDACTED**] is fixed at the high or low end of the indicative [**REDACTED**], the net [**REDACTED**] of the [**REDACTED**] will increase by [**REDACTED**] or decrease by [**REDACTED**]. If we make an upward or downward [**REDACTED**] adjustment to set the final [**REDACTED**] to be above or below the mid-point of the [**REDACTED**], we will increase or decrease the [**REDACTED**] of the net [**REDACTED**] to the above purposes on a pro rata basis.

The additional net [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be (i) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the Maximum [**REDACTED**]), (ii) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the mid-point of the [**REDACTED**] range) and (iii) [**REDACTED**] (assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**], being the Minimum [**REDACTED**]).

To the extent that the net [**REDACTED**] from the [**REDACTED**] (including the net [**REDACTED**] from the exercise of the [**REDACTED**]) are either more or less than expected, we may adjust our [**REDACTED**] of the net [**REDACTED**] for the above purposes on a pro rata basis.

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately required for the above purposes or if we are unable to put into effect any part of our development plan as intended, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance) or other applicable laws and regulations in other jurisdictions. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[**REDACTED**]

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The following is the text of a report set out on pages [I-1] to [I-2], received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this [**REDACTED**]. *It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of Hong Kong Standard on Investment Circular Reporting Engagements 200, Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.*

[Letterhead of PricewaterhouseCoopers] ***[DRAFT]***

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CAOCAO INC., HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED, ABCI CAPITAL LIMITED AND GF CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of CaoCao Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-3 to I-102, which comprises the consolidated balance sheets as at December 31, 2022, 2023 and 2024, the balance sheets of the Company as at December 31, 2022, 2023 and 2024, and the consolidated statements of comprehensive loss, the consolidated statements of changes in deficit and the consolidated statements of cash flows for each of the years ended December 31, 2022, 2023 and 2024 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-3 to I-102 forms an integral part of this report, which has been prepared for inclusion in the [**REDACTED**] of the Company dated [●] (the "[**REDACTED**]") in connection with the [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2022, 2023 and 2024 and the consolidated financial position of the Group as at December 31, 2022, 2023 and 2024 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 35 to the Historical Financial Information which states that no dividends have been paid by CaoCao Inc. in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

[**PricewaterhouseCoopers**]
Certified Public Accountants
Hong Kong
[**REDACTED**]

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand RMB (RMB'000) except when otherwise indicated.

Consolidated Statements of Comprehensive Loss

		Year ended December 31,		
	Note	**2022**	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Revenue	*5*	7,630,961	10,667,894	14,657,499
Cost of sales	*6*	(7,969,949)	(10,052,491)	(13,471,519)
Gross (loss)/profit		(338,988)	615,403	1,185,980
Selling and marketing expenses	*6*	(639,329)	(836,299)	(1,222,042)
General and administrative expenses	*6*	(743,841)	(1,204,092)	(762,019)
Research and development expenses	*6*	(225,224)	(339,473)	(234,462)
Other income	*8*	39,122	139,870	192,314
Other gains – net	*9*	45,291	52,104	47,419
Net impairment losses on financial assets	*3.1(b)*	(3,059)	(2,910)	(7,694)
Operating loss		(1,866,028)	(1,575,397)	(800,504)
Finance income	*10*	9,193	17,097	10,822
Finance costs	*10*	(259,325)	(312,636)	(327,967)
Finance costs – net		(250,132)	(295,539)	(317,145)
Fair value changes of financial liabilities at fair value through profit or loss	*3.3(b)*	(14,144)	(69,060)	(88,693)
Loss before income tax		(2,130,304)	(1,939,996)	(1,206,342)
Income tax credit/(expenses)	*11(b)*	123,204	(41,062)	(40,047)
Loss for the year		(2,007,100)	(1,981,058)	(1,246,389)
Loss for the year attributable to:				
– Owners of the Company		(1,972,065)	(1,916,483)	(1,250,769)
– Non-controlling interests		(35,035)	(64,575)	4,380
		(2,007,100)	(1,981,058)	(1,246,389)

	Note	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Losses per share attributable to the owners of the Company				
Basic and diluted losses per share (in RMB per share)	*12*	(4.36)	(4.24)	(2.77)
Other comprehensive income				
Items that may be reclassified to profit or loss				
Currency translation differences		8	1	–
Other comprehensive income for the year, net of income tax		8	1	–
Total comprehensive loss for the year		(2,007,092)	(1,981,057)	(1,246,389)
Total comprehensive loss for the year attributable to:				
– Owners of the Company		(1,972,057)	(1,916,482)	(1,250,769)
– Non-controlling interests		(35,035)	(64,575)	4,380
		(2,007,092)	(1,981,057)	(1,246,389)

Consolidated Balance Sheets

	Note	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Assets				
Non-current assets				
Property, plant and equipment and right-of-use assets	*13*	2,933,954	2,957,865	2,340,619
Intangible assets	*14*	2,226	2,628	52,079
Prepayments and other receivables	*17*	111,122	147,446	108,013
Deferred income tax assets	*29*	122,674	81,591	41,823
Total non-current assets		3,169,976	3,189,530	2,542,534
Current assets				
Inventories	*18*	3,241	167,262	223,079
Prepayments, other receivables and other current assets	*17*	603,431	665,255	716,748
Trade receivables	*19*	175,937	266,053	274,012
Restricted cash	*20(b)*	226,906	105,576	68,247
Cash and cash equivalents	*20(a)*	379,995	582,995	159,497
Assets classified as held for sale	*21*	107,573	96,213	93,535
Total current assets		1,497,083	1,883,354	1,535,118
Total assets		4,667,059	5,072,884	4,077,652
Liabilities				
Non-current liabilities				
Financial liabilities at fair value through profit or loss	*37, 3.3*	1,814,144	1,883,204	–
Borrowings	*26*	2,107,100	2,353,010	1,541,737
Lease liabilities	*27*	141,477	81,665	59,993
Deferred income tax liabilities	*29*	220	–	–
Total non-current liabilities		4,062,941	4,317,879	1,601,730

	Note	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Current liabilities				
Financial liabilities at fair value through profit or loss	*37, 3.3*	–	–	1,971,901
Trade and notes payables	*24*	1,141,888	680,061	702,206
Accruals and other payables	*25*	919,865	917,650	927,106
Contract liabilities	*5(b)*	206,271	226,200	263,196
Borrowings	*26*	3,472,123	5,176,890	5,676,550
Lease liabilities	*27*	84,892	72,970	56,528
Deferred income	*28*	77,129	54,828	83,864
Income tax payables		–	–	150
Total current liabilities		5,902,168	7,128,599	9,681,501
Net current liabilities		4,405,085	5,245,245	8,146,383
Total liabilities		9,965,109	11,446,478	11,283,231
Deficit				
Share capital	*22(ii)*	–	–	30
Other equity instruments	*22(iii)*	–	–	2
Other reserves	*23*	5,086,244	6,006,782	6,411,142
Accumulated losses		(10,213,956)	(12,130,439)	(13,381,208)
Deficit attributable to owners of the Company		(5,127,712)	(6,123,657)	(6,970,034)
Non-controlling interests		(170,338)	(249,937)	(235,545)
Total deficit		(5,298,050)	(6,373,594)	(7,205,579)

Balance Sheets of the Company

	Note	As at December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Assets				
Non-current assets				
Investments in subsidiaries	*36(e)*	335,782	1,256,319	3,609,135
Current assets				
[**REDACTED**] expenses directly attributable to the issue of shares to be deducted from equity	*17*	494	2,473	5,274
Capital contribution receivables from Ugo Investment Limited	*17,22*	–	–	30
Prepayments, other receivables and other current assets		–	–	7
Cash and cash equivalents		–	13	109
		494	2,486	5,420
Total assets		336,276	1,258,805	3,614,555
Liabilities				
Non-current liabilities		–	–	–
Current liabilities				
Financial liabilities at fair value through profit and loss	*37,3.3*	–	–	1,971,901
Accruals and other payables	*25*	5,469	30,209	59,669
		5,469	30,209	2,031,570
Total liabilities		5,469	30,209	2,031,570
Equity attributable to owners of the Company				
Share capital	*22(ii)*	–	–	30
Other equity instruments	*22(iii)*	–	–	2
Other reserves	*23*	335,782	1,256,319	1,657,735
Accumulated losses		(4,975)	(27,723)	(74,782)
Total equity		330,807	1,228,596	1,582,985

Consolidated Statements of Changes in Deficit

		Attributable to owners of the Company					
	Note	**Share capital** *RMB'000*	**Other reserves** *RMB'000*	**Accumulated losses** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total deficit** *RMB'000*
Balance as at January 1, 2022		–	4,660,454	(8,241,891)	(3,581,437)	(135,303)	(3,716,740)
Loss for the year		–	–	(1,972,065)	(1,972,065)	(35,035)	(2,007,100)
Currency translation differences		–	8	–	8	–	8
Total comprehensive loss		–	8	(1,972,065)	(1,972,057)	(35,035)	(2,007,092)
Transactions with equity holders of the Company:							
Capital injection from shareholders	*23*	–	90,000	–	90,000	–	90,000
Share-based compensation expenses	*7, 34*	–	335,782	–	335,782	–	335,782
Balance as at December 31, 2022		–	5,086,244	(10,213,956)	(5,127,712)	(170,338)	(5,298,050)
Balance as at January 1, 2023		–	5,086,244	(10,213,956)	(5,127,712)	(170,338)	(5,298,050)
Loss for the year		–	–	(1,916,483)	(1,916,483)	(64,575)	(1,981,058)
Currency translation differences		–	1	–	1	–	1
Total comprehensive loss		–	1	(1,916,483)	(1,916,482)	(64,575)	(1,981,057)

		Attributable to owners of the Company					
	Note	**Share capital** *RMB'000*	**Other reserves** *RMB'000*	**Accumulated losses** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total deficit** *RMB'000*
Transactions with equity holders of the Company:							
Capital contributions from non-controlling interests		–	–	–	–	4,500	4,500
Disposal of subsidiaries		–	–	–	–	(19,524)	(19,524)
Share-based compensation expenses	*7, 34*	–	920,537	–	920,537	–	920,537
Balance as at December 31, 2023		–	6,006,782	(12,130,439)	(6,123,657)	(249,937)	(6,373,594)

		Attributable to owners of the Company						
	Note	**Share capital** *RMB'000*	**Other equity instruments** *RMB'000*	**Other reserves** *RMB'000*	**Accumulated losses** *RMB'000*	**Total** *RMB'000*	**Non-controlling interests** *RMB'000*	**Total deficit** *RMB'000*
Balance as at January 1, 2024		–	–	6,006,782	(12,130,439)	(6,123,657)	(249,937)	(6,373,594)
Loss for the year		–	–	–	(1,250,769)	(1,250,769)	4,380	(1,246,389)
Total comprehensive loss		–	–	–	(1,250,769)	(1,250,769)	4,380	(1,246,389)
Transactions with equity holders of the Company:								
Issuance of shares to shareholders	*22*	30	2	–	–	32	–	32
Transaction with non-controlling interests	*23*	–	–	(13,676)	–	(13,676)	10,012	(3,664)
Deemed capital contributions from shareholders	*23*	–	–	16,620	–	16,620	–	16,620
Share-based compensation expenses	*7, 34*	–	–	401,416	–	401,416	–	401,416
Balance as at December 31, 2024		30	2	6,411,142	(13,381,208)	(6,970,034)	(235,545)	(7,205,579)

Consolidated Statements of Cash Flows

	Note	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Cash flows from operating activities				
Cash (used in)/generated from operations	*30*	(1,136,326)	119,475	225,208
Interest received	*10*	9,193	17,097	10,822
Income tax paid		(82)	(200)	(129)
Net cash (used in)/generated from operating activities		(1,127,215)	136,372	235,901
Cash flows from investing activities				
Proceeds from loan to related parties		–	–	5,550
Proceeds from disposal of property, plant and equipment and assets classified as held for sale		286,912	381,441	313,550
Proceeds from disposal of subsidiaries, net of cash disposed	*36(d)*	–	32,242	–
Proceeds from disposal of an investment accounted for using the equity method	*15(a)*	25,600	–	900
Payments for property, plant and equipment		(741,949)	(1,904,883)	(292,820)
Payments for intangible assets	*14*	(1,574)	(1,790)	(4,604)
Loans to a related party	*33(b)(xx)*	–	(5,550)	–
Net cash (used in)/generated from investing activities		(431,011)	(1,498,540)	22,576

	Note	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
Cash flows from financing activities				
Proceeds from borrowings, excluding asset-backed securities ("ABSs") and an asset-backed medium-term note ("ABNs")		1,581,184	2,367,699	2,528,224
Proceeds from ABSs and ABNs	*26(b)*	3,300,000	3,830,000	2,710,000
Proceeds from loans from related parties	*33(b)(xvi)*	1,068,220	443,780	1,816,500
Proceeds from issuance of financial liabilities at fair value through profit or loss	*37, 3.3*	–	–	4
Capital contributions from non-controlling interests		–	4,500	–
Capital contributions from shareholders	*22,23*	90,000	–	2
Repayments of borrowings, excluding ABSs and ABNs		(1,337,766)	(2,043,817)	(2,710,946)
Repayments of ABSs and ABNs	*26(b)*	(1,526,000)	(2,303,000)	(3,538,000)
Repayments to loans from related parties	*33(b)(xvii)*	(1,272,000)	(359,790)	(1,100,000)
Interest paid for borrowings		(265,694)	(288,512)	(322,396)
Interest paid for notes payables		(6,971)	–	–
[**REDACTED**] expenses paid		–	(901)	(2,029)
Principal elements of lease payments	*27(i)*	(99,979)	(76,473)	(56,992)
Interest elements of lease payments	*27(i)*	(10,522)	(8,319)	(6,342)
Net cash generated/(used in) from financing activities		1,520,472	1,565,167	(681,975)
Net (decrease)/increase in cash and cash equivalents		(37,754)	202,999	(423,498)
Cash and cash equivalents at beginning of the year	*20(a)*	417,741	379,995	582,995
Effects of exchange rate changes on cash and cash equivalents		8	1	–
Cash and cash equivalents at end of the year	*20(a)*	379,995	582,995	159,497

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION AND REORGANISATION OF THE GROUP

1.1 General information

CaoCao Inc. (the "Company") was incorporated in the Cayman Islands ("Cayman") on November 8, 2021 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office is at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the "Group") are principally engaged in operating its new energy-focused online ride hailing platform that provides a range of mobility services as well as other services, and selling vehicles (the "[**REDACTED**] Business") in the People's Republic of China ("PRC" or "China"). The ultimate controlling shareholder of the Group is Mr. Shufu Li (the "Controlling shareholder").

1.2 History and reorganisation of the Group

1.2.1 History of the Group

Prior to the incorporation of the Company and the completion of reorganisation as described below, the [**REDACTED**] Business was operated by Hangzhou Youxing Technology Co., Ltd. ("Hangzhou Youxing") and its subsidiaries as well as Zhejiang Limao Mobility Technology Co., Ltd. ("Limao Mobility") and its subsidiaries (collectively, the "PRC Operating Entities").

On May 21, 2015, Hangzhou Youxing was incorporated under the laws of the PRC by Zhejiang Jidi Technology Co., Ltd. (formerly known as Geely Technology Group Company Limited). From November 2017 to August 2021, Hangzhou Youxing conducted three rounds of onshore financings (collectively as "Pre-[**REDACTED**] Investments"), including Series A and Series A1 financing with several independent investors (collectively as "Series A and Series A1 Investors"), and Series B financing with several independent investors (collectively as "Series B Investors"), pursuant to which the Series A and Series A1 Investors and Series B Investors (collectively as "Pre-[**REDACTED**] Investors") invested in Hangzhou Youxing. See Note 22 and Note 37 for further information about the Group's accounting treatment for the Pre-[**REDACTED**] investments. Other than the pre-[**REDACTED**] investments, Mr. Shufu Li, through Zhejiang Jidi Technology Co., Ltd. and Zhejiang Geely Holding Group Company Limited (collectively, the "Geely Group"), also subscribed for an additional registered capital during the same period. Immediately after the onshore financing in August 2021, Mr. Shufu Li held 83.87% of equity interest of the Group through Geely Group, and the approximate percentage of the shares held by Series A and Series A1 Investors and Series B Investors are 6.56% and 9.57%, respectively. The shareholding structure remained unchanged before and after the reorganisation.

1.2.2 Reorganisation

In preparing for the [**REDACTED**] of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Group entered into a series of reorganisation transactions ("the Reorganisation") to establish the Company as the ultimate holding company of the companies now comprising the Group. The Company became the holding company of the subsidiaries now comprising the Group upon the completion of the Reorganisation. Apart from the Reorganisation, the Company and the new companies incorporated during the Reorganisation have not commenced any business or operation since its incorporation.

The Reorganisation mainly involved the following steps:

On November 8, 2021, the Company was incorporated in the Cayman Islands as an exempted company with limited liability, with an authorised share capital of US$50,000 divided into 500,000,000 shares of a par value of US$0.0001 each. Upon incorporation, one ordinary share was allotted and issued to the initial subscriber at par value, and was subsequently transferred, on the same day, to Ugo Investment Limited, a limited liability company incorporated in the British Virgin Islands, which is wholly owned by Mr. Shufu Li. Before the completion of Reorganisation, the Company has issued 738,692 ordinary shares with a par value of U.S.$0.0001 to Ugo Investment Limited.

On November 12, 2021, CaoCao International Limited was incorporated in the British Virgin Islands as a limited liability company and a direct wholly-owned subsidiary of the Company.

On November 26, 2021, CaoCao Hong Kong Limited was incorporated in Hong Kong as a direct wholly-owned subsidiary of CaoCao International Limited.

On December 31, 2021, Caocao Hong Kong Limited established Suzhou Youxing Qianli Network Technology Co., Ltd. ("WFOE") under the laws of PRC as its wholly-owned foreign enterprise in the PRC.

In order to comply with the PRC laws and regulations which prohibit or restrict foreign control of companies involved in provision of certain restricted businesses, in particular, mobility service, the Group operates its restricted businesses in the PRC through PRC operating entities, whose equity interests are mainly held by Geely Group. The Company obtained control over PRC operating entities via a series of the contractual arrangements signed between Hangzhou Youxing, WFOE and Geely Group.

On March 25, 2024, Hangzhou Youxing entered into a share transfer agreement to acquire 100% equity interest of Limao Mobility from Zhejiang Yizhen Automobile Co., Ltd. with a consideration of RMB1. Limao Mobility, established on January 25, 2021, is ultimately controlled by Mr. Shufu Li since its establishment date on January 25, 2021, and provides mobility services and others services.

On April 10, 2024, WFOE entered into various agreements which constitute the contractual arrangements with Hangzhou Youxing, Geely Group, and Pre-[**REDACTED**] Investors. The contractual agreements include a Shareholders' Rights Entrustment Agreement, an Exclusive Call Option Agreement, an Exclusive Technical Consulting Services Agreement, a Business Cooperation Agreement, an Equity Pledge Agreement and Spousal Consents (the "Contractual Arrangements"). Pursuant to the Contractual Agreements, the WFOE has the power to direct activities that most significantly impact the Hangzhou Youxing and its subsidiaries, including appointing key management, setting financial and operating policies, exerting financial controls and transferring profits or assets out of PRC Operating Entities at its discretion. The WFOE considers that it also has the right to substantially all of the economic benefits of Hangzhou Youxing and has an exclusive option to purchase all or part of the equity interests in Hangzhou Youxing when and to the extent permitted by the PRC laws and regulations at the minimum price possible.

On April 10, 2024, in contemplation of the [**REDACTED**] and to reflect the shareholding structure of Hangzhou Youxing at the level of the Company, all shareholders of Hangzhou Youxing or their affiliates entered into a shareholders' agreement with, among others, the Company, to restructure the Group. On April 10, 2024, the authorised share capital of the Company was increased from 500,000,000 ordinary shares with a par value of U.S.$0.0001 each to 5,000,000,000 shares with a par value of U.S.$0.00001 each ("Share Subdivision"), of which (i) 4,919,346,000 shares are designated as ordinary shares ("Ordinary Shares"); (ii) 21,403,500 shares are designated as Series A Preferred Shares ("Series A Preferred Shares"); (iii) 11,378,500 shares are designated as Series A1 Preferred Shares ("Series A1 Preferred Shares"); and (iv) 47,872,000 shares are designated as Series B Preferred Shares ("Series B Preferred Shares"). The allotment and issuance of shares by the Company was completed on April 10, 2024.

The Reorganisation was completed on April 10, 2024 when all above steps are completed. Upon completion of the Reorganisation, the Company became the holding company of the companies comprising the Group.

1.2.3 Group structure

The Group's principal subsidiaries (including directly held, indirectly held and structured entities) are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Company name	Country/place and date of incorporation/establishment	Particulars of issued/registered capital	Effective interests held by the Group as at As at December 31, 2022	2023	2024	As of date of this report	Principal activities	Note
A subsidiary directly held:								
CaoCao International Limited	The British Virgin Islands, November 12, 2021	USD1	100%	100%	100%	100%	Investment holding	*(iii)*
Subsidiaries indirectly held:								
CaoCao Hong Kong Limited	Hong Kong, November 26, 2021	HKD10,000	100%	100%	100%	100%	Investment holding	*(iv)*
Suzhou Youxing Qianli Network Technology Co., Ltd.	The PRC, December 31, 2021	RMB10,000,000	100%	100%	100%	100%	Technical service and development	*(iii)*
Hangzhou Youxing Technology Co., Ltd.	The PRC, May 21, 2015	RMB478,561,500	100%	100%	100%	100%	Ride hailing services	*(i) (v) (viii)*
Suzhou Caozhi Automobile Co., Ltd.	The PRC, January 9, 2023	RMB10,000,000	NA	55%	55%	55%	Sales of Vehicles	*(vi) (ix)*
Subsidiaries directly held by Hangzhou Youxing:								
Fuzhou Youxing Network Technology Co., Ltd.	The PRC, April 24, 2018	RMB150,000,000	100%	100%	100%	100%	Ride hailing services	*(v) (viii)*
Guangzhou Youxing Technology Co., Ltd.	The PRC, April 17, 2017	RMB530,000,000	100%	100%	100%	100%	Ride hailing services	*(v) (viii)*
Chengdu Geely Youxing Technology Co., Ltd.	The PRC, February 15, 2016	RMB10,000,000	100%	100%	100%	100%	Ride hailing services	*(v) (viii)*
Tianjin Geely Youxing Technology Co., Ltd.	The PRC, October 28, 2016	RMB530,000,000	100%	100%	100%	100%	Ride hailing services	*(v) (viii)*
Suzhou Geely Youxing Electronic Technology Co., Ltd.	The PRC, February 22, 2016	RMB300,000,000	100%	100%	100%	100%	Ride hailing services	*(ii) (v) (viii)*
Kunming Lixing Technology Co., Ltd.	The PRC, May 15, 2018	RMB140,000,000	100%	100%	100%	100%	Ride hailing services	*(v) (viii)*

Company name	Country/place and date of incorporation/establishment	Particulars of issued/registered capital	Effective interests held by the Group as at				Principal activities	Note
			As at December 31,			As of date of this report		
			2022	2023	2024			
Xiamen Geely Youxing Technology Co., Ltd.	The PRC, March 9, 2016	RMB30,000,000	100%	100%	100%	100%	Ride hailing services	*(v) (viii)*
Xi'an Geely Youxing Auto Technology Co., Ltd.	The PRC, April 27, 2017	RMB130,000,000	100%	100%	100%	100%	Ride hailing services	*(v) (viii)*
Zhengzhou Zhongchuang Youxing Technology Company Limited	The PRC, June 13, 2018	RMB100,000,000	96%	96%	96%	96%	Ride hailing services	*(v) (viii)*
Shenzhen Geely Youxing Technology Co., Ltd. *(Note 36(a))*	The PRC, June 28, 2017	RMB50,000,000	60%	60%	60%	60%	Ride hailing services	*(v) (viii)*
Chongqing Geely Youxing Technology Co., Ltd.	The PRC, March 8, 2016	RMB150,000,000	84%	84%	84%	84%	Ride hailing services	*(v) (viii)*
Zhejiang Limao Mobility Technology Co., Ltd.	The PRC, January 25, 2021	RMB100,000,000	100%	100%	100%	100%	Ride hailing services and offline taxi hailing services	*(vii)*

(i) The Group controlled Hangzhou Youxing through Contractual Arrangements as disclosed in Note 1.2.2.

(ii) The issued capital of subsidiaries shown above remained unchanged during the Track Record Period, except for the following subsidiaries:

	As at December 31,			As of date of this report
	2022	2023	2024	
	RMB	*RMB*	*RMB*	*RMB*
Suzhou Geely Youxing Electronic Technology Co., Ltd.	200,000,000	300,000,000	300,000,000	300,000,000

(iii) No statutory audited financial statements were issued for these companies for the years ended December 31, 2022, 2023 and 2024 as they are either newly incorporated or not required to issue audited financial statements under the statutory requirements of their respective places of incorporation.

(iv) Richful Deyong International Business (China) Limited is the statutory auditor for CaoCao Hong Kong Limited for the years ended December 31, 2022 and 2023.

(v) The statutory financial statements of these companies for the years ended December 31, 2022 and 2023 were audited by Zhejiang Tianping Accounting Firm LLP ("浙江天平會計師事務所(特殊普通合夥)").

(vi) The statutory financial statements of Suzhou Caozhi Automobile Co., Ltd. for the year ended December 31, 2023 was audited by Zhejiang Tianping Accounting Firm LLP ("浙江天平會計師事務所(特殊普通合夥)").

(vii) The statutory financial statements of these companies for the years ended December 31, 2022 and 2023 were audited by RSM China CPA LLP ("容誠會計師事務所(特殊普通合夥)").

(viii) The statutory financial statements of these companies for the year ended December 31, 2024 were audited by Zhejiang Tianping Accounting Firm LLP ("浙江天平會計師事務所(特殊普通合夥)").

(ix) The statutory financial statements of Suzhou Caozhi Automobile Co., Ltd. for the year ended December 31, 2024 was audited by Zhejiang Zhengge Certified Public Accountants (General Partnership) ("浙江正格會計師事務所(普通合夥) ").

(x) All of the companies comprising the Group are incorporated/established with limited liability and adopted 31 December as their financial year end date.

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the [**REDACTED**] Business was held by and conducted through the PRC Operating Entities. Pursuant to the Reorganisation, the [**REDACTED**] Business was transferred to and held by the Company. The Company and new companies incorporated during the Reorganisation have not been involved in any other business prior to the Reorganisation and do not meet the definition of a business. The Reorganisation is merely a recapitalisation of the [**REDACTED**] Business with no change in such business and no change of control in the [**REDACTED**] Business.

Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the [**REDACTED**] Business operated by the PRC Operating Entities. For the purpose of this report, the Historical Financial Information has been prepared and presented as a continuation of the consolidated financial statements of the PRC Operating Entities, with the assets and liabilities of the Group recognised and measured at the carrying amounts of the [**REDACTED**] Business under the consolidated financial statements of the PRC Operating Entities for all periods presented.

Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation.

2 BASIS OF PREPARATION

As of December 31, 2022, 2023 and 2024, the Group had total deficit of approximately RMB5,298,050,000, RMB6,373,594,000 and RMB7,205,579,000 and net current liability of approximately RMB4,405,085,000, RMB5,245,245,000 and RMB8,146,383,000, respectively. The Group incurred loss of approximately RMB2,007,100,000, RMB1,981,058,000 and RMB1,246,389,000 for the years ended December 31, 2022, 2023 and 2024, respectively, and incurred net operating cash outflow of approximately RMB1,127,215,000 for the year ended December 31, 2022, which turns into net operating cash inflow of approximately RMB136,372,000 and RMB235,901,000 for the years ended December 31, 2023 and 2024. Historically, in addition to the capital contribution from shareholders, the Group has relied principally on financing through ABSs and ABNs arrangements, borrowings from banks and other financial institutions to fund its operations and business development. Certain of the Group's ABSs and ABNs financing and borrowings were guaranteed by the related parties of the Group (Note 33(b)).

The above circumstances indicate that there are events and conditions that may cast significant doubt on the Group's capability of continuing as a going concern. In view of such circumstances, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill its financial obligations and continue as a going concern. The Group has formulated the following plans and measures to mitigate the liquidity pressure and to improve its cash flows:

- the Group has been actively communicating with various issuing institutions and arranging the applications of different ABSs products. The Group plans to issue several new tranches of ABSs in 2025;
- the Group has received a confirmation from a related party of its intention to provide financial support when needed. As of the issuance of the Historical Financial Information, the Group has received funding of RMB1.15 billion from related parties to supplement to its operating cashflow needs. Furthermore, the Group will continue to maintain good cooperative relationships with banks and other financial institutions to renew or secure new borrowings when needed;
- the Group will continue its efforts to implement measures to improve its operating cashflows by increasing its mobility service revenue and profitability and controlling operating expenditures, in order to strengthen its working capital; and
- the Group will continue to manage its capital expenditures, i.e., cash payments for self-owned vehicles, in line with its operating activities and financing activities.

Management of the Group has prepared a cash flow projection covering not less than 12 months from December 31, 2024. The cash flow projection has taken into account the anticipated cash flows to be generated by the Group and the available financing resources. The directors, after making due enquiries and considering the basis of management's projection described above, believe that the Group's current cash and cash equivalents and the anticipated cash flows from future operations and financing activities, together with funding from a related party that is available when needed under the financial support, will be sufficient so as to enable the Group to meet its anticipated working capital requirements, capital expenditure requirements and to repay its liabilities for the next twelve months from the date of issuance of the Historical Financial Information. Consequently, the Historical Financial Information has been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

(a) Compliance with IFRS

The Historical Financial Information of the Group has been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss, which are carried at fair value.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

All effective standards, amendments to standards and interpretations have been consistently applied to the Group for the Track Record Period.

(b) Accounting policies

The material accounting policies applied in the preparation of the financial information has been consistently applied to all the years presented, unless otherwise stated. Other than those material accounting policies information as disclosed in the notes to the relevant financial line items or transactions in this Historical Financial Information, a summary of the other accounting policies information has been set out in Note 38 to this Historical Financial information.

(c) New standards, amendments to standards and interpretations not yet adopted

Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

	New/amended standards	**Effective date**
Amendments to IAS 21	Lack of exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

(d) Changes in accounting policy and disclosures

Except for IFRS 18 which will mainly impact the presentation of statement of profit and loss, the Group is still assessing the impact of these new or amended standards, interpretations, and amended improvements, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and positions of the Group is expected when they become effective.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by management of the Group. The Group currently does not use any derivative financial instruments to hedge certain risk exposure.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group operates mainly in the PRC with most of the transactions settled in RMB. Management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group are denominated in the currencies other than the respective functional currencies of the Group's entities, so that the Group does not hedge against any fluctuation in foreign currency.

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets and liabilities, except for lease liabilities (Note 27), cash and cash equivalents (Note 20), restricted cash (Note 20), notes payables (Note 24(b)) and borrowings (Note 26). Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

The Group's interest rate risk mainly arises from notes payables and borrowings. As at December 31, 2022, 2023 and 2024, the Group's notes payables were carried at fixed rates, and the Group's borrowings were partially carried at floating rates. Management does not anticipate significant impact to interest-bearing assets and other liabilities resulted from the changes in interest rates.

If interest rates had been 50 basis points higher/lower with all other variables held constant, loss before tax for the years ended December 31, 2022, 2023 and 2024 would have been approximately RMB23,516,000, RMB25,207,000 and RMB38,858,000, higher/lower, respectively.

(b) Credit risk

Credit risk mainly arises from cash and cash equivalents, restricted cash, trade receivables, and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheets.

(i) Risk management

The Group expects that there is no significant credit risk associated with cash and cash equivalents and restricted cash, since they are deposited at state-owned banks or reputable commercial banks which are high-credit-quality financial institutions. Management does not expect that there will be any significant losses from non-performance by these counterparties. The expected credit loss is immaterial.

For trade receivables, the Group has policies in place to ensure that transactions with credit terms are made to counterparties with an appropriate credit history. Management performs ongoing credit evaluations of its counterparties, of which the credit quality is assessed by taking into account their financial position, past experience and other factors.

For other receivables, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss assessment, which are trade receivables and other receivables.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and collectively assessed to likelihood of recovery, taking into account the industries that the customer are operating in, their ageing category and past collection history. For trade receivables, management makes periodic assessments as well as individual assessment on the recoverability based on historical settlement records and past experience and adjusts for forward looking information.

The expected loss rates are based on credit rating of debtors with similar risk profiles and were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product index ("GDP"), consumer price index ("CPI") and China internet industry price index ("CIIPI") of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognized impairment losses.

Trade receivables include:

– Category 1: customers who are insolvent or in operating difficulty with a relatively higher credit risk.The remaining customers which are assessed based on industry credit rating within lifetime ECL.

– Category 2: customers who are not in operating difficulty.

With different types of customers, the Group calculated the expected credit loss rates respectively.

As of December 31, 2022, 2023 and 2024, the loss allowance provision for the trade receivables was determined as follows.

	As at December 31, 2022		
	Gross carrying amount *RMB'000*	**Expected credit loss rate**	**Loss allowance** *RMB'000*
Category 1 – individual basis	5,548	100%	5,548
Category 2 – collective basis	177,285	0.8%	1,348
	182,833	3.8%	6,896

	As at December 31, 2023		
	Gross carrying amount *RMB'000*	**Expected credit loss rate**	**Loss allowance** *RMB'000*
Category 1 – individual basis	5,768	100%	5,768
Category 2 – collective basis	267,935	0.7%	1,882
	273,703	2.8%	7,650

	As at December 31, 2024		
	Gross carrying amount *RMB'000*	**Expected credit loss rate**	**Loss allowance** *RMB'000*
Category 1 — individual basis	12,901	100%	12,901
Category 2 — collective basis	276,861	1.0%	2,849
	289,762	5.4%	15,750

Movements in allowance for impairment of trade receivables are as follows:

	Year ended December 31,		
	2022 *RMB'000*	**2023** *RMB'000*	**2024** *RMB'000*
At beginning of the year	6,121	6,896	7,650
Increase in loss allowance	2,303	2,152	8,552
Write-off	(1,528)	(1,398)	(452)
At end of the year	6,896	7,650	15,750

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 2 years past due.

Impairment losses on trade receivables are presented as net impairment losses on financial assets. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables

Other receivables mainly include other receivables from related parties, trust protection fund, rental and other deposits. Other receivables that are not credit-impaired on initial recognition are classified in 'stage 1' and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other receivable has occurred since initial recognition, the financial asset is moved to 'stage 2' but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'stage 3' and the expected credit loss is measured as lifetime expected credit loss.

Management considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the Track Record Period. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Indicators that significant increase in credit risk include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 30 days past due. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;

- actual or expected significant changes in the operating results of the counterparty;
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of the counterparty.

A default on a financial asset is when the counterparty fails to make contractual payments/repayable demanded (i) within 90 days of when they fall due; (ii) because of insolvency. Credit-impaired other receivables with gross carrying amounts of approximately RMB4,644,000, RMB4,644,000 and RMB3,644,000, as at December 31, 2022, 2023 and 2024, respectively, were assessed individually, classified in Stage 3, and 100% ECL were provided accordingly.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 3 years past due.

Management makes periodic collective assessments on the recoverability of other receivables based on historical settlement records and past experience. The Group uses three stages for other receivables which reflect their credit risk and how the credit loss provision is determined for each of those categories.

Impairment losses on other receivables are presented as net impairment losses on financial assets within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Movements on the Group's allowance of impairment of other receivables are as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	5,722	6,478	6,951
Increase/(decrease) in loss allowance	756	758	(858)
Write-off	–	(285)	(1,364)
At end of the year	6,478	6,951	4,729

The credit loss allowance of other receivables as at December 31, 2022, 2023 and 2024 were determined as follows:

			As at December 31, 2022	
	Expected credit loss rate	**Basis for recognition of expected credit loss provision**	**Loss allowance** *RMB'000*	**Carrying amount (net of impairment provision)** *RMB'000*
Trust protection fund – performing	0.1%	12 months expected losses	43	40,727
Rental and other deposits – performing	2.3%	12 months expected losses	1,522	64,152
Rental and other deposits – underperforming	100%	Life time expected losses	1,000	–
Loans to third parties – underperforming	100%	Life time expected losses	3,644	–
Others – performing	1.7%	12 months expected losses	269	15,562
			6,478	120,441

			As at December 31, 2023	
	Expected credit loss rate	**Basis for recognition of expected credit loss provision**	**Loss allowance** *RMB'000*	**Carrying amount (net of impairment provision)** *RMB'000*
Trust protection fund – performing	0.1%	12 months expected losses	96	64,534
Rental and other deposits – performing	2.4%	12 months expected losses	1,763	71,645
Loans to a related party – performing	2.6%	12 months expected losses	146	5,404
Rental and other deposits – underperforming	100%	Life time expected losses	1,000	–
Loans to third parties – underperforming	100%	Life time expected losses	3,644	–
Others – performing	2.0%	12 months expected losses	302	14,640
			6,951	156,223

			As at December 31, 2024	
	Expected credit loss rate	**Basis for recognition of expected credit loss provision**	**Loss allowance** *RMB'000*	**Carrying amount (net of impairment provision)** *RMB'000*
Trust protection fund – performing	0.1%	12 months expected losses	103	77,327
Rental and other deposits – performing	2.5%	12 months expected losses	666	26,378
Loans to third parties – underperforming	100%	Life time expected losses	3,644	–
Others – performing	1.9%	12 months expected losses	316	16,170
			4,729	119,875

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents for its business development and expansion. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

Management monitors rolling forecasts of the Group's liquidity and cash and cash equivalents (Note 20(a)) on the basis of expected cash flows. This is generally carried out at the Group level. Management considers the Group's current cash and cash equivalents, the proceeds from recent financing arrangements and the anticipated cash flows from operations and financing activities, to meet its anticipated working capital requirements, capital expenditure requirements and to repay its liabilities (Note 2).

The table below analyses the Group's financial liabilities that will be settled into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
As at December 31, 2022					
Trade and notes payables	1,141,888	–	–	–	1,141,888
Lease liabilities	93,486	68,367	81,704	–	243,557
Borrowing (including interests)	3,659,218	1,625,066	576,336	–	5,860,620
Accruals and other payables (excluding taxes and surcharges payables, provision for litigation and disputes, advances from disposal of used vehicles and staff costs and welfare accruals)	722,530	–	–	–	722,530
Financial instruments issued to Series B Investors *(i)*	–	–	2,137,611	–	2,137,611
	5,617,122	1,693,433	2,795,651	–	10,106,206

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
As at December 31, 2023					
Trade and notes payables	680,061	–	–	–	680,061
Lease liabilities	81,528	61,707	21,353	–	164,588
Borrowing (including interests)	5,383,299	2,046,555	394,425	7,522	7,831,801
Accruals and other payables (excluding taxes and surcharges payables, provision for litigation and disputes, advances from disposal of used vehicles and staff costs and welfare accruals)	662,602	–	–	–	662,602
Financial instruments issued to Series B Investors *(i)*	–	2,137,611	–	–	2,137,611
	6,807,490	4,245,873	415,778	7,522	11,476,663

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Over 5 years *RMB'000*	Total *RMB'000*
As at December 31, 2024					
Trade and notes payables	702,206	–	–	–	702,206
Lease liabilities	60,290	33,673	29,880	–	123,843
Borrowing (including interests)	5,826,552	1,339,740	247,936	–	7,414,228
Accruals and other payables (excluding taxes and surcharges payables, provision for litigation and disputes, advances from disposal of used vehicles and staff costs and welfare accruals)	657,713	–	–	–	657,713
	7,246,761	1,373,413	277,816	–	8,897,990

(i) The liquidity risk of financial instruments issued to Series B Investors included in the tables for the years ended December 31, 2022 and 2023 is the original issue price of the shares plus the respective predetermined interest, assuming that no consummation of a qualified [**REDACTED**] of the Company's share before July 31, 2025 and triggered the redemption events (Note 37) in August 2025.

On April 10, 2024, the Reorganisation was completed, and shareholders' agreement was modified in relation to redemption right and conversion right of Series B Investors. Series B Investors can only require Zhejiang Geely Holding Group Co., Ltd to redeem their investment when the redemption events were triggered. As a result, the Group is not contractual to settle the redemption amounts as at December 31, 2024.

Series B Investors are also entitled to receive the liquidation preference amounts amounting to approximately RMB2,200,340,000, which is the original issue price of the shares plus the respective predetermined interest, prior and in preference to any distribution of any of the assets or surplus funds of the Hangzhou Youxing to the other shareholders upon occurrence of deemed liquidation events, such as change of control etc. (Note 37). As at December 31, 2024, the earliest period in which the deemed liquidation events could theoretically occur would be less than one year, however, no such deemed liquidation events had incurred in history or expected to incur in the near future. Furthermore, upon the completion of the [**REDACTED**], all the preferred shares of the Company including instruments issued to Series B Investors will be automatically converted into the ordinary shares of the Company on a one-to-one basis and reclassified from liabilities to equity.

As at December 31, 2024, based on the assessment that the Company is not contractually obliged to settle the redemption amount if no qualifying [**REDACTED**] under the revised shareholders agreement, and the likelihood of occurrence of deemed liquidation events in foreseeable future is remote, the Company did not include the amount in the liquidity risk table above.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the issued share capital. The Group may issue new shares in order to maintain or adjust the capital structure. The capital structure was measured by the asset-liability ratio, which is "total liabilities" divided by "total assets" as shown in the consolidated balance sheets. The Group aims to maintain the asset-liability ratio at a reasonable level.

As at December 31, 2022, 2023 and 2024, the asset-liability ratio was as follows:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Total liabilities	9,965,109	11,446,478	11,283,231
Total assets	4,667,059	5,072,884	4,077,652
Asset-liability ratio	214%	226%	277%

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the Historical Financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying amounts of the Group's financial assets include cash and cash equivalents, trade and other receivables (excluding non-financial assets), and financial liabilities including trade and other payables (excluding non-financial liabilities), borrowings and lease liabilities. Their carrying values approximate their fair values due to their short maturities or interest bearing.

As at December 31, 2022, 2023 and 2024, none of the Group's financial assets are measured at fair value.

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the years ended December 31, 2022, 2023 and 2024:

	Financial liabilities at fair value through profit or loss *(Note 37)* *RMB'000*
Opening balance January 1, 2022	1,800,000
Fair value change recognised in consolidated statements of comprehensive loss under "Fair value changes of financial liabilities at fair value through profit or loss"	14,144
Closing balance December 31, 2022	1,814,144
Net unrealised losses recognised in profit or loss attributable to balances held at the year end	14,144
Opening balance January 1, 2023	1,814,144
Fair value change recognised in consolidated statements of comprehensive loss under "Fair value changes of financial liabilities at fair value through profit or loss"	69,060
Closing balance December 31, 2023	1,883,204
Net unrealised losses recognised in profit or loss attributable to balances held at the year end	69,060
Opening balance January 1, 2024	1,883,204
Fair value change recognised in consolidated statements of comprehensive loss under "Fair value changes of financial liabilities at fair value through profit or loss"	88,693
Issuance of Series B Preferred Shares of the Company *(i)*	4
Closing balance December 31, 2024	1,971,901
Net unrealised losses recognised in profit or loss attributable to balances held at the year end	88,693

(i) 47,872,000 Preferred Shares at par value of US$0.00001 each were allotted and issued to Series B Investors on April 10, 2024 upon the completion of Reorganisation. The financial instruments issued to Series B Investors are accounted for as a financial liability at FVPL as disclosed in Note 37. The nominal value of approximately US$479 (RMB3,404) was fully paid as at December 31, 2024, which was accounted for as a financial liability at FVPL.

(c) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value			Unobservable inputs	Range of inputs			Relationship of unobservable inputs to fair value
	As at December 31,				As at December 31,			
	2022	2023	2024		2022	2023	2024	
	RMB'000	*RMB'000*	*RMB'000*					
Financial liabilities at fair value:								
Financial liabilities at fair value through profit or loss	1,814,144	1,883,204	1,971,901	Discount rate	16.24%	16.32%	14.00%	The higher the discount rate, the lower the fair value
				Risk-free interest rate	2.29%	2.01%	0.94%	The higher the risk-free rate, the lower the fair value
				Discount for lack of marketability ("DLOM")	19%	10%	6%	The higher the DLOM, the lower the fair value
				Volatility	69.51%	47.89%	46.47%	The higher the expected volatility, the lower the fair value
	1,814,144	1,883,204	1,971,901					

(d) Valuation processes

In relation to the valuation of level 3 instruments, directors (i) selected qualified persons with adequate knowledge and conducted valuation on the investments in unlisted companies and financial instruments without readily determinable fair value; (ii) engaged competent independent third-party valuer to appraise the fair value of certain investments that are significant; (iii) reviewed and agreed on the valuation approaches adopted and key assumptions used based on the knowledge and understanding of the industrial data and development and the commercial strategies of the investee business; and (iv) approved the results if the procedures were deemed satisfactory. Based on the above processes, directors are of the view that the valuation analysis performed is fair and reasonable, and the fair value measurements of level 3 instruments are properly prepared.

Specific valuation techniques used to value financial instruments include:

– for structured deposits – the use of the expected rate of return for approximation for cash flow assessment in evaluating the fair values of the structured deposits.

– for financial liabilities at fair value through profit or loss – the use of discounted cash flow method to determine the underlying equity value of Hangzhou Youxing and equity allocation model to determine the fair value of the financial instruments.

The following table presents the (lower)/higher of the loss before income tax for the years ended December 31, 2022, 2023 and 2024 if the significant unobservable inputs had increased/decreased by 10% which leads to the fair value changes of financial liabilities.

		For the year ended December 31,		
		2022	**2023**	**2024**
		RMB'000	*RMB'000*	*RMB'000*
Discount rate	Increased by 10%	(240,574)	(279,359)	(328,004)
	Decreased by 10%	304,697	354,150	430,084
Risk-free interest rate	Increased by 10%	(3,085)	(932)	(162)
	Decreased by 10%	3,099	934	162
Discount for lack of marketability ("DLOM")	Increased by 10%	(27,205)	(15,945)	(10,040)
	Decreased by 10%	27,198	15,945	10,057
Volatility	Increased by 10%	(15,231)	(7,364)	(405)
	Decreased by 10%	13,600	5,892	(369)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Contractual arrangements

As disclosed in Note 1 and Note 36(c), the Group considers that it controls the PRC Operating Entities, notwithstanding the fact that it does not hold direct equity interest in the PRC Operating Entities, as it has power over the financial and operating policies of the PRC Operating Entities and receives substantially all the economic benefits from the business activities of the PRC Operating Entities through the Contractual Arrangements. Accordingly, the PRC Operating Entities have been accounted as subsidiaries during the Track Record Period.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the PRC Operating Entities and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the PRC Operating Entities. The directors, based on the advice of its PRC legal counsel, consider that the Contractual Arrangements with the PRC Operating Entities and their equity shareholders are in compliance with the relevant PRC laws and regulations and are legally enforceable.

(b) Revenue recognition – principal versus agent considerations

Determining whether the Group is acting as a principal or as an agent in the provision of certain services to its customers requires judgement and consideration of all relevant facts and circumstances. In evaluation of the Group's role as a principal or an agent, the Group considers, individually or in combination, whether the Group (i) controls the specified good or service before it is transferred to the customer, (ii) is primarily responsible for fulfilling the contract, and (iii) has discretion in establishing prices.

(c) Revenue recognition – incentives

As disclosed in Note 5, all incentives given to the accounting customers are recorded as a reduction of revenue to the extent of the revenue earned from that customer on a transaction by transaction basis. For certain other incentives, management judgement is required to determine whether the incentives are in substance payments to customers for a distinct good or service, and the payments to customers represent the fair value of the distinct goods sold or services exchanged, in which case would be recorded as selling and marketing expenses.

(d) Impairment of property, plant and equipment, right-of-use assets and intangible assets

As explained in Note 13(i) and Note 38.5, an impairment loss is recognised in profit and loss if the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. At the end of each reporting period, the Group reviews the recoverable amount of property, plant and equipment, right-of-use assets, intangible assets and CGUs allocated with goodwill which involves judgement on the determination of their fair value less costs of disposal and value in use. The fair value less costs of disposal is determined based on market comparison approach by reference to recent sales or market rents of comparable assets and the value in use is determined by discounting projected cash flow series associated with the assets using risk-adjusted discount rates. Any change in the assumptions underlying these projections and fair values would increase or decrease the recoverable amount of related assets and CGUs.

(e) Useful lives and residual values of self-owned vehicles

As explained in Note 13, in determining the useful life and residual value of self-owned vehicles, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes in the market demand for the vehicles, expected usage of the asset, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation is based on the experience of the Group with similar assets that are used in similar way. Adjustment of depreciation is made if the estimated useful lives and/or the residual values of self-owned vehicles are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end based on the changes in circumstances, which may impact depreciation charges in the future periods. The depreciation charges of self-owned vehicles were approximately RMB649,974,000, RMB655,259,000 and RMB676,171,000, during the years ended December 31, 2022, 2023 and 2024.

(f) Determination of the lease term

As explained in Note 27, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options or early termination options exercisable by the Group, the Group exercises judgement to evaluate the likelihood of exercising the renewal options or early termination options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms and the importance of that underlying asset to the Group's operation. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years. The Group also exercises judgement to determine whether there is a significant event or significant change in circumstance that is within the Group's control that would require the lease term to be reassessed.

(g) Valuation and recognition of share-based compensation expenses

As explained in Note 34, the Group set up an equity incentive plan to employees. The fair value of services received in return for share options granted is determined by the binominal model at the grant date, and is expected to be expensed over the respective vesting period. Significant estimates on assumptions, such as risk-free interest rate, expected volatility, dividend yield and expected forfeiture rate, are made by the directors and third-party valuers.

(h) Fair value of financial instruments issued to Series B Investors

As explained in Note 37, the financial instruments issued to Series B Investors are not traded in an active market and the respective fair value is determined by using valuation techniques. The directors have used the discounted cash flow method to determine the underlying equity value of the Group and adopted equity allocation model to determine the fair value of the financial instruments.

Details of the valuation models, key assumptions and inputs are disclosed in Note 3.3.

5 REVENUE AND SEGMENT INFORMATION

The Group's CODM consisting of the chief executive officer and the other key management, examines the Group's performance from a product perspective. Management has determined the operating segments based on the reports reviewed by CODM that are used to make strategic decisions. On this basis, the Group has determined that it only has one operating segment during the Track Record Period. All the Group's sales are contributed from the PRC market, accordingly, no geographical information is presented.

Breakdown of revenue by business lines is as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Revenue:			
Mobility service	7,467,295	10,300,213	13,566,590
Vehicle sales	32,184	114,564	866,760
Vehicle leasing	101,087	150,571	187,083
Others *(i)*	30,395	102,546	37,066
Total	7,630,961	10,667,894	14,657,499

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers:			
At a point in time	7,519,512	10,431,470	14,465,601
Over time *(i)*	10,362	85,853	4,815
	7,529,874	10,517,323	14,470,416

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from other sources:			
Vehicle leasing	101,087	150,571	187,083

(i) In 2023, the Group provided transportation support services to Geely Group to support the 19th Asian Games in Hangzhou, Zhejiang province, PRC. The Group recognised the revenue of approximately RMB79,909,000 over the contractual service period (Note 33(b)(xi)).

(a) Information about major customers

No revenue from services provided to a single customer accounted for 10% or more of total revenue of the Group during the Track Record Period.

(b) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Contract liabilities – Current	206,271	226,200	263,196

(i) Changes in contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the ride hailing services are yet to be provided and vehicles are yet to be delivered.

(ii) Revenue recognised that was included in the balance of contract liabilities at the beginning of the year

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Credited to the consolidated statements of comprehensive loss	236,515	187,106	210,925

(c) Transaction price allocated to unsatisfied long-term contract

The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration more than one year, thus management applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied at the end of the Track Record Period.

(d) The accounting policy for the Group's principal revenue types

Revenues are principally comprised of mobility services, vehicle leasing, vehicles sales, and other services. The Group recognises revenues when or as the control of the promised goods or services is transferred to the customers, netting of value-added taxes ("VAT"). Depending on the terms of the contracts and the laws that apply to the contracts, if control of the promised goods or services is transferred over time, revenues are recognised over the period of the contracts by reference to the progress towards complete satisfaction of those performance obligations. Otherwise, revenues are recognised at a point in time when the customers obtain control of the promised goods or services. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Group evaluates whether it acts as a principal or an agent to determine whether it is appropriate to record the gross amount of revenues and related costs, or the net amount earned as commission. The Group is a principal if it controls the specified goods or services before being transferred to the customers. Generally, a principal is the primary obligor, has latitude in establishing the selling price, and is subject to inventory risks. Otherwise, the Group is an agent to arrange for goods or services to be exchanged by other parties.

(i) Mobility service

The Group provides online ride hailing services under the brands "CaoCao Mobility" and "Limao Mobility". According to the relevant regulations in the PRC and the ride service agreements entered into with riders, the Group considers itself as the ride service provider. Riders can choose ride hailing services based on their mobility needs and preferences. When a rider selects and initiates a ride service request, an estimated service fee is displayed and the rider can further decide whether to place the service request or not. Once the rider places the ride service request and the Group accepts the service request, a ride service agreement is entered into between the rider and the Group. Upon completion of the ride services, the Group recognises ride hailing services revenues on a gross basis.

According to the relevant regulations in the PRC, online ride hailing services platforms are required to obtain online ride hailing permit and take full responsibility of the ride services. The relevant regulations also require the licensed platforms to ensure that the drivers and cars engaged in providing ride services meet the requirements stipulated by the regulations. Accordingly, the Group as an online ride hailing services platform considers itself as the principal for its ride services because it controls the services provided to riders. The control over the services provided to riders is demonstrated through: a) the Group is able to direct registered drivers to deliver ride services on its behalf based on the ride service agreement it entered into with riders. If the assigned driver is not able to deliver the service in limited circumstances, the Group will assign another registered driver to deliver the service; b) in accordance with the agreements entered into between the Group and the drivers, the drivers are obligated to comply with service standards and implementation rules set by the Group when providing the ride services on behalf of the Group; c) the Group evaluates drivers' performance regularly in accordance with standards set by the Group. Other indicators of the Group being the principal are demonstrated by: a) the Group is obligated to fulfill the promise to provide the ride hailing services to riders in accordance with the above regulations in the PRC and the above service agreements; b) according to applicable necessary procedures, the Group has the discretion in setting the prices for the services.

The Group also provides offline taxi services under the brand "Limao Mobility" to riders as a principal through the Group's wheelchair-accessible vehicles, LEVC TX5. The Group recognises such revenues on a gross basis at the amount of offline taxi services fees to which the Group is expected to be entitled upon the completion of the services.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The Group's contract liabilities were mainly resulted from advance payments from ride hailing services in the PRC.

The incremental costs of obtaining a contract with a customer are recognised as an asset if the Group expects to recover those costs. As a practical expedient, the Group elects to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

(ii) Vehicle leasing

The Group also provided car rental services to third parties. Accounting policy for rental income is set out in Note 38.18(b).

(iii) Vehicles sales

Revenue is generally recognised at a point in time when the customers obtain possession of and control of the promised goods in the contract. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional. The Group sold new vehicles, which were purchased from related parties, to its car partners, individual drivers, other third-party taxi companies and automobile dealers. The Group also offered sales rebates to its car partners if certain criteria were met according to the sales contract. Car partners are those who directly manage drivers, with or without vehicles, that provide services on the Group's platform. Revenue is recognised net of the sales rebate.

(iv) Other services

The Group provides other services including advertising, transportation support services, intra-city delivery service, customer referring service, technological support, and other services. Advertising revenue is mainly derived by delivering advertisements on CaoCao Mobility and its operating vehicles. Revenue of such advertising service is recognised on a pro-rata basis over the contractual service period. Transportation support services is provided to Geely Group during the 19th Asian Games Hangzhou. Revenue of such transportation support services is recognised over the contractual service period. Users can also place delivery orders through the CaoCao Mobility Platform, and thus the Group provides intra-city delivery services which meet the service specification promised to users and recognised as revenue when the intra-city delivery service is completed and accepted by the users. Customer referring service is provided to a related party, who enters into finance lease contracts with vehicle buyers. Revenue of such customer referring service is recognised when the services have been rendered. Technological support and other services are recognised as revenue when the customers obtain control of the promised goods or services.

(e) Incentive programs

(i) Customer incentives

Riders using ride hailing service are considered as the customers of the Group. The Group offers various incentive programs to the Group's customers, including fixed amount discounts, fixed percentage discounts, etc. If the Group does not receive distinct goods or services from the customers, incentives provided to customers are recorded as a reduction of revenue. The Group operates a loyalty programme where customers accumulate award points for orders made which entitle them to discounts on future orders. A contract liability for the award points is recognised at the time upon completion of related orders, based on their respective standalone selling price of the services provided and the award points, and recognised as revenue when the award points are redeemed or expired.

(ii) Customer referrals

These referrals are earned when an existing customer ("the referring customer") refers a new customer ("the referred customer") to the Group and the referred customer uses services offered by the Group's platform. These customer referrals incentives are typically paid in cash to the referring customers. These referrals are offered to attract new customers to the Group. The Group records the liability for these referrals and corresponding expenses as sales and marketing expenses at the time the referral is earned by the referring customer.

(iii) Variable consideration

The amount of consideration to which the Group collects from customers may be variable and less than the estimated service fee in the service request, because the Group may offer customers a price concession in its customary business practices. When new vehicles are sold to car partners, rebates are offered to its car partners, who are the customers under such transactions, that are conditional on completion of certain number of orders. The Group estimates the amount of consideration to which it will be entitled using the expected value or most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

When there are changes in circumstances, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to better predict the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

(iv) Incentives to registered drivers providing mobility services

The incentives to drivers providing mobility services are recognised as cost of sales as they are part of the Group's fulfillment costs for completing the performance obligation under the mobility services.

6 EXPENSES BY NATURE

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Driver earnings and incentives for mobility services	6,285,003	8,146,397	10,715,053
Commissions charged by aggregation platforms	321,579	666,857	1,046,279
Cost of vehicles sold	27,894	113,621	820,087
Employee benefits expenses *(Note 7)*	819,931	1,333,191	807,242
Depreciation charges of property, plant and equipment *(Note 13(e))*	657,577	664,322	685,561
Insurance costs	440,259	426,025	342,425
Commissions paid to car partners	133,672	192,021	308,926
Battery service fee *(Note 33(b)(iv))*	39,462	152,608	226,145
Vehicle maintenance charges	149,817	112,439	136,699
Promotion, advertising and incentives for customer referrals	260,744	114,503	85,681

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets *(Note 13(f))*	92,798	75,490	61,668
[**REDACTED**] expenses	5,843	25,000	32,283
Expenses relating to low-value leases *(Note 13(h)(ii))*	23,129	21,614	22,666
Expenses relating to short-term leases *(Note 13(h)(ii))*	18,098	20,387	16,144
Amortisation of intangible assets *(Note 14)*	994	1,388	2,140
Auditor's remuneration			
– Audit service	588	639	623
Others	300,955	365,853	380,420
Total cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses	9,578,343	12,432,355	15,690,042

7 EMPLOYEE BENEFITS EXPENSES

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Share-based compensation expenses *(Note 34)*	335,782	920,537	401,416
Wages, salaries and bonuses	412,009	347,829	341,727
Housing benefits *(a)*	31,642	28,201	27,541
Employee social security plans, medical insurances and other social insurances obligations *(a)*	25,739	23,335	23,476
Employee welfare	14,759	13,289	13,082
	819,931	1,333,191	807,242

The drivers of the Group gradually transferred from employees to independent contractors during the Track Record Period. During the years ended December 31, 2022, 2023 and 2024, drivers' employee benefits of approximately RMB1,179,000, nil and nil, respectively, were recorded in cost of sales.

(a) Employee social security plans, housing funds, medical insurances and other social insurances obligations

The Group only has defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year.

These contributions are paid to the respective labour and social welfare authorities and are expensed as incurred.

No forfeited contributions were utilised during the years ended December 31, 2022, 2023 and 2024 to offset the Group's contribution to the abovementioned social security plans.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2022, 2023 and 2024, include 1, 2 and 1 directors whose emoluments are reflected in analysis shown in Note 7(c) below. The emoluments payable to the remaining 4, 3 and 4 individuals for the years ended December 31, 2022, 2023 and 2024 are as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Share-based compensation expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Wages, salaries and bonuses	4,825	5,085	6,380
Employee social security plans, medical insurances and other social insurances obligations	172	197	329
Housing benefits	160	145	203
Employee welfare	104	104	106
	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

The remaining highest paid individuals fell within the following bands:

	Year ended December 31,		
	2022	**2023**	**2024**
Emolument bands:			
HK$8,500,001-HK$9,000,000	–	–	1
HK$10,500,001-HK$11,000,000	1	–	–
HK$15,500,001-HK$16,000,000	–	–	1
HK$18,000,001-HK$18,500,000	1	–	–
HK$20,500,001-HK$21,000,000	–	–	1
HK$29,500,001-HK$30,000,000	1	–	–
HK$32,500,001-HK$33,000,000	–	1	–
[**REDACTED**]	1	–	–
[**REDACTED**]	–	1	–
[**REDACTED**]	–	–	1
[**REDACTED**]	–	1	–
	4	3	4

(c) Benefits and interests of directors

The remuneration of each director and chief executive, including their role as senior management or employees before their appointment as directors respectively, for the years ended December 31, 2022, 2023 and 2024 respectively is set out below:

	Fees *RMB'000*	Salaries *RMB'000*	Discretionary bonuses *RMB'000*	Share-based payment *RMB'000*	Social security costs, housing benefits and employee welfare *RMB'000*	Total *RMB'000*
For the year ended December 31, 2022						
Executive director and chief executive officer						
Mr. Xin Gong *(i)*	–	–	–	[REDACTED]	–	[REDACTED]
Non-executive director and chairman of the board						
Mr. Jian Yang *(ii)*	–	–	–	–	–	–
Non-executive directors						
Mr. Jinliang Liu *(iv)*	–	–	–	–	–	–
Mr. Yang Li *(v)*	–	–	–	–	–	–
Mr. Quan Zhang *(iii)*	–	–	–	–	–	–
Ms. Xiaohong Zhou *(vi)*	–	–	–	–	–	–
Independent non-executive directors						
Ms. Xin Liu *(vii)*	–	–	–	–	–	–
Ms. Ning Liu *(viii)*	–	–	–	–	–	–
Mr. Qiang Fu *(ix)*	–	–	–	–	–	–
	–	–	–	[REDACTED]	–	[REDACTED]

	Fees *RMB'000*	Salaries *RMB'000*	Discretionary bonuses *RMB'000*	Share-based payment *RMB'000*	Social security costs, housing benefits and employee welfare *RMB'000*	Total *RMB'000*
For the year ended December 31, 2023						
Executive director and chief executive officer						
Mr. Xin Gong *(i)*	–	–	–	[REDACTED]	–	[REDACTED]
Non-executive director and chairman of the board						
Mr. Jian Yang *(ii)*	–	–	–	–	–	–
Non-executive directors						
Mr. Jinliang Liu *(iv)*	–	–	–	[REDACTED]	–	[REDACTED]
Mr. Yang Li *(v)*	–	–	–	–	–	–
Mr. Quan Zhang *(iii)*	–	–	–	–	–	–
Ms. Xiaohong Zhou *(vi)*	–	–	–	–	–	–
Independent non-executive directors						
Ms. Xin Liu *(vii)*	–	–	–	–	–	–
Ms. Ning Liu *(viii)*	–	–	–	–	–	–
Mr. Qiang Fu *(ix)*	–	–	–	–	–	–
	–	–	–	[REDACTED]	–	[REDACTED]

	Fees	Salaries	Discretionary bonuses	Share-based payment	Social security costs, housing benefits and employee welfare	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
For the year ended December 31, 2024						
Executive director and chief executive officer						
Mr. Xin Gong *(i)*	–	–	–	[REDACTED]	–	[REDACTED]
Non-executive director and chairman of the board						
Mr. Jian Yang *(ii)*	–	–	–	–	–	–
Non-executive directors	–	–	–			
Mr. Jinliang Liu *(iv)*	–	–	–	–	–	–
Mr. Yang Li *(v)*	–	–	–	–	–	–
Mr. Quan Zhang *(iii)*	–	–	–	–	–	–
Ms. Xiaohong Zhou *(vi)*	–	–	–	–	–	–
Independent non-executive directors						
Ms. Xin Liu *(vii)*	–	–	–	–	–	–
Ms. Ning Liu *(viii)*	–	–	–	–	–	–
Mr. Qiang Fu *(ix)*	–	–	–	–	–	–
	–	–	–	[REDACTED]	–	[REDACTED]

(i) Mr. Xin Gong was appointed by Geely Group as the executive director and chief executive officer of the Company on November 8, 2021.

(ii) Mr. Jian Yang was appointed as the non-executive director and chairman of the board of the Company on April 10, 2024.

(iii) Mr. Quan Zhang was appointed as the non-executive director of the Company on April 10, 2024.

(iv) Mr. Jinliang Liu was appointed as the non-executive director of the Company on April 10, 2024.

(v) Mr. Yang Li was appointed as the non-executive director of the Company on April 10, 2024.

(vi) Ms. Xiaohong Zhou was appointed as the non-executive director of the Company on April 10, 2024.

(vii) Ms. Xin Liu was appointed as the independent non-executive director of the Company on April 22, 2024 taking effect on the [**REDACTED**].

(viii) Ms. Ning Liu was appointed as the independent non-executive director of the Company on April 22, 2024 taking effect on the [**REDACTED**].

(ix) Mr. Qiang Fu was appointed as the independent non-executive director of the Company on April 22, 2024 taking effect on the [**REDACTED**].

(x) In addition to the directors' and chief executives' emoluments as disclosed above, certain directors and supervisors of the Company received emoluments from Geely Group. No apportionment has been made as the directors and supervisors of the Company consider that it is impractical to apportion the emoluments.

(d) Directors' retirement benefits

None of the directors received any retirement benefits during the Track Record Period, except for contributions to pension plans.

(e) Directors' termination benefits

None of the directors received any termination benefits during the Track Record Period.

(f) Consideration provided to third parties for making available directors' services

During the Track Record Period, the Company did not pay consideration to any third parties for making available directors' services.

(g) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities with directors

There were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

(h) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in the Note 7(c), except for the share options granted to directors, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

8 OTHER INCOME

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Government grants *(i)(Note 28)*	39,122	139,870	192,314

(i) The amounts represent government grants related income which are received from various local governments. These grants are recognised in the statement of comprehensive loss upon later of receipt of these cash and the conditions relating to these grants have been fulfilled.

9 OTHER GAINS – NET

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Gains on disposal of property, plant and equipment and assets classified as held for sale	28,661	51,657	58,098
Gains/(losses) on termination of right-of-use assets	397	(4,056)	3,145
Gains on disposal of investments accounted for using equity method *(Note 15(a)(ii))*	25,600	–	900
Gains from disposal of subsidiaries *(Note 36(d))*	–	13,931	–
Penalties for vehicles or drivers without the requisite permits or licenses	(6,735)	(9,950)	(13,042)
Others	(2,632)	522	(1,682)
	45,291	52,104	47,419

10 FINANCE COSTS – NET

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Finance income:			
Interest income on cash and cash equivalents	9,193	17,097	10,822
Finance costs:			
Interest expense on ABSs and ABNs	(138,490)	(194,829)	(233,458)
Interest expense on bank and other borrowings	(90,452)	(107,965)	(82,524)
Interest expense on lease liabilities *(Note 27(i))*	(10,522)	(8,319)	(6,342)
Interest expense on loans from related parties *(Note 33(b)(xix))*	(11,868)	(335)	(5,643)
Interest expense on notes payables	(7,993)	(1,188)	–
	(259,325)	(312,636)	(327,967)
Finance costs – net	(250,132)	(295,539)	(317,145)

11 TAXATION

(a) Value-added tax ("VAT")

The operation of the Group in the PRC primarily applies VAT as follows:

Category	Tax Rate	Basis of Levies
VAT	9% or 3%	Revenue from mobility service
	13%	Revenue from vehicle leasing
	13%	Revenue from vehicle sales
	3%, 6%, 9%, 13%	Other revenue

As part of Chinese government's effort to ease the burden of business affected by COVID-19, the Ministry of Finance and the State Taxation Administration temporarily reduced VAT rate to zero on revenues derived from mobility services in the PRC and other public transportation services for the year ended December 31, 2022.

(b) Income tax credit/(expenses)

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Current income tax expense	(73)	(199)	(279)
Deferred income tax credit/(expenses) *(Note 29)*	123,277	(40,863)	(39,768)
	123,204	(41,062)	(40,047)

Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act of Cayman Islands, and accordingly is exempted from Cayman Islands income tax.

Hong Kong profits tax

Under the current Hong Kong Inland Revenue Ordinance, the Company's subsidiaries incorporated in Hong Kong are subject to a two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%.

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profit subject Hong Kong profits tax during the Track Record Period.

Other countries

The Group entities established under the International Business Companies Acts of British Virgin Islands ("BVI") are exempted from BVI income taxes.

Tax in other countries including Japan have been provided for at the applicable rates on the estimated assessable profits less estimated available tax losses.

PRC enterprise income tax ("EIT")

The Group's subsidiaries established and operated in Mainland China are subject to the EIT on the taxable income as reported in their respective statutory financial statements adjusted in accordance with the Enterprise Income Tax Law ("EIT Law"). Pursuant to the EIT Law, the Group's subsidiaries are generally subject to EIT at the statutory rate of 25%.

Hangzhou Youxing obtained its High and New Technology Enterprises ("HNTE") status in year 2019 and renewed the qualification in 2022. Accordingly, it was entitled to a preferential EIT rate of 15% for a three-year period since the qualification day. The applicable EIT rate of these entities was 15% during the Track Record Period.

According to the relevant laws and regulations promulgated by the State Administration of Taxation ("SAT") of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 175% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for the year ("Super Deduction"). Such claim was further increased to 200% from October 1, 2022 onwards.

PRC withholding income tax ("WHT")

According to the EIT Law, distribution of profits earned by PRC companies since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

During the Track Record Period, the Group does not have any plan to require any of its subsidiaries, including its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand the business in the PRC. As at December 31, 2024, the Group has no undistributed earnings in its PRC subsidiaries. Accordingly, no deferred income tax liability on WHT was provided as at the end of each reporting period.

A reconciliation of the expected income tax calculated at the applicable tax rate and loss before income tax, with the actual income tax is as follow:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Loss before income tax	(2,130,304)	(1,939,996)	(1,206,342)
Tax calculated at statutory tax rates of 25%	(532,576)	(484,999)	(301,586)
Effects of preferential income tax rate applicable to subsidiaries in China	133,887	219,660	120,303
Different tax jurisdiction	–	–	11,772
Expenses not deductible for tax purpose *(i)*	62,808	142,311	62,962
Super deduction for research and development expenses	(21,652)	(21,295)	–
Tax losses for which no deferred tax assets were recognised *(ii)*	307,935	184,148	126,308
Recognition of previously tax losses for which deferred tax assets were not recognised	(81,964)	–	–
Temporary differences for which no deferred tax assets were recognised	8,358	1,237	20,288
Income tax (credit)/expenses	(123,204)	41,062	40,047

(i) The expenses not deductible for tax purpose mainly consists of advertising expenditures not qualified for tax deduction, goodwill impairment and share-based compensation expenses.

(ii) Tax losses

As at December 31, 2022, 2023 and 2024, the Group had unused tax losses of approximately RMB8,442,905,000, RMB9,066,573,000 and RMB8,550,931,000 that can be carried forward against future taxable income, respectively. No deferred income tax asset has been recognised in respect of such tax losses due to the unpredictability of future taxable income. The Group's tax losses carried forward will expire between 2025 and 2034.

The Group principally conducted its business in PRC, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expirations of unused tax losses of HNTE issued in August 2018, the accumulated tax losses of Hangzhou Youxing will expire within 10 years.

Tax losses for which no deferred tax asset was recognised will expire as follows:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Expiry year			
2024	1,195,502	1,144,046	–
2025	118,291	83,703	82,053
2026	1,092,312	1,065,236	1,042,948
2027	277,757	277,757	277,757
2028	2,129,511	1,820,856	1,820,856
2029 and onwards	3,629,532	4,674,975	5,327,317
	8,442,905	9,066,573	8,550,931

(iii) Global minimum top-up tax

The Group has adopted International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 upon their release on May 23, 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure from December 31, 2023 and December 31, 2024. Because the Group mainly operates in the Mainland China, where the legislation is not yet enacted, the Group has no related current tax exposure as at December 31, 2023 and 2024. The Group will assess its exposure to the Pillar Two legislation when related legislation is announced and enacted.

12 LOSSES PER SHARE

(i) Basic

Basic losses per share is calculated by dividing the net loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Year ended December 31,		
	2022	**2023**	**2024**
Loss attributable to owners of the Company (RMB'000)	(1,972,065)	(1,916,483)	(1,250,769)
Weighted average number of ordinary shares outstanding (thousands) *(a)*	452,128	452,128	452,128
Basic losses per share (RMB)	(4.36)	(4.24)	(2.77)

(a) The weighted average number of ordinary shares has been retrospectively adjusted for the effect of the issuance of shares in connection with the Reorganisation completed on April 10, 2024 (Note 1.2.2).

As Series A Preferred Shares and Series A1 Preferred Shares are classified as equity and have the same rights to receive dividends as ordinary shares (Note 22), Series A Preferred Shares and Series A1 Preferred Shares are treated as ordinary shares for the purpose of calculating basic loss per share.

(ii) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary share.

As the Group incurred net losses for the years ended December 31, 2022, 2023 and 2024, the dilutive potential ordinary shares arising from conversion of Series B Preferred Shares to Ordinary Shares and exercise of share options were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the years ended December 31, 2022, 2023 and 2024 are the same as basic loss per share of the respective periods.

13 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Self-owned vehicles *RMB'000*	Leased vehicles *RMB'000*	Leased properties *RMB'000*	Furniture and office equipment *RMB'000*	Leased license plate *RMB'000*	Construction in progress ("CIP") *(a)* *RMB'000*	Leasehold improvement *RMB'000*	Total *RMB'000*
As at January 1, 2022								
Cost	4,362,518	263,835	92,270	20,452	79,768	69,002	5,734	4,893,579
Accumulated depreciation	(2,158,396)	(81,093)	(38,694)	(12,486)	(53,804)	–	(3,937)	(2,348,410)
Impairment *(g)*	(37,883)	–	–	–	–	–	–	(37,883)
Net book value	2,166,239	182,742	53,576	7,966	25,964	69,002	1,797	2,507,286
Year ended December 31, 2022								
Opening net book value	2,166,239	182,742	53,576	7,966	25,964	69,002	1,797	2,507,286
Additions	–	–	70,023	6,940	38,916	1,297,782	32,100	1,445,761
Transfer *(d)*	818,659	(39,271)	–	–	–	(779,388)	–	–
Assets classified as held for sale *(Note 21)*	(107,573)	–	–	–	–	–	–	(107,573)
Disposals	(157,565)	–	(1,353)	(2,227)	–	–	–	(161,145)
Depreciation charge *(Note 6)*	(649,974)	(48,233)	(27,136)	(3,769)	(17,429)	–	(3,834)	(750,375)
Closing net book value	2,069,786	95,238	95,110	8,910	47,451	587,396	30,063	2,933,954
As at December 31, 2022								
Cost	4,119,120	200,402	130,414	22,137	95,970	587,396	37,834	5,193,273
Accumulated depreciation	(2,029,831)	(105,164)	(35,304)	(13,227)	(48,519)	–	(7,771)	(2,239,816)
Impairment *(g)*	(19,503)	–	–	–	–	–	–	(19,503)
Net book value	2,069,786	95,238	95,110	8,910	47,451	587,396	30,063	2,933,954

	Self-owned vehicles	Leased vehicles	Leased properties	Furniture and office equipment	Leased license plate	Construction in progress ("CIP") *(a)*	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2023								
Opening net book value	2,069,786	95,238	95,110	8,910	47,451	587,396	30,063	2,933,954
Additions	–	–	13,281	9,056	56,398	1,049,632	1,813	1,130,180
Transfer *(d)*	1,346,432	(13,231)	–	–	–	(1,333,201)	–	–
Assets classified as held for sale *(Note 21)*	(96,213)	–	–	–	–	–	–	(96,213)
Disposals *(i)*	(171,000)	(14,876)	(42,833)	(1,416)	(5,079)	–	(9,946)	(245,150)
Disposal of subsidiaries *(Note 36(d))*	(24,839)	–	(220)	(35)	–	–	–	(25,094)
Depreciation charge *(Note 6)*	(655,259)	(29,505)	(20,079)	(3,374)	(25,906)	–	(5,689)	(739,812)
Closing net book value	2,468,907	37,626	45,259	13,141	72,864	303,827	16,241	2,957,865
As at December 31, 2023								
Cost	4,324,575	109,771	68,575	23,285	122,592	303,827	32,930	4,985,555
Accumulated depreciation	(1,855,668)	(72,145)	(23,316)	(10,144)	(49,728)	–	(16,689)	(2,027,690)
Net book value	2,468,907	37,626	45,259	13,141	72,864	303,827	16,241	2,957,865

(i) During the year ended December 31, 2023, the Group terminated the lease for some floors of some leased properties due to strategic plan. Lease liabilities of the leased properties were derecognised accordingly (Note 27(i)).

	Self-owned vehicles	Leased vehicles	Leased properties	Furniture and office equipment	Leased license plate	Construction in progress ("CIP") *(a)*	Leasehold improvement	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2024								
Opening net book value	2,468,907	37,626	45,259	13,141	72,864	303,827	16,241	2,957,865
Additions	–	–	3,034	1,700	65,111	336,405	1,442	407,692
Transfer *(d)*	597,084	–	–	–	–	(597,084)	–	–
Assets classified as held for sale *(Note 21)*	(93,535)	–	–	–	–	–	–	(93,535)
Disposals	(134,573)	(26,902)	(6,649)	(489)	(2,960)	–	–	(171,573)
Modification	–	–	(12,601)	–	–	–	–	(12,601)
Disposal of subsidiaries *(Note 36(d))*	–	–	–	–	–	–	–	–
Depreciation charge *(Note 6)*	(676,171)	(10,724)	(14,830)	(3,185)	(36,114)	–	(6,205)	(747,229)
Closing net book value	2,161,712	–	14,213	11,167	98,901	43,148	11,478	2,340,619
As at December 31, 2024								
Cost	3,919,951	–	41,777	20,929	159,515	43,148	34,174	4,219,494
Accumulated depreciation	(1,758,239)	–	(27,564)	(9,762)	(60,614)	–	(22,696)	(1,878,875)
Net book value	2,161,712	–	14,213	11,167	98,901	43,148	11,478	2,340,619

(a) CIP are mainly vehicles not ready for use, and the depreciation of these assets commences when the assets are ready for their intended use.

(b) The Group, as a lessor, entered into certain vehicle operating lease arrangements during the Track Record Period. As at December 31, 2022, 2023 and 2024, the carrying amount of the vehicles which are subject to operating lease arrangements are approximately RMB132,060,000, RMB220,642,000 and RMB255,426,000, respectively.

(c) As at December 31, 2022, 2023 and 2024, the Group's vehicles related to the Group's arrangements of ABSs and ABNs' carrying value were RMB769,652,000, RMB1,003,809,000 and RMB1,194,612,000 (Note 32). The right of receiving payments from customers generated by these vehicles for a period of two or three years was pledged for ABSs and ABNs arrangements. If the Group breaches the debt covenant, these vehicles will be mortgaged accordingly. During the years ended December 31, 2022, 2023 and 2024, the Group hadn't been in violation of any of the covenants pursuant to the ABSs and ABNs arrangements.

(d) During the Track Record Period, the Group entered into several finance lease agreements with certain finance lease companies (Note 26(c)), pursuant to which the finance lease companies purchase certain new energy vehicles from the Group and leases back the same vehicles to the Group typically with lease terms of three to six years and receives lease payment regularly from the Group until the Group repurchases the assets from them upon the expiry of the lease term.

During such lease term and before the exercise of the repurchase options, such vehicles are effectively pledged as security for the borrowings from the finance lease companies and are restricted under the agreements where lessors' consent must be obtained for the pledge or disposal of these assets. As at December 31, 2022, 2023 and 2024, the carrying value of assets under this restriction amounted to approximately RMB376,989,000, RMB131,943,000 and RMB77,995,000, respectively (Note 32).

(e) Depreciation and impairment charges of property, plant and equipment has been charged to the consolidated statements of comprehensive loss as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charges			
Cost of sales	649,974	655,259	676,171
General and administrative expenses	6,533	7,767	8,507
Research and development expenses	870	1,035	867
Selling and marketing expenses	200	261	16
Total	657,577	664,322	685,561

(f) Depreciation of right-of-use assets has been charged to the consolidated statements of comprehensive loss as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Cost of sales	65,662	55,411	46,838
General and administrative expenses	20,279	14,668	10,248
Selling and marketing expenses	457	690	2,452
Research and development expenses	6,400	4,721	2,130
Total	92,798	75,490	61,668

(g) Impairment tests for property, plant and equipment and right-of-use assets

An impairment loss is recognised in profit and loss if the carrying amount of property, plant and equipment and right-of-use assets, exceeds its recoverable amount. As at December 31, 2022, 2023 and 2024, the Group recognised impairment provisions of approximately RMB19,503,000, nil and nil, respectively, on certain vehicles with relatively low utilisation rate, based on the comparable vehicle disposal price on the markets. The impairment provision was derecognised upon disposal of such vehicles during the Track Record Period.

(h) Right-of-use assets

(i) Amounts recognised in the consolidated balance sheets

The consolidated balance sheets show the following amounts relating to leases:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Right-of-use assets			
Leased license plate*	47,451	72,864	98,901
Leased properties	95,110	45,259	14,213
Leased vehicles**	95,238	37,626	–
	237,799	155,749	113,114
Lease liabilities *(Note 27)*			
Current	84,892	72,970	56,528
Non-current	141,477	81,665	59,993
	226,369	154,635	116,521

* The Group leases vehicle license plate in certain cities to carry out ride hailing services due to the shortage of license plate resources in these cities.

** The leased vehicles were transferred to self-owned vehicles when repurchase options were exercised by the Group.

(ii) Amounts recognised in the consolidated statements of comprehensive loss and cash flows

The consolidated statements of comprehensive loss *and cash flows* show the following amounts relating to leases:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets *(Note 6)*			
Leased license plate	17,429	25,906	36,114
Leased properties	27,136	20,079	14,830
Leased vehicles	48,233	29,505	10,724
	92,798	75,490	61,668
Interest expenses (included in finance cost) *(Note 10)*	10,522	8,319	6,342

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Expense relating to short-term leases (included in cost of sales) *(Note 6)*	18,098	20,387	16,144
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of sales) *(Note 6)*	23,129	21,614	22,666
	144,547	125,810	106,820
The cash outflow for leases as operating activities	33,891	49,139	30,205
The cash outflow for leases as financing activities	110,501	84,792	63,334
	144,392	133,931	93,539

(i) Accounting policy for property, plant and equipment and depreciation policy for right-of-use assets

Property, plant and equipment, are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the Track Record Period in which they are incurred.

Depreciation of property, plant and equipment and right-of-use asset is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives:

	Estimated useful lives	Residual rate
– Self-owned vehicles	5~6 years	0%~20%
– Furniture and office equipment	5~8 years	5%
– Leasehold improvement	Shorter of remaining lease term or useful life	
– Leased vehicles	3~6 years	
– Leased properties	2~7 years	
– Leased license plate	3~6 years	

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 38.5).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in "Other (losses)/gains – net" in the consolidated statements of comprehensive loss.

Property, plant and equipment and right-of-use assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). Property, plant and equipment and right-of-use assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

14 INTANGIBLE ASSETS

	Goodwill *RMB'000*	Software *RMB'000*	Entitlements for license plate *RMB'000*	Total *RMB'000*
As at January 1, 2022				
Cost	48,125	3,442	–	51,567
Accumulated amortisation and impairment	(48,125)	(1,796)	–	(49,921)
Net book value	–	1,646	–	1,646
Year ended December 31, 2022				
Opening net book value	–	1,646	–	1,646
Additions	–	1,574	–	1,574
Amortisation charge *(Note 6)*	–	(994)	–	(994)
Closing net book value	–	2,226	–	2,226
As at December 31, 2022				
Cost	48,125	5,016	–	53,141
Accumulated amortisation and impairment	(48,125)	(2,790)	–	(50,915)
Net book value	–	2,226	–	2,226
Year ended December 31, 2023				
Opening net book value	–	2,226	–	2,226
Additions	–	1,790	–	1,790
Amortisation charge *(Note 6)*	–	(1,388)	–	(1,388)
Closing net book value	–	2,628	–	2,628
As at December 31, 2023				
Cost	–	6,806	–	6,806
Accumulated amortisation and impairment	–	(4,178)	–	(4,178)
Net book value	–	2,628	–	2,628
Year ended December 31, 2024				
Opening net book value	–	2,628	–	2,628
Additions *(i)*	–	1,969	49,622	51,591
Amortisation charge *(Note 6)*	–	(2,140)	–	(2,140)
Closing net book value	–	2,457	49,622	52,079
As at December 31, 2024				
Cost	–	8,775	49,622	58,397
Accumulated amortisation and impairment	–	(6,318)	–	(6,318)
Net book value	–	2,457	49,622	52,079

Amortisation and impairment charges of intangible assets has been charged to the consolidated statements of comprehensive loss as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
General and administrative expenses	994	1,388	2,140
Total	994	1,388	2,140

(i) In July 2024, the Group acquired 100% equity interests of certain companies holding a number of entitlements for license plate in Shenzhen. On the acquisition date, there was no business carried by the acquirees other than entitlements for license plates. The transaction was accounted for as asset acquisitions.

During the year ended December 31, 2024, the entitlements for license plates were purchased from certain third parties, at total consideration of RMB49,622,000. partially offset by deposits recorded in other receivables (Note 30(a)). Previously, the Group leased license plates and paid rent to these third parties, which were recognised as leased license plate in right-of-use assets (Note 13).

Since the entitlements for license plate have no expire date, they are accounted for as intangible assets with an indefinite life. Entitlements for license plate are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For the purpose of the impairment review, the recoverable amount of entitlements for license plate is determined based on the fair value less disposal cost. The Group assessed its fair value by reference to its quoted price for an identical unit from third party potential vendors in relevant cities.

(a) Impairment test for goodwill

Management reviews the business performance and monitors goodwill resulted from the acquisition below operating segment level. The following is a summary of goodwill allocation for each of the cash generated units.

	Cost	**Accumulated impairment**	**Net book value**
	RMB'000	*RMB'000*	*RMB'000*
Year ended December 31, 2022			
Dalian Jinglian Youxing Technology Co., Ltd.	42,996	(42,996)	–
Changde Shi Liyouxing Technology Co., Ltd.	5,129	(5,129)	–
	48,125	(48,125)	–

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

The goodwill mainly arose from the acquisition of a subsidiary in 2020. Dalian Jinglian Youxing Technology Co., Ltd. ("Dalian Jinglian") is primarily engaged in the provision of ride hailing services in the PRC. Goodwill is attributable to the acquired market shares, future expansion prospect, economies of scale and synergies expected to be derived from combining the resources and operations of the Group following the acquisition.

Impairment review on the goodwill of the Group has been conducted by management as at December 31, 2021 according to IAS 36 "Impairment of assets". For the purpose of the impairment review, the recoverable amount of CGUs allocated with goodwill is determined based on fair value less cost of disposal calculations by using the discounted cash flow method. Impairment losses of approximately RMB48,125,000 have been recognised in "Other (losses)/gains – net" for the year ended December 31, 2021 because the subsidiaries did not meet the operation performance expectation and could not generate cash inflow in the future. During the year ended December 31, 2023, the subsidiaries were subsequently disposed due to the Group's strategic plan (Note 36(d)).

15 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated balance sheets are as follows:

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Associates	–	–	–

The share of loss recognised in the consolidated statements of comprehensive loss are as follows:

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Associates	–	–	–

(a) Investment in associates

Set out below are the associates of the Group as at December 31, 2022, 2023 and 2024.

Name of entity	Place of business	% of ownership interest as at December 31,			Nature of relationship	Measurement method	Carrying amount as at December 31,		
		2022	2023	2024			2022	2023	2024
		%	%	%			*RMB'000*	*RMB'000*	*RMB'000*
Ningbo Yongcheng Youxing New Energy Vehicle Sales Service Co., Ltd. *(i)*	The PRC	10	10	NA	Associate	Equity method	–	–	–
Jixing International Technology Limited ("Jixing International") *(ii)*	Paris	NA	NA	NA	Associate	Equity method	–	–	–
							–	–	–

(i) Management has assessed the level of influence of the Group, and determined that it has significant influence even though the shareholding is below 20% because the Group holds one out of three board seats. Consequently, the investee is classified as an associate and accounted for using the equity method.

On January 26, 2024, the Group sold the equity interest of Ningbo Yongcheng to a third party, with a cash consideration of RMB900,000. Management recognised gains from disposal of RMB900,000 in consolidated statements of comprehensive loss under "Other gains – net" (Note 9).

(ii) On July 25, 2022, the Group sold the equity interest of Jixing International to one of Jixing International's shareholders, a related party of the Group, with a cash consideration of RMB25,600,000. Management recognised gains from disposal of RMB25,600,000 in consolidated statements of comprehensive loss under "Other gains – net" (Note 9).

(iii) No impairment provision was provided during the years ended December 31, 2022, 2023 and 2024.

16 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Assets as per balance sheet			
Financial assets at amortised costs:			
– Cash and cash equivalents *(Note 20(a))*	379,995	582,995	159,497
– Restricted cash *(Note 20(b))*	226,906	105,576	68,247
– Trade receivables *(Note 19)*	175,937	266,053	274,012
– Other receivables *(Note 17)*	120,441	156,223	119,875
	903,279	1,110,847	621,631
Liabilities as per balance sheet			
Financial liabilities at amortised costs:			
– Trade and notes payables *(Note 24)*	1,141,888	680,061	702,206
– Accruals and other payables (excluding taxes and surcharges payables, provision for litigation and disputes, advances from disposal of used vehicles and staff costs and welfare accruals) *(Note 25)*	722,530	662,602	657,713
– Lease liabilities *(Note 27)*	226,369	154,635	116,521
– Borrowings *(Note 26)*	5,579,223	7,529,900	7,218,287
	7,670,010	9,027,198	8,694,727
Financial liabilities at fair value:			
– Financial liabilities at fair value through profit or loss *(Note 37)*	1,814,144	1,883,204	1,971,901
	9,484,154	10,910,402	10,666,628

17 PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Included in non-current assets			
Prepayments:			
Deferred charges for global positioning system and other equipment	28,573	57,141	45,277
Other receivables:			
Rental and other deposits *(i)*	60,119	62,275	19,736
Deposits to trust institutions *(ii)*	22,430	28,030	43,000
	82,549	90,305	62,736
Non-current	111,122	147,446	108,013

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Included in current assets			
Prepayments:			
Prepayments for insurance costs	325,184	269,876	250,951
[**REDACTED**] expenses directly attributable to the issue of shares to be deducted from equity	494	2,473	5,274
Others	4,820	4,145	7,676
	330,498	276,494	263,901
Other current assets:			
Value-added tax recoverable	235,041	322,843	395,708
Other receivables:			
Deposits to trust institutions *(ii)*	18,340	36,600	34,430
Rental and other deposits	6,555	12,133	7,308
Loans to third parties	3,644	3,644	3,644
Short-term finance lease receivables, net	7,375	3,481	3,500
Capital contribution receivables from Ugo Investment Limited *(Note 22)*	–	–	30
Amounts due from related parties *(Note 33(c)(x))*	–	5,550	–
Others	8,456	11,461	12,956
	44,370	72,869	61,868
Less: loss allowance	(6,478)	(6,951)	(4,729)
	37,892	65,918	57,139
Current	603,431	665,255	716,748

(i) During the year ended December 31, 2024, the group purchased the entitlements for license plates (Note 14) at a consideration of approximately RMB49,622,000, partially offset by deposits (Note 30(a)).

(ii) During the Track Record Period, the Group issued several tranches of ABSs and ABNs in the PRC. In accordance with the relevant PRC regulations, the Group is required to make deposits to trust institutions at 1% of the outstanding balance of the principal elements of the borrowings as a pledge for the repayments of ABSs and ABNs.

18 INVENTORIES

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Vehicles for sale	3,241	167,262	223,079

During the Track Record Period, the Group sells new vehicles to car partners as well as other third parties. The Group classified such new vehicles as inventories based on management intention to sell them. The balances represent the new vehicles for sale as at each year end.

19 TRADE RECEIVABLES

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables from contracts with customers	182,833	273,703	289,762
Less: loss allowance	(6,896)	(7,650)	(15,750)
	175,937	266,053	274,012

The Group applies the IFRS 9 simplified approach to measure expected credit losses which use a life time expected loss allowance for all trade receivables. Note 3.1 provides for details about the calculation of the allowance.

As at December 31, 2022, 2023 and 2024, the ageing analysis of the trade receivable based on invoice date were as follows:

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Within 3 months	172,061	261,644	263,483
3 months to 6 months	6,871	6,398	12,793
6 months to 1 year	324	3,570	5,915
Over 1 year	3,577	2,091	7,571
	182,833	273,703	289,762

The carrying amounts of the Group's trade receivables are denominated in RMB and approximate their fair values.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables mentioned above.

20 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	582,278	672,611	219,128
Cash at other third-party online payment platforms	24,623	15,960	8,616
Less: restricted cash *(b)*	(226,906)	(105,576)	(68,247)
Cash and cash equivalents	379,995	582,995	159,497

The maximum exposure to credit risk at the reporting date is the carrying values of cash and cash equivalents and restricted cash as mentioned above.

Cash and cash equivalents are denominated in the following currencies:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
RMB	379,939	582,618	158,942
Others	56	377	555
	379,995	582,995	159,497

(b) Restricted cash

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Advances from customers *(i)*	51,320	49,519	49,401
Guarantee deposits for letter of credit and bank acceptance notes *(ii)*	168,113	30,488	12,000
Others *(iii)*	7,473	25,569	6,846
	226,906	105,576	68,247

Restricted cash is denominated in RMB.

(i) Cash were restricted to maintain a level above certain percentage of advances from customers as required by the relevant rules and regulations.

(ii) As at December 31, 2022, 2023 and 2024, cash were restricted to guarantee the issue of letter of credit and bank acceptance notes by the Group.

As at December 31, 2022, cash were restricted mainly to guarantee the issue of bank acceptance notes by Zhejiang Yizhen Automobile Co., Ltd., Zhejiang Yizhen Automobile Sales Co., Ltd. and Zhejiang Yizhen Automobile Research and Development Co., Ltd. (collectively, the "Yizhen"). During the year ended December 31, 2022, Limao Mobility received payment of approximately RMB156,428,000 from Yizhen, and the cash were restricted by the bank immediately to guarantee the issue of bank acceptance notes of Yizhen with equal amount. These 100% deposits remained restricted by the bank until the expiration of the bank acceptance notes. The deposits were withdrawn by the bank when the bank acceptance notes expired in 6 months.

(iii) Other restricted cash mainly includes guarantee deposits for ABSs, amounts frozen for litigations and amount of virtual bank account.

21 ASSETS CLASSIFIED AS HELD FOR SALE

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets held for sale			
Self-owned vehicles *(i)*	107,573	96,213	93,535

(i) As at December 31, 2022, 2023 and 2024, the carrying value of self-owned vehicles to be disposed after the year ends were approximately RMB107,573,000, RMB96,213,000 and RMB93,535,000, respectively. The disposal gains for used vehicles were recorded in "other gains – net" (Note 9).

22 SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS

(i) Authorised share capital

As mentioned in Note 1.2, the Historical Financial Information has been prepared on a combined basis before the completion of the Reorganisation and on consolidated basis since the completion of the Reorganisation.

	Number of Ordinary Shares	Nominal value *US$*	Number of Preferred Shares	Nominal value *US$*
Authorised on November 8, 2021 (Date of incorporation):				
Shares at par value of US$0.0001 each	500,000,000	50,000	–	–
As at December 31, 2022 and 2023	500,000,000	50,000	–	–
Authorised on April 10, 2024 (Note 1.2.2):				
Ordinary Shares at par value of US$0.00001 each	4,919,346,000	49,193	–	–
Series A Preferred Shares at par value of US$0.00001 each	–	–	21,403,500	214
Series A1 Preferred Shares at par value of US$0.00001 each	–	–	11,378,500	114
Series B Preferred Shares at par value of US$0.00001 each	–	–	47,872,000	479
As at December 31, 2024	4,919,346,000	49,193	80,654,000	807

(ii) Issued share capital

	Number of Ordinary Shares	Nominal value *US$*	Share capital *RMB*	*RMB'000*
Issuance of Ordinary Shares to Ugo Investment Limited at November 8, 2021 (Date of incorporation), at par value of US$0.0001 each *(a)*	738,692	74	473	–
As at December 31, 2022 and 2023	738,692	74	473	–
Reorganisation on April 10, 2024:				
Issuance of Ordinary Shares to Ugo Investment Limited, nil paid *(a)*	419,346,000	4,193	29,751	30
As at December 31, 2024	419,346,000	4,193	29,751	30

(a) Upon the completion of Reorganisation, 419,346,000 Ordinary Shares have been issued and allotted to Ugo Investment Limited, consisting of 738,692 ordinary shares issued on November 8, 2021 and 418,607,308 ordinary shares issued on April 10, 2024, at par value of US$0.00001 each. The nominal value of approximately US$4,193 was not paid as at December 31, 2024 and was fully paid in [**REDACTED**].

(iii) Other equity instruments

	Number of Preferred Shares	Nominal value		Other equity instruments
		US$	*RMB*	*RMB'000*
Reorganisation on April 10, 2024:				
– Issuance of Series A Preferred Shares, fullypaid *(a)*	21,403,500	214	1,520	2
– Issuance of Series A1 Preferred Shares, fullypaid *(a)*	11,378,500	114	810	–
As at December 31, 2024	32,782,000	328	2,330	2

(a) 21,403,500 and 11,378,500 Preferred Shares at par value of US$0.00001 each, respectively, were allotted and issued to Series A Investors and Series A1 Investors on April 10, 2024 upon the completion of Reorganisation. Series A Investors and Series A1 Investors may require Ugo Investment Limited to repurchase their investment if certain events occur. Series A Investors and Series A1 Investors also have anti-dilution rights, which may require Ugo Investment Limited to transfer certain Ordinary Shares of the Company held by it to them. The Company has no contractual obligation to deliver cash or a variable number of shares to Series A and A1 Investors, thus the Preferred Shares issued to Series A and A1 Investors meet the definition of equity. The nominal value of approximately US$328 was fully paid as at December 31, 2024.

All of the Preferred Shares will be converted into Ordinary Shares on a one-on-one basis prior to the completion of the [**REDACTED**].

23 OTHER RESERVES

The Group

	Capital reserves	Share-based Compensation Reserve	Translation Differences	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2022	4,660,504	–	(50)	4,660,454
Share-based compensation expenses *(Note 7) (Note 34)*	–	335,782	–	335,782
Capital injection from shareholders *(i)*	90,000	–	–	90,000
Currency translation differences	–	–	8	8
As at December 31, 2022	4,750,504	335,782	(42)	5,086,244
As at January 1, 2023	4,750,504	335,782	(42)	5,086,244
Share-based compensation expenses *(Note 7) (Note 34)*	–	920,537	–	920,537
Currency translation differences	–	–	1	1
As at December 31, 2023	4,750,504	1,256,319	(41)	6,006,782

	Capital reserves *RMB'000*	Share-based Compensation Reserve *RMB'000*	Translation Differences *RMB'000*	Total *RMB'000*
As at January 1, 2024	4,750,504	1,256,319	(41)	6,006,782
Share-based compensation expenses *(Note 7) (Note 34)*	–	401,416	–	401,416
Deemed capital contributions from shareholders *(ii)*	16,620	–	–	16,620
Transaction with non-controlling interests *(iii)*	(13,676)	–	–	(13,676)
As at December 31, 2024	4,753,448	1,657,735	(41)	6,411,142

(i) Limao Mobility received capital injections of RMB90,000,000 during the year ended December 31, 2022 from Zhejiang Yizhen Automobile Co., Ltd., of which approximately RMB90,000,000 was recognised as capital reserves.

(ii) On March 25, 2024, Hangzhou Youxing entered into a share transfer agreement with Zhejiang Yizhen Automobile Co., Ltd. to acquire Limao Mobility, and Zhejiang Yizhen Automobile Co., Ltd. agreed to waive borrowings of RMB16,620,000 from Limao Mobility. The debt forgiveness is treated as a deemed capital contribution from Zhejiang Yizhen Automobile Co., Ltd., resulting in an increase of RMB16,620,000 in capital reserves accordingly.

(iii) On November 14, 2024, Hangzhou Youxing entered into a share transfer agreement to acquire 10% equity interests of a non-wholly owned subsidiary Shanxi Geely Youxing Technology Co., Ltd. (Shanxi Youxing) from the non-controlling interest shareholder Taiyuan Zhongyi Jiaqiang Environmental Protection Technology Development Co., Ltd., with the consideration of a financial instrument with the fair value of approximately RMB3,664,000. The financial instrument consists of 90,000 share options granted by CaoCao Inc., vested if CaoCao Inc. goes listing during the one year from November 14, 2024 (the "contingent event"), and cash consideration of RMB2,000,000 to be paid if the contingent event does not occur. Since Shanxi Youxing was in total deficit status, non-controlling interest with a deficits of approximately RMB10,011,000 is derecognised, and the transaction resulted in a decrease of RMB13,675,000 in capital reserves accordingly.

The Company

	Other reserves *RMB'000*
As at January 1, 2022	–
Share-based compensation expenses *(iv) (Note 34)*	335,782
As at December 31, 2022	335,782
As at January 1, 2023	335,782
Share-based compensation expenses *(iv) (Note 34)*	920,537
As at December 31, 2023	1,256,319
As at January 1, 2024	1,256,319
Share-based compensation expenses *(iv) (Note 34)*	401,416
As at December 31, 2024	1,657,735

(iv) The grant by the Company of its equity instruments to the employees of the subsidiaries including the PRC operating entities are made in exchange for their services related to the subsidiaries. Accordingly, the share-based compensation expenses are treated as part of the "investments in subsidiaries" in the balance sheets of the company.

24 TRADE AND NOTES PAYABLES

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables *(a)*			
– Earnings and incentives payable to drivers	175,726	244,934	422,439
– Payables for services	102,850	157,882	163,150
– Payables for vehicles	572,062	263,211	114,104
– Others	12,116	12,433	2,513
	862,754	678,460	702,206
Notes payables *(b)*	279,134	1,601	–
	1,141,888	680,061	702,206

(a) Trade payables

Trade payables are unsecured and are usually paid within 90 days of recognition. The majority of the Group's trade payables was denominated in RMB. The ageing analysis of the trade payables based on invoice date at the end of each Track Record Period is as follows:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
0 to 90 days	784,927	661,773	692,105
91 to 180 days	37,914	1,104	560
181 days to 1 year	29,522	5,367	275
Over 1 year	10,391	10,216	9,266
	862,754	678,460	702,206

(b) Notes payables

All notes payables are denominated in RMB and are notes paid and/or payable to third parties mainly for settlement of trade payables. As at December 31, 2022, 2023 and 2024, all notes payables had maturities of less than one year.

As at December 31, 2022, 2023 and 2024, the average discounted rates of notes payables were 2.54%, nil and nil per annum.

As at December 31, 2022, 2023 and 2024, Zhejiang Geely Holding Group Co., Ltd., Zhejiang Geely Automobile Co., Ltd. and Zhejiang Jidi Technology Co., Ltd. provided guarantee in favor of the Group for the repayment of the notes payables amounting to approximately RMB275,514,000, nil and nil (Note 33(b)(xviii)).

The carrying amounts of trade and notes payables are considered to be the same as their fair values, due to their short-term nature.

25 ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Deposits from drivers *(i)*	338,939	332,524	291,092
Deposits from suppliers and others *(ii)*	100,195	138,220	162,714
Advances from disposal of used vehicles	87,041	118,859	106,983
Staff costs and welfare accruals	83,646	80,687	80,510
Amounts due to related parties *(Note 33(c)(iv))* *(Note 33(c)(viii))*	178,521	61,258	66,309
Taxes and surcharges payables	17,864	39,396	50,158
Payables for [**REDACTED**] expenses	5,834	21,747	33,193
Provision for litigation and disputes	8,784	16,106	31,742
Accrued promotion, advertising and incentives for customer referrals	42,645	34,535	30,998
Others	56,396	74,318	73,407
	919,865	917,650	927,106

The Company

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Payables for [**REDACTED**] expenses *(iii)*	5,469	20,152	29,668
Amounts due to subsidiaries	–	10,057	26,337
Others	–	–	3,664
	5,469	30,209	59,669

(i) This balance mainly represents deposits from drivers for using vehicles.

(ii) This balance mainly represents performance deposits from car partners, insurance companies, performance deposits received for car rental services and from disposal of used vehicles.

(iii) The balances represent payables for [**REDACTED**] expenses by the Company.

The carrying amounts of accruals and other payables are considered to approximate their fair values due to their short-term nature.

26 BORROWINGS

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Borrowings included in non-current liabilities:			
ABSs and ABNs *(b) (Note 13(c))*	1,893,000	2,283,000	1,490,000
Other borrowings, secured *(c) (Note 13(d))*	132,100	63,760	51,737
Bank borrowings, guaranteed *(a)*	82,000	6,250	–
	2,107,100	2,353,010	1,541,737
Borrowings included in current liabilities:			
Current portion of long-term borrowings			
– Current portion of ABSs and ABNs *(b) (Note 13(c))*	1,750,632	2,904,937	2,859,969
– Current portion of other borrowings, secured *(c) (Note 13(d))*	267,976	103,637	11,862
– Current portion of bank borrowings, guaranteed *(a)*	165,366	94,716	6,270
Bank borrowings, guaranteed *(d)*	729,515	1,027,193	1,482,460
Loans from related parties *(Note 33(c)(ix))*	112,108	195,210	900,732
Factoring borrowings *(e)*	445,783	851,197	415,257
Bank borrowings, secured *(f)*	743	–	–
	3,472,123	5,176,890	5,676,550
	5,579,223	7,529,900	7,218,287

(a) As at December 31, 2022, 2023 and 2024, the Group has guaranteed long-term bank borrowings with a total amount of approximately RMB247,366,000, RMB100,966,000 and RMB6,270,000, respectively, of which approximately RMB165,366,000, RMB94,716,000, and RMB6,270,000 will be due within one year from the respective balance sheet dates. The above guaranteed bank borrowings bear interests at fixed interest rates ranging from 3.8% to 4.2% per annum and were guaranteed by Zhejiang Geely Holding Group Co., Ltd, which will not be released prior to the [**REDACTED**] (Note 33(b)(xviii)).

(b) During the Track Record Period, the Group issued several tranches of asset-backed security ("ABSs") and asset-backed notes ("ABNs") with the payment term of two or three years with the fixed interest rate ranging from 2.50% to 4.90%. These ABSs are currently listed on the Shanghai Stock Exchange while ABNs are currently traded in the China Interbank Bond market. These ABSs and ABNs are secured by the pledge of the rights to receive the service fees derived from the use of certain vehicles owned by the Group for the provision of online ride hailing services and guaranteed by Zhejiang Geely Holding Group Co., Ltd., which will not be released prior to the [**REDACTED**] (Note 33(b)(xviii)). The principal and interests of ABSs and ABNs were repaid on a quarterly basis. As at December 31, 2022, 2023 and 2024, the borrowings from ABSs and ABNs amounted to approximately RMB3,643,632,000, RMB5,187,937,000 and RMB4,349,969,000, respectively, of which approximately RMB1,750,632,000, RMB2,904,937,000 and RMB2,859,969,000 will be due within one year from the respective balance sheet dates. The carrying amount of vehicles subject to ABSs and ABNs arrangements are disclosed in Note 13(c).

(c) As at December 31, 2022, 2023 and 2024, secured borrowings were approximately RMB400,076,000, RMB167,397,000 and RMB63,599,000, respectively, of which approximately RMB267,976,000, RMB103,637,000 and RMB11,862,000, will be due within one year from the respective balance sheet dates. The effective interest rate of the secured borrowings during the Track Record Period ranged from 4.95% to 6.7% per annum. These borrowings were related to the sales and leaseback arrangements between the Group and certain finance lease companies. The carrying value of assets under this restriction was disclosed in Note 13(d). Secured borrowings of approximately RMB38,399,000 as at December 31, 2024 were guaranteed by Zhejiang Yizhen Automobile Co., Ltd. (Note 33(b)(xviii)), which will be substituted as Hangzhou Youxing before [**REDACTED**].

(d) During the Track Record Period, the Group has entered several short-term borrowing agreements with interest rates ranging from 3.00% to 4.35% per annum. As at December 31, 2022, 2023 and 2024, the borrowing balances were approximately RMB729,515,000, RMB1,027,193,000 and RMB1,482,460,000, respectively. The borrowings were guaranteed by Zhejiang Geely Holding Group Co., Ltd., which will not be released prior to the [**REDACTED**] (Note 33(b)(xviii)).

(e) During the Track Record Period, the letters of credit and notes payables issued by certain subsidiaries of the Group for intra-group transaction settlements were discounted to certain PRC commercial banks. The directors were of the view that balance under such factoring arrangements were borrowings from banks. As at December 31, 2022, 2023 and 2024, the average discounted rates were 3.66%, 3.17% and 3.19% per annum. The borrowings were guaranteed by Zhejiang Geely Holding Group Co., Ltd. and Zhejiang Geely Automobile Co., Ltd., which will not be released prior to the [**REDACTED**] (Note 33(b)(xviii)).

(f) During the Track Record Period, the Group has entered into borrowing agreements with certain commercial banks in China. The borrowings generally had the maturity of one year and were secured by insurance policies held by the Group.

(g) Other disclosures

The Group's borrowings are all denominated in RMB.

During the years ended December 31, 2022, 2023 and 2024, the Group had neither been in violation of any of the covenants nor subject to material financial covenants pursuant to the applicable borrowing agreements that the Group entered into with the lenders.

The fair values of current and non-current borrowings approximate their carrying amount as the discounting impact is not significant.

As at December 31, 2022, 2023 and 2024, the Group's borrowings were repayable as follows:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	3,472,123	5,176,890	5,676,550
Between 1 and 2 years	1,546,900	1,961,891	1,299,376
Between 2 and 5 years	560,200	383,797	242,361
Over 5 years	–	7,322	–
	5,579,223	7,529,900	7,218,287

(h) Accounting policy for borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheets when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has a right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

27 LEASE LIABILITIES

(i) The carrying amounts of the Group's lease liabilities and the movements for the years ended December 31, 2022, 2023 and 2024 are as follows:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amounts at the beginning of the year	219,159	226,369	154,635
Additions	108,939	69,679	68,145
Accretion of interest recognised *(Note 10)*	10,522	8,319	6,342
Payments *(Note 13(h)(ii))*	(110,501)	(84,792)	(63,334)
Modifications and terminations*	(1,750)	(64,629)	(49,267)
Disposal of subsidiaries *(Note 36(d))*	–	(311)	–
Carrying amounts at the end of the year	226,369	154,635	116,521
Lease liabilities			
Current	84,892	72,970	56,528
Non-current	141,477	81,665	59,993
	226,369	154,635	116,521

* During the year ended December 31, 2023 and 2024, the Group terminated the lease for certain leased vehicles, license plates and leased properties due to strategic plan.

On December 16, 2024, the Group received a government grant of RMB16,097,000 for leased property rental relief, resulting in a decrease of approximately RMB12,601,000 in lease liabilities after the remeasurement.

(ii) The following table shows the remaining maturities of the Group's lease liabilities at the end of Track Record Period.

Minimum lease payments due	**As at December 31,**		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	93,486	81,528	60,290
Between 1 and 2 years	68,367	61,707	33,673
Between 2 and 5 years	81,704	21,353	29,880
	243,557	164,588	123,843
Less: future finance charges	(17,188)	(9,953)	(7,322)
	226,369	154,635	116,521

Present value of lease liabilities	**As at December 31,**		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	84,892	72,970	56,528
Between 1 and 2 years	62,988	60,760	31,711
Between 2 and 5 years	78,489	20,905	28,282
	226,369	154,635	116,521

28 DEFERRED INCOME

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Government grants	77,129	54,828	83,864

During the years ended December 31, 2022, 2023 and 2024, the Group received cash subsidies of RMB100,000,000, RMB100,000,000 and RMB200,000,000, respectively, from the local government with conditions to be fulfilled. During the Track Record Period, the Group satisfied part of the conditions. As a result, the Group recognised approximately RMB22,871,000, RMB122,301,000 and RMB170,964,000, as "Other income" (Note 8), respectively, during the years ended December 31, 2022, 2023 and 2024, and the remaining balance was recorded in deferred income.

29 DEFERRED INCOME TAXES

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Total deferred income tax assets:	145,170	112,242	77,782
Set-off of deferred tax assets pursuant to set-off provisions *(a)*	(22,496)	(30,651)	(35,959)
Net deferred income tax assets	122,674	81,591	41,823
Deferred income tax assets:			
– to be recovered within 1 year	40,247	81,303	41,737
– to be recovered more than 1 year	82,427	288	86
	122,674	81,591	41,823
Total deferred income tax liabilities	22,716	30,651	35,959
Set-off of deferred tax liabilities pursuant to set-off provisions *(a)*	(22,496)	(30,651)	(35,959)
Net deferred income tax liabilities	220	–	–
Deferred income tax liabilities:			
– to be recovered within 1 year	220	–	–
– to be recovered more than 1 year	–	–	–
	220	–	–

(a) The Group only offset deferred tax assets and deferred tax liabilities for presentation purposes only if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on same tax payee.

The gross movement of deferred income tax assets during the years are as follow:

	Lease liabilities *RMB'000*	Deferred Income *RMB'000*	Tax losses carried forward *RMB'000*	Total *RMB'000*
As at January 1, 2022	–	–	–	–
Credited to consolidated statements of comprehensive loss *(Note 11(b))*	8,176	19,282	117,712	145,170
As at December 31, 2022	8,176	19,282	117,712	145,170
Debited to consolidated statements of comprehensive loss *(Note 11(b))*	(3,279)	(5,575)	(24,074)	(32,928)
As at December 31, 2023	4,897	13,707	93,638	112,242
(Debited)/credited to consolidated statements of comprehensive loss *(Note 11(b))*	(4,811)	7,259	(36,908)	(34,460)
As at December 31, 2024	86	20,966	56,730	77,782

The gross movement of deferred income tax liabilities during the years are as follow:

	Asset appreciations arising from business combinations *RMB'000*	Right-of-use assets *RMB'000*	One-off pre-tax deduction of fixed asset (i) *RMB'000*	Total *RMB'000*
As at January 1, 2022	823	–	–	823
(Credited)/debited to consolidated statements of comprehensive loss *(Note 11(b))*	(603)	7,876	14,620	21,893
As at December 31, 2022	220	7,876	14,620	22,716
(Credited)/debited to consolidated statements of comprehensive loss *(Note 11(b))*	(220)	(3,267)	11,422	7,935
As at December 31, 2023	–	4,609	26,042	30,651
(Credited)/debited to consolidated statements of comprehensive loss *(Note 11(b))*	–	(4,609)	9,917	5,308
As at December 31, 2024	–	–	35,959	35,959

(i) According to the relevant laws and regulations promulgated by the SAT of the PRC that was effective from January 1, 2018 to December 31, 2027, the cost of newly purchased equipment with the original cost less than RMB5,000,000 can be fully deducted against taxable income in the next month after the asset is ready for use instead of being depreciated annually for tax filing.

30 CASH (USED IN)/GENERATED FROM OPERATIONS

(a) Reconciliation of loss before income tax to net cash (used in)/generated from operations

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Loss before income tax	(2,130,304)	(1,939,996)	(1,206,342)
Adjustments for:			
– Depreciation charges of property and equipment *(Note 6)*	657,577	664,322	685,561
– Depreciation charges of right-of-use assets *(Note 6)*	92,798	75,490	61,668
_ Amortisation of intangible assets *(Note 6)*	994	1,388	2,140
– Gains on disposal of property and equipment *(Note 9)*	(28,661)	(51,657)	(58,098)
– (Gains)/losses on termination of right-of-use assets *(Note 9)*	(397)	4,056	(3,145)
– Gains on disposal of investments accounted for using the equity method *(Note 15)*	(25,600)	–	(900)
– Impairment losses on financial assets *(Note 3.1(b))*	3,059	2,910	7,694
– Gains on disposal of subsidiaries *(Note 9)*	–	(13,931)	–
– Interest income on loans to third parties	(144)	–	–
– Share-based compensation expenses *(Note 7) (Note 34)*	335,782	920,537	401,416
– Finance costs *(Note 10)*	250,132	295,539	317,145
– Fair value changes of financial liabilities at fair value through profit or loss *(Note 3.3(b))*	14,144	69,060	88,693
– Net exchange differences *(Note 23)*	(8)	(1)	–
Operating cash flows before changes in working capital	(830,628)	27,717	295,832
Changes in working capital:			
– Decrease/(increase) in restricted cash	(8,976)	(35,098)	37,329
– Increase in trade receivables	(16,259)	(92,375)	(16,511)
– Increase in prepayments, other receivables and other current assets	(118,424)	(48,422)	(63,688)
– Increase in inventories	(3,241)	(164,021)	(55,817)
– (Decrease)/increase in trade and notes payables	(34,407)	310,671	(18,818)
– (Decrease)/increase in accruals and other payables	(142,692)	123,344	(19,151)
– (Decrease)/increase in contract liabilities	(58,828)	19,960	36,996
– Increase/(decrease) in deferred income	77,129	(22,301)	29,036
Cash (used in)/generated from operations	(1,136,326)	119,475	225,208

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Non-cash investing activities			
Vehicles purchase by notes payables	275,514	–	–
Intangible assets purchased by other receivables *(Note 14)*	–	–	49,622
	275,514	–	49,622
Non-cash financing activities			
Cash restricted for the bank acceptance issued by related parties *(Note 33(c)(viii))*	156,428	(156,428)	–
Debt forgiveness *(Note 23(ii))*	–	–	(16,620)
	156,428	(156,428)	(16,620)

Non-cash investing and financing activities disclosed in other notes are acquisition of right-of-use assets (Note 13(h)) and options granted to qualifying participants under Pre-[**REDACTED**] Share Incentive Plan (Note 34) and acquisition of entitlements for license plate (Note 14).

(b) Debt reconciliation

	As at December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Borrowings	5,579,223	7,529,900	7,218,287
Financial liabilities at fair value through profit or loss	1,814,144	1,883,204	1,971,901
Lease liabilities	226,369	154,635	116,521
	7,619,736	9,567,739	9,306,709

	Lease liabilities	Borrowings	Financial liabilities at fair value through profit or loss	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at January 1, 2022	219,159	3,789,447	1,800,000	5,808,606
Cash flows	(110,501)	1,540,973	–	1,430,472
Accrued interest expenses *(Note 10)*	10,522	248,803	–	259,325
Changes in fair values of financial liabilities at fair value through profit or loss	–	–	14,144	14,144
Additions	108,939	–	–	108,939
Modifications and terminations of lease	(1,750)	–	–	(1,750)
As at December 31, 2022	226,369	5,579,223	1,814,144	7,619,736

	Lease liabilities *RMB'000*	Borrowings *RMB'000*	Financial liabilities at fair value through profit or loss *RMB'000*	Total *RMB'000*
As at January 1, 2023	226,369	5,579,223	1,814,144	7,619,736
Cash flows	(84,792)	1,646,360	–	1,561,568
Accrued interest expenses *(Note 10)*	8,319	304,317	–	312,636
Changes in fair values of financial liabilities at fair value through profit or loss	–	–	69,060	69,060
Additions	69,679	–	–	69,679
Modifications and terminations of lease and disposal of subsidiaries	(64,940)	–	–	(64,940)
As at December 31, 2023	154,635	7,529,900	1,883,204	9,567,739
As at January 1, 2024	154,635	7,529,900	1,883,204	9,567,739
Cash flows	(63,334)	(616,618)	–	(679,952)
Accrued interest expenses *(Note 10)*	6,342	321,625	–	327,967
Changes in fair values of financial liabilities at fair value through profit or loss	–	–	88,693	88,693
Additions	68,145	–	–	68,145
Effect of the Reorganisation of the Group	–	–	4	4
Modifications and terminations of lease and disposal of subsidiaries	(49,267)	–	–	(49,267)
Debt forgiveness *(Note 23)*	–	(16,620)	–	(16,620)
As at December 31, 2024	116,521	7,218,287	1,971,901	9,306,709

31 COMMITMENTS

(a) Capital commitments

Significant capital expenditure contracted for at the end of the Track Record Period but not recognised as liabilities is as follows:

	As at December 31,		
	2022 *RMB'000*	**2023** *RMB'000*	**2024** *RMB'000*
Property, plant and equipment	–	79,115	29,904

(b) Non-cancellable operating lease

The Group leases office buildings under non-cancellable operating leases. As at December 31, 2022, 2023 and 2024, lease commitments for the Group for leases not yet commenced or short-term leases are as follows:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	24	210	644

32 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Vehicles pledged under ABSs and ABNs arrangements *(Note 13(c))*	769,652	1,003,809	1,194,612
Vehicles pledged under finance lease arrangements *(Note 13(d))*	376,989	131,943	77,995
	1,146,641	1,135,752	1,272,607

33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are under control or joint control by the same party. Members of key management of the Group and their close family members are also considered as related parties.

Apart from the related party transactions disclosed in Note 15(a)(ii), the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business for the years ended December 31, 2022, 2023 and 2024, respectively.

(a) Name and relationship with related parties

Name of related party	**Nature of relationship**
Zhejiang Geely Holding Group Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Geely Holding Group Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Zhihui Puhua Financial Leasing Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Geely Business Service Co., Ltd.	Controlled by the ultimate controlling party
Geely Auto Group Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Geely Automobile Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Haoqing Automobile Manufacturing Co., Ltd.	Controlled by the ultimate controlling party
Shanghai Jijin Electromechanical Equipment Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd.	Controlled by the ultimate controlling party
Geely Maijie Investment Co., Ltd.	Controlled by the ultimate controlling party

Name of related party	Nature of relationship
Zhejiang Jirun Automobile Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Fengsheng Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Chongqing Lifan Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Geometric Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Hangzhou Geely New Energy Vehicle Sales Co., Ltd.	Controlled by the ultimate controlling party
Union Property and Casualty Insurance Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Jidi Technology Co., Ltd.	Controlled by the ultimate controlling party
Yiyi Internet Technology Co., Ltd.	Controlled by the ultimate controlling party
Changde Transportation Construction Investment Group Co., Ltd.	Minority shareholder of a subsidiary
Chongqing Ruilan Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Mingtai Investment Development Group Co., Ltd.	Controlled by the ultimate controlling party
Hangzhou Geely Huanqiu Technology Co., Ltd.	Controlled by the ultimate controlling party
Xiaolinggou Travel Technology Co., Ltd.	Associate of the ultimate controlling party
Hangzhou Yibao Technology Co., Ltd.	Controlled by the ultimate controlling party
Anhui Jifeng Vehicle Recycling Co., Ltd.	Controlled by the ultimate controlling party
Xiamen Geely Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Chongqing Ruilan Automotive Research Institute Co., Ltd.	Controlled by the ultimate controlling party
Hangzhou Yineng Battery Management Technology Co., Ltd.	Controlled by the ultimate controlling party
Jizhi (Hangzhou) Cultural and Creative Co., Ltd.	Controlled by the ultimate controlling party
Lingwu Automotive Technology (Chongqing) Co., Ltd.	Controlled by the ultimate controlling party
Hangzhou Xuanyu Human Resources Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Yizhen Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Yizhen Automobile Co., Ltd.	Controlled by the ultimate controlling party
Shanghai LTI Automobile Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Yizhen New Energy Automobile Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Yizhen Automobile Research and Development Co., Ltd.	Controlled by the ultimate controlling party
Chongqing Xingfu Qianwanjia Technology Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Jixin Resource Recycling Technology Co., Ltd	Controlled by the ultimate controlling party

(b) Transactions with related parties

Trade nature

(i) Vehicles procurement – Recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Chongqing Ruilan Automobile Sales Co., Ltd.*	1,207,492	1,245,680	1,136,465
Zhejiang Fengsheng Automobile Sales Co., Ltd.	–	–	24,292
Zhejiang Yizhen Automobile Sales Co., Ltd.	2,759	72,659	15,141
Zhejiang Geely Holding Group Automobile Sales Co., Ltd.	–	–	1,810
Zhejiang Geely Automobile Co., Ltd.	107,366	–	–

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geometric Automobile Sales Co., Ltd.	4,371	–	–
Chongqing Lifan Automobile Sales Co., Ltd.	679	–	–
Xiaolinggou Travel Technology Co., Ltd.	44	–	–
	1,322,711	1,318,339	1,177,708

* The Group purchased battery assets together with the purpose-built vehicles from the related parties. To reduce the initial purchase costs of the purpose-built vehicles, the Group entered into battery sales agreements and battery service framework agreement with Yiyi Internet Technology Co., Ltd., Hangzhou Yineng Battery Management Technology Co., Ltd., Chongqing Ruilan Automobile Sales Co., Ltd., under which, the Group would sell the battery assets and receive battery service from those entities (Note 33(b)(iv)). During the years ended December 31, 2022, 2023 and 2024, the Group purchased battery assets at approximately nil, RMB451,783,000 and nil respectively, and subsequently sold battery assets at approximately nil, RMB437,146,000 and nil, respectively. The purchase and sales of such battery assets were recognised on net basis.

(ii) Insurance cost – Recurring

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Union Property and Casualty Insurance Co., Ltd.	10,880	5,992	10,857

(iii) Vehicles parts procurement – Recurring

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Lingwu Automotive Technology (Chongqing) Co., Ltd.	–	3,657	18,886
Zhejiang Yizhen Automobile Co., Ltd.	–	344	–
	–	4,001	18,886

(iv) Purchase of battery services – Recurring

	Year ended December 31,		
	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*
Hangzhou Yineng Battery Management Technology Co., Ltd.	–	119,961	218,141
Chongqing Ruilan Automobile Sales Co., Ltd.	–	3,057	8,004
Yiyi Internet Technology Co., Ltd.	39,462	29,590	–
	39,462	152,608	226,145

(v) Purchase of vehicle insurance management services – Recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Hangzhou Yibao Technology Co., Ltd.	4,796	4,426	4,743

(vi) Revenue from advertising – Non-Recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geely Automobile Co., Ltd.	10,362	5,944	4,815
Zhejiang Geely Holding Group Co., Ltd.	–	–	251
	10,362	5,944	5,066

(vii) Revenue from online ride hailing services – Recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geely Business Service Co., Ltd.	5,701	10,391	9,048
Zhejiang Jidi Technology Co., Ltd.	148	117	144
Zhejiang Geely Holding Group Co., Ltd.	141	110	110
Mingtai Investment Development Group Co., Ltd.	28	54	52
	6,018	10,672	9,354

(viii) Purchase of travel agency services – Recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geely Business Service Co., Ltd.	8,565	12,273	15,207
Jizhi (Hangzhou) Cultural and Creative Co., Ltd.	–	2,692	264
	8,565	14,965	15,471

(ix) Purchase of technology services – Recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Chongqing Ruilan Automotive Research Institute Co., Ltd.*	545	47,845	8,472
Chongqing Ruilan Automobile Sales Co., Ltd.	–	–	1,840
	545	47,845	10,312

* During the years ended December 31, 2022, 2023 and 2024, Chongqing Ruilan Automotive Research Institute Co., Ltd. provided technology services of vehicle optimisation and technological support to the Group for the purpose-built vehicles.

(x) Purchase of human resource outsourcing services – Recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Hangzhou Xuanyu Human Resources Co., Ltd.	4,743	283	1,057

(xi) Revenue from transportation support services – Non-recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geely Holding Group Co., Ltd.	–	79,909	–

(xii) Revenue from customer referring service – Recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Zhihui Puhua Financial Leasing Co., Ltd.	–	480	1,528

(xiii) Purchase of right-of-use assets – Non-recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Xiaolinggou Travel Technology Co., Ltd.	–	12,044	–
Hangzhou Geely Huanqiu Technology Co., Ltd.	64,642	9,728	–
	64,642	21,772	–

(xiv) Revenue from vehicle sales – Non-recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Chongqing Xingfu Qianwanjia Technology Co., Ltd.	–	–	13,692

(xv) Receipts from disposal of used vehicles – Recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Anhui Jifeng Vehicle Recycling Co., Ltd.	11,969	84,555	49,146
Zhejiang Jixin Resource Recycling Technology Co., Ltd	–	–	24,401
	11,969	84,555	73,547

Non-trade nature

(xvi) Loans borrowed from related parties – Non-recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geely Holding Group Co., Ltd.	970,000	300,000	1,100,000
Zhejiang Jidi Technology Co., Ltd.	–	–	700,000
Zhejiang Yizhen Automobile Co., Ltd.	98,220	143,780	16,500
	1,068,220	443,780	1,816,500

(xvii) Loans repaid to related parties – Non-recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geely Holding Group Co., Ltd.	1,270,000	300,000	1,100,000
Zhejiang Yizhen Automobile Co., Ltd.	–	59,790	–
Zhejiang Yizhen Automobile Research and Development Co., Ltd.	2,000	–	–
	1,272,000	359,790	1,100,000

The Group entered into one-year loan agreements with related parties during the years ended December 31, 2022, 2023 and 2024, with interest rates ranging from 3.79% to 4.35% per annum. Loans from Yizhen were interest-free and repaid on demand.

(xviii) Outstanding amounts of guarantee provided by related parties – Recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geely Holding Group Co., Ltd.	5,199,369	7,165,952	6,241,955
Zhejiang Yizhen Automobile Co., Ltd.	–	45,262	38,399
Zhejiang Geely Automobile Co., Ltd.	142,287	–	–
	5,341,656	7,211,214	6,280,354

As at December 31, 2024, the guarantee provided by related parties were not released. The guarantee provided by Zhejiang Yizhen Automobile Co., Ltd. ("Zhejiang Yizhen") will be released, and the guarantor will be changed from Zhejiang Yizhen to Hangzhou Youxing before [**REDACTED**]. All other guarantees provided by Zhejiang Geely Holding Group Co., Ltd. as at December 31, 2024 will not be released prior to the [**REDACTED**], since the directors consider that pre-mature discharge of the connected guarantees is not commercially viable and would not be in the best interests of the shareholders as it would give rise to early termination liabilities and additional refinancing costs and disrupt the normal business operation of the Group.

For the years ended December 31, 2022, 2023 and 2024, guarantee fee of approximately RMB22,043,000, RMB34,903,000 and RMB36,749,000, respectively, was charged by Zhejiang Geely Holding Group Co., Ltd. and Zhejiang Geely Automobile Co., Ltd.

(xix) Interest expenses charged by related parties – Non-recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geely Holding Group Co., Ltd.	11,868	335	5,643

(xx) Loans to a related party – Non-recurring

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Shanghai LTI Automobile Co., Ltd.	–	5,550	–

(c) Balances with related parties

Trade nature

(i) Account receivables

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Zhihui Puhua Financial Leasing Co., Ltd.	–	508	1,613
Zhejiang Geely Holding Group Co., Ltd.	–	24,510	–
	–	25,018	1,613

(ii) Account payables for purchase of vehicles

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Chongqing Ruilan Automobile Sales Co., Ltd.	515,716	219,381	62,757
Zhejiang Fengsheng Automobile Sales Co., Ltd.	5,651	5,651	29,877
Zhejiang Yizhen Automobile Sales Co., Ltd.	17,761	35,850	21,148
Zhejiang Jirun Automobile Co., Ltd.	2,000	2,000	2,000
Zhejiang Geely Automobile Co., Ltd.	29,729	–	–
	570,857	262,882	115,782

(iii) Account payables for battery service fee

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Hangzhou Yineng Battery Management Technology Co., Ltd.	–	37,911	17,400
Yiyi Internet Technology Co., Ltd.	13,074	8,324	2,158
Chongqing Ruilan Automobile Sales Co., Ltd.	–	3,057	731
	13,074	49,292	20,289

(iv) Other payables

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Chongqing Ruilan Automotive Research Institute Co., Ltd.	545	39,978	35,828
Zhejiang Geely Holding Group Automobile Sales Co., Ltd.	928	–	9,653
Zhejiang Geely Holding Group Co., Ltd.	367	5,202	6,689
Hangzhou Yibao Technology Co., Ltd.	4,978	2,360	1,520
Zhejiang Yizhen New Energy Automobile Co., Ltd.	–	676	62
Zhejiang Yizhen Automobile Co., Ltd.	–	93	57
Shanghai LTI Automobile Co., Ltd.	–	449	–
Shanghai Jijin Electromechanical Equipment Co., Ltd.	2,728	–	–
Hangzhou Xuanyu Human Resources Co., Ltd.	47	–	–
	9,593	48,758	53,809

(v) Advance receipts of advertising service

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geely Automobile Co., Ltd.	11,840	5,104	–

(vi) Advance receipts from disposal of used vehicles

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Jixin Resource Vehicle Recycling Technology Co., Ltd.	–	–	36,713
Anhui Jifeng Vehicle Recycling Co., Ltd.	58,081	35,573	15,184
	58,081	35,573	51,897

(vii) Lease liabilities

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Hangzhou Geely Huanqiu Technology Co., Ltd.	52,478	22,425	10,197
Xiaolinggou Travel Technology Co., Ltd.	9,657	12,478	1,729
Zhejiang Zhihui Puhua Financial Leasing Co., Ltd.	1,982	–	–
	64,117	34,903	11,926

Non-trade nature

(viii) Other payables

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd. *(i)*	12,500	12,500	12,500
Zhejiang Yizhen Automobile Co., Ltd. *(ii)*	152,614	–	–
Zhejiang Yizhen Automobile Sales Co., Ltd. *(ii)*	3,339	–	–
Zhejiang Yizhen Automobile Research and Development Co., Ltd. *(ii)*	475	–	–
	168,928	12,500	12,500

(i) Other payable to Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd. was not interest-bearing and will not be settled before [**REDACTED**], which is subject to further discussion between the parties.

(ii) In May 2022, Limao Mobility entered into a contract with a bank, to act as the pledgor for the liabilities of Zhejiang Geely Holding Group Co., Ltd. and certain of its subsidiaries due from this bank. During the year ended December 31, 2022, Limao Mobility received payment of approximately RMB156,428,000 from Yizhen, and the cash were restricted by the bank immediately to guarantee the issue of bank acceptance notes of Yizhen with equal amount. The deposits were withdrawn by the bank when the bank acceptance notes due in 6 months, and meanwhile the payables to Yizhen were settled accordingly with no interest charged to the Group.

(ix) Loans from related parties

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Jidi Technology Co., Ltd.			
– Principal *(Note 26) (i)*	–	–	700,000
– Interest payable *(Note 26)*	–	–	74
Zhejiang Yizhen Automobile Co., Ltd.			
– Principal *(Note 23) (Note 26) (i)*	111,220	195,210	195,090
Zhejiang Geely Holding Group Co., Ltd.			
– Interest payable *(Note 26)*	888	–	5,568
– Guarantee fee payable *(Note 26)*	154	1,341	–
Total principal and interest payable *(Note 26)*	112,108	195,210	900,732
Total guarantee fee payable *(Note 26)*	154	1,341	–
	112,262	196,551	900,732

(i) The loan from Zhejiang Yizhen Automobile Co., Ltd. and Zhejiang Jidi Technology Co., Ltd. will be settled before [**REDACTED**].

(x) Other receivables – loans to a related party

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Shanghai LTI Automobile Co., Ltd.	–	5,550	–

(xi) Borrowings under sale and lease back arrangements

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Zhejiang Zhihui Puhua Financial Leasing Co., Ltd.	12,291	–	–

(d) Key management compensation

Key management includes directors and senior management. Apart from the directors' emoluments disclosed in Note 7(c), the compensation paid or payable to key management for employee services is shown below:

	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Share-based compensation expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Wages, salaries and bonuses	4,298	4,592	4,611
Employee social security plans, medical insurances and other social insurances obligations	199	280	299
Housing benefits	137	150	159
Employee welfare	102	103	105
	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

The remuneration of key management personnel is determined by the directors of the Company having regard to the performance of individuals and market trends.

34 SHARE-BASED PAYMENTS

On November 25, 2022, the Company adopted an employee option plan (the "Pre-[**REDACTED**] Share Incentive Plan") as approved by the board of directors of the Company. The Pre-[**REDACTED**] Share Incentive Plan is designed to allow qualifying participants, subject to the terms and conditions stipulated therein, to acquire ordinary shares of the Company pursuant to options granted. The share options have a contractual term of ten years, and vest immediately or over a period of two to five years of continuous service. The options may exercise of any time after the [**REDACTED**] of the Company provided the options have vested and subject to the term of the share option agreement.

Movements in the options granted under the Pre-[**REDACTED**] Share Incentive Plan are as below:

	Weighted average exercise price in RMB per share option	**Number of options** *'000*
As at January 1, 2022	–	–
Granted	2.8678	39,762
Forfeited	1.6920	(21)
As at December 31, 2022	2.8685	39,741
Vested as at December 31, 2022	7.1276	8,601

	Weighted average exercise price in RMB per share option	Number of options *'000*
As at January 1, 2023	2.8685	39,741
Granted	1.6920	11,282
Forfeited	1.6920	(3,110)
Cancelled *(i)*	1.6920	(714)
As at December 31, 2023	2.6826	47,199
Vested as at December 31, 2023	3.7896	22,289

	Weighted average exercise price in RMB per share option	Number of options *'000*
As at January 1, 2024	2.6826	47,199
Granted	1.6734	8,185
Forfeited	1.6920	(3,423)
As at December 31, 2024	2.5888	51,961
Vested as at December 31, 2024	3.3242	28,645

(i) For the year ended December 31, 2023, certain share options granted to executive director and key management personnel were cancelled, which is treated as an acceleration of vesting. The Group immediately recognises the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

(ii) For the year ended December 31, 2024, a resolution was passed by Board of Director of the Company that the vesting condition of share options granted to certain participants were modified. Since the modification was not beneficial to the participants, no accounting treatment was made by the Group.

(a) Details of the expiry dates, exercise prices and the respective numbers of share options which remained outstanding as at December 31, 2022, 2023 and 2024 are as follows:

			Number of share options as at		
Grant date	**Expiry date**	**Exercise price**	**December 31, 2022** *'000*	**December 31, 2023** *'000*	**December 31, 2024** *'000*
December 30, 2022	January 10, 2032	18.54	2,775	2,775	2,775
November and December 2022	January 10, 2032	1.6920	36,966	33,420	30,725
June 2023	January 10, 2032	1.6920	–	9,628	9,356
December 2023	January 10, 2032	1.6920	–	1,376	1,194
April and May 2024	January 10, 2032	1.6920	–	–	1,073

Grant date	Expiry date	Exercise price	Number of share options as at December 31, 2022 '000	December 31, 2023 '000	December 31, 2024 '000
October and November 2024	January 10, 2032	1.6920	–	–	6,748
November 14, 2024	November 13, 2025	0.0001	–	–	90
Total			39,741	47,199	51,961

Weighted average remaining contractual life of options outstanding as at December 31, 2022, 2023 and 2024 was 9.03, 8.03 and 7.02 years, respectively.

(b) Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses (Note 7) were as follows:

	Year ended December 31, 2022 RMB'000	2023 RMB'000	2024 RMB'000
General and administrative expenses	305,309	798,357	338,109
Research and development expenses	30,473	122,180	63,307
	335,782	920,537	401,416

(c) The Group has used the discounted cash flow method to determine the underlying equity fair value of the Company, adopted equity allocation model to determine the fair value of the underlying ordinary shares, and used Binomial Option Pricing Model to determine the fair value of the share option as at the grant date. Key assumptions, such as discount rate and projections of further performance, are determined by the Group with best estimate.

The estimate of the fair value of the share options granted is measured by an external independent valuer using Binomial Option Pricing Model as at the respective grant dates, which is to be expensed over the relevant vesting periods. The significant inputs into the model were listed below:

	As at the grant date during the year ended December 31, 2022	the year ended December 31, 2023	the year ended December 31, 2024
Expected volatility	70.96%	67.41%	63.40%
Risk-free interest rate	2.83%	2.56%	1.68%
Dividend yield	0.00%	0.00%	0.00%
Exercise price	RMB18.54 and RMB1.6920	RMB1.6920	RMB0.0001 and RMB1.6920

The expected volatility was estimated at the grant date based on the average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the options. Management estimated the risk-free interest rate based on the yield of China government bond with a maturity life equal to the life of share options. Dividend yield is based on management estimation at the grant date.

(d) The Group is required to estimate the annual forfeiture rate to determine the amount of share-based compensation expenses charged to the consolidated statement of comprehensive loss. Set out below is the expected forfeiture rate for senior management and other employees, respectively as at December 31, 2022, 2023 and 2024.

	As at December 31,		
	2022	2023	2024
Senior management	5%	5%	5%
Other employees	10%	10%	15%

(e) Accounting policy for share-based payments

Share-based compensation benefits are provided to employees via the employee option plan.

Employee options

The fair value of options granted under the employee option plan is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The grant by the Company of its equity instruments to the employees of the subsidiaries including the PRC operating entities are made in exchange for their services related to the subsidiaries. Accordingly, the share-based compensation expenses are treated as part of the "investments in subsidiaries" in the Company's statement of financial position.

Modifications and Cancellations

The Group may modify the terms and conditions on which share options were granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognised for the services received over the remainder of the vesting period. If a modification reduces the fair value of the equity instruments granted, or is not otherwise beneficial to the employee, the Group continues to recognise the services received as a minimum measured at the original grant date fair value of the equity instruments granted (unless those equity instruments are forfeited) as if that modification had not occurred.

A grant of share options, that is cancelled or settled during the vesting period, is treated as an acceleration of vesting. The Group immediately recognises the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

35 DIVIDENDS

No dividend has been paid or declared by the Company for the years ended December 31, 2022, 2023 and 2024.

No dividend or distribution has been declared, made or paid by the Company or any of the subsidiaries comprising the Group in respect of any period subsequent to December 31, 2024.

36 SUBSIDIARIES

(a) Non-controlling interests (NCI)

Set out below is summarised financial information for the subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

	Shenzhen Geely Youxing Technology Co., Ltd.		
	December 31, 2022	**December 31, 2023**	**December 31, 2024**
	RMB'000	*RMB'000*	*RMB'000*
Current assets	194,819	138,349	73,056
Current liabilities	(635,504)	(598,317)	(523,844)
Current net liabilities	(440,685)	(459,968)	(450,788)
Non-current assets	147,444	140,371	157,081
Non-current liabilities	(2,490)	–	–
Non-current net assets	144,954	140,371	157,081
Net liabilities	(295,731)	(319,597)	(293,707)
Accumulated NCI	(118,292)	(127,839)	(117,483)

Summarised statement of comprehensive loss

	Shenzhen Geely Youxing Technology Co., Ltd.		
	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	275,448	321,333	297,355
Total comprehensive loss	(44,473)	(23,866)	25,889

Summarised cash flows

	Shenzhen Geely Youxing Technology Co., Ltd.		
	Year ended December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Cash flows (used in)/generated from operating activities	(5,875)	23,487	60,507
Cash flows generated from investing activities	18,852	39,676	17,254
Cash flows generated from/(used in) financing activities	11,334	(85,569)	(80,182)
Net increase/(decrease) in cash and cash equivalents	24,311	(22,406)	(2,421)

Management considered that the other non-wholly owned subsidiaries with NCI are not significant to the Group, therefore, no summarised financial information of these non-wholly owned subsidiaries is presented separately.

(b) Consolidation of the structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has restricted activities and a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity.

The issued ABSs and ABNs unites are divided into senior and subordinated tranches, and the Group purchases all the subordinated tranches. The senior tranches investors receive interest at a fixed interest rate ranging from 2.5% to 4.9% per annum, and the Group receive residual investment income distribution from subordinated tranches. As the Group has the power to direct the activities and is exposed to variable return of the structure entities which were set up solely for the purpose to facilitate the Group's financing via issuing ABSs and ABNs unites, the Group consolidated these structured entities and the borrowings funded by the senior tranches of the ABSs and ABNs unites are recorded as "Borrowings" in the consolidated balance sheets.

(c) Accounting policy for subsidiaries controlled through Contractual Arrangements

In order to comply with the PRC laws and regulations which prohibit or restrict foreign control of companies involved in internet content provision services, the Group operates its business operations within these areas in the PRC through certain PRC operating entities, whose equity interests are held by its registered shareholders ("Nominee Shareholders"). The Group signed Contractual Arrangements with the PRC operating entities. The Contractual Arrangements include exclusive management services and business cooperation agreement, exclusive option agreements, equity pledge agreements, powers of attorney and spousal consents letters, which enable the Group to:

- govern the financial and operating policies of the PRC operating entities;
- exercise equity holder voting rights of the PRC operating entities;
- receive substantially all of the economic interest returns generated by the PRC operating entities in consideration for the technical support, consulting and other services provided exclusively by the WFOE's discretion;

- obtain an irrevocable and exclusive right to purchase part or all of the equity interests in the PRC operating entities at any time and from time to time, at the minimum consideration permitted by the relevant law in China at the time of transfer; and

- obtain a pledge over all of its equity interests from its respective Nominee Shareholders as collateral for all of the PRC entities' payments due to the Group to secure performance of entities' obligation under the Contractual Arrangements.

Accordingly, the Group has the rights to control these entities. As a result, they are presented as entities controlled by the Group.

(d) Disposal of subsidiaries

In February 2023, the Group sold its 60% equity interests in Shiyan Jiayu Youxing Technology Co., Ltd. ("Shiyan Youxing"), a company specialised in ride hailing services in PRC, to a non-controlling shareholder of Shiyan Youxing, at a consideration of approximately RMB11,871,000. Consequently, the Group derecognised the assets and liabilities of Shiyan Youxing and respective non-controlling interests at their carrying amount at the date of transfer.

In May 2023, the Group sold its 51% equity interests in Changde Shi Liyouxing Technology Co., Ltd. ("Changde Youxing"), a company specialised in ride hailing services in PRC, to a third party, at a consideration of approximately RMB13,195,000. Consequently, the Group derecognised the assets and liabilities of Changde Youxing and respective non-controlling interests at their carrying amount at the date of transfer.

In June 2023, the Group sold its 100% equity interests in Shanghai Xingainian Taxi Co., Ltd. ("Shanghai Xingainian"), a company specialised in car rental services in PRC, to a third party, at a consideration of approximately RMB9,482,000. Consequently, the Group derecognised the assets and liabilities of Shanghai Xingainian at its carrying amount at the date of transfer.

In August 2023, the Group sold its 90% equity interests in Haerbin Geely Youxing Technology Co., Ltd. ("Haerbin Youxing"), a company specialised in ride hailing services in PRC, to a non-controlling shareholder of Haerbin Youxing, at a consideration of approximately RMB4,589,000. Consequently, the Group derecognised the assets and liabilities of Haerbin Youxing and respective non-controlling interests at their carrying amount at the date of transfer.

In September 2023, the Group sold its 100% equity interests in Dalian Jinglian Youxing Technology Co., Ltd. ("Dalian Youxing"), a company specialised in ride hailing services in PRC, to Chongqing Xingfu Yijiayi Car Rental Co., Ltd., a related party of the Group and ultimately controlled by Mr. Shufu Li, at a consideration of approximately RMB11,650,000. Consequently, the Group derecognised the assets and liabilities of Shiyan Youxing at their carrying amount at the date of transfer.

The revenue and net profit or loss relating to the subsidiaries disposed for the period ended the disposal date are all insignificant for the Group.

For the year ended December 31, 2023

	Shiyan Youxing *RMB'000*	**Changde Youxing** *RMB'000*	**Shanghai Xingainian** *RMB'000*	**Haerbin Youxing** *RMB'000*	**Dalian Youxing** *RMB'000*
(Losses)/gains on disposal of subsidiaries *(Note 9)*	(99)	1,766	9,394	(477)	3,347
– Cash consideration	11,871	13,195	9,482	4,589	11,650
– Cash and cash equivalents in the subsidiary disposed	(821)	(17,724)	–	–	–
Net cash inflow/(outflow) on disposal	11,050	(4,529)	9,482	4,589	11,650

(e) Investments in subsidiaries

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Deemed investment arising from the Reorganisation *(i)*	–	–	1,947,736
Deemed investment arising from share-based compensation expenses *(ii)*	335,782	1,256,319	1,657,735
Others *(iii)*	–	–	3,664
	335,782	1,256,319	3,609,135

(i) During the Reorganisation, to reflect the onshore shareholding structure of Hangzhou Youxing, 419,346,000 Ordinary Shares of the Company were allotted and issued to Ugo Investment Limited, 32,782,000 Preferred Shares of the Company were allotted and issued to Series A and A1 Investors (Note 23), and the Series B Preferred Shares were issued to Series B Investors with fair value of approximately RMB1,947,736,000 (Note 3.3) (Note 37).

The investments in subsidiaries represented the carrying amount of its share of the equity of the original parent company of the PRC Operating Entities acquired by the Company upon completion of the Reorganisation, which is nil because it was in total deficit. The investments in subsidiaries also reflected fair value of the financial instruments issued to Series B Investors amounting to approximately RMB1,947,736,000 as the Company issued Series B Preferred Shares to replace the financial instruments issued by Hangzhou Youxing to Series B Investors (Note 37) during the Reorganisation.

(ii) The amounts represent the equity-settled share-based payments in respect of the respective share options granted by the Company to qualifying participants of the specified subsidiaries for employees' services rendered to the respective subsidiaries under the Company's employee option plan as disclosed in Note 34. Since the subsidiaries have no obligation to reimburse such expense, the amounts are treated as deemed capital contribution by the Company to the subsidiaries and included in the Company's cost of investments in subsidiaries.

(iii) The financial instrument issued by the Company for Hangzhou Youxing to acquire 10% equity interests of Shanxi Youxing (Note 23(iii)) was regarded as a capital contribution by the Company to Hangzhou Youxing, so the amount is included in the Company's cost of investments in subsidiaries.

37 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Series B financing

On August 16, 2021, Hangzhou Youxing entered into investment agreements (the "Series B Investment Agreement") with three independent investors (collectively as the "Series B Investors"), pursuant to which the Series B Investors would subscribe for shares of Hangzhou Youxing with preferential rights with the cash considerations of RMB1,400,000,000, RMB100,000,000 and RMB300,000,000, respectively.

In accordance with Series B Investment Agreements, the Series B Investors were granted with certain preferred rights (the "Preferred Rights") upon capital contribution. The Preferred Rights mainly included the followings:

Redemption right:

Series B Investors may require Zhejiang Geely Holding Group Co., Ltd. or its designated entity to redeem their investment if the redemption events occurred:

(i) Hangzhou Youxing fails to complete the [**REDACTED**] within four years from the date when the Series B Investors fully made their capital contributions;

(ii) An [**REDACTED**] price per ordinary share that leads the fair market value held by the Series B Investors immediately upon the closing of the [**REDACTED**] lower than the original investment plus a single interest of 6% per annum.

Conversion right:

The instruments held by Series B investors shall be convertible into the Preferred Shares of CaoCao Inc. upon the completion of Reorganisation based on a pre investment valuation as agreed in the Series B Investment Agreement. Immediately after the completion of [**REDACTED**], all the Preferred Shares shall automatically be converted into Ordinary Shares on a one-to-one basis without the payment of any additional consideration.

Excess earnings allocation:

In the event that certain Series B Investors sells all the shares of the Company held directly or indirectly by them (the "Sold Shares"), the difference between the accumulated income or proceeds of the Sold Shares and the higher of (A) twice of the total investment amounts; or (B) one hundred percent (100%) of the total investment amounts plus six percent (6%) annual simple interest thereon from the payment date of the total investment amounts until the date of the sale of the Sold Shares thereof (the "Excess Earnings") shall be distributed to the Company and certain Series B Investors at the ratio of 50% and 50%, respectively.

Liquidation preferences:

In the event of any liquidation, dissolution or winding up of the Company, Series B Investors shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of the Hangzhou Youxing (the "Liquidation Event Proceeds") to the other shareholders.

The liquidation preference amount of Series B Investors is calculated as the original investment principal plus 6% annualised simple interest from Series B Investors ("Liquidation Preference Cap"). The remaining Liquidation Event Proceeds shall be distributed to all the shareholders of Hangzhou Youxing ratably, based on the outstanding Shares of Hangzhou Youxing respectively.

The following events shall be treated as a "Deemed Liquidation Event": (i) any merger, or other transactions resulting in the Company acquired by other entity or after which change the substantial control of the Company; (ii) any sale, disposition by the Company of all or substantially all of its assets. The distribution of proceeds from Deemed Liquidation Event is in accordance with the terms of the abovementioned Liquidation Event Proceeds.

The Group has designated the financial instruments issued to Series B Investors which contains redemption features and liquidation preferences and other embedded derivatives as financial liabilities at FVPL on initial recognition. The fair value change of financial instruments issued to Series B investors is recognised to profit or loss except for the portion attributable to credit risk change which shall be recognised to other comprehensive income, if any. The Directors considered that the fair value change of the financial liabilities that is attributable to change in its own credit risk during the Track Record Period is immaterial.

On April 10, 2024, the Reorganisation was completed, and shareholders' agreement was modified in relation to redemption right and conversion right of Series B Investors. Series B Investors can only require Zhejiang Geely Holding Group Co., Ltd. to redeem their investment when the predetermined events were triggered. Series B Investors have the right to convert the Series B Preferred Shares of CaoCao Inc. into Ordinary Shares at the option of the holder at any time based on the then-effective conversion price. As at December 31, 2024 the Series B Preferred Shares were classified as current liabilities as the Preferred Shares may be converted into Ordinary Shares at the option of the holder at any time and the conversion feature doesn't meet the definition of equity instrument.

(i) Accounting policy for financial instruments issued to Series B investors

Financial liabilities are measured at FVPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 Business Combinations applies, (ii) held for trading or (iii) designated as financial liabilities at FVPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as financial liabilities at FVPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as financial liabilities at FVPL.

According to above-mentioned Preferred Rights, the financial instrument issued to Series B Investors is considered to have a host contract comprised of a debt component since it will become redeemable under certain events, which are out of the Group's control. Besides, the instrument contains multiple embedded derivatives, including conversion feature, excess earnings allocation and liquidation preferences. The management has designated the entire hybrid instrument as a financial liability at fair value through profit or loss on initial recognition and as such the embedded feature is not separated. Thus, the instrument is initially recognised at fair value. Subsequent to initial recognition, fair value change that is attributable to change in own credit risk is charged to other comprehensive income/(loss) and the other fair value change is charged to profit or loss. Changes in fair value attributable to the Company's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings when realised.

An entity shall classify a liability as current when it does not have the right to defer settlement of the liability for at least twelve months after the reporting period. For the purpose of classifying a liability as current or non-current, settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of: (a) cash or other economic resources – for example, goods or services; or (b) the entity's own equity instruments. The financial instrument can be converted into ordinary shares by Series B Investors at any time in the next 12 months and the conversion feature does not meet "fixed for fixed" criteria, as a result, the financial instrument issued to Series B Investors is therefore be classified as current liabilities.

As at December 31, 2022, 2023 and 2024, the balances of the Group's financial liabilities at fair value through profit or loss are as follows:

	As at December 31,		
	2022	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
Financial liabilities at fair value through profit or loss	1,814,144	1,883,204	1,971,901

38 SUMMARY OF OTHER ACCOUNTING POLICIES

This note provides other accounting policies adopted in the preparation of the Historical Financial Information to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

38.1 Principles of consolidation and equity accounting

38.1.1 Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations except for the business combinations under common control (Note 38.1.5).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive loss, statements of changes in deficit and balance sheets respectively.

38.1.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (Note 38.1.3), after initially being recognised at cost.

38.1.3 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

38.1.4 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

38.1.5 Business combinations

(a) Business combinations under common control

Business combinations under common control refers to combinations where combining entities/businesses are controlled by the same parties before and after the combination and that control is not transitory.

The Group applies merger accounting to account for the business combinations (including acquisition of subsidiaries) under common control, where all assets and liabilities are recorded at predecessor carrying amounts, as if the combining entities have been combined from the date when they first came under the control of the controlling party, where differences between consideration payable and the net assets value are taken to the capital reserve.

(b) Business combination not under common control

The acquisition method of accounting is used to account for business combinations not under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a gain on bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

38.1.6 Separate financial statements

Investment in the subsidiary is accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiary are accounted for by the Group on the basis of dividend received and receivable.

Impairment testing of the investment in the subsidiary is required upon receiving a dividend from the investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the Historical Financial Information of the investee's net assets including goodwill.

38.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer and the other key management.

38.3 Foreign currency translation

38.3.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The subsidiaries incorporated in the PRC and the Company considered RMB as their functional currency. As the major operations of the Group are within the PRC, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

38.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within Other (losses)/gains – net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

38.3.3 Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

38.4 Intangible assets

(a) Software

Software is capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives of 3 years. When determining the useful life, the Group has taken into the account (i) the estimated period that can bring economic benefits to the Group; and (ii) the period required by the relevant laws and regulations. Costs associated with maintaining computer software programs are recognised as expense as incurred.

(b) Goodwill

Goodwill is measured as described in Note 14. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, below the operating segments (Note 5).

(c) Entitlements for license plate

Entitlements for license plate are capitalised on the basis of the costs incurred to acquire and bring the specific entitlements into usage. The useful life of entitlements for license plate is assessed to be indefinite, and the useful life of an intangible asset with an indefinite life is reviewed by management annually to determine whether the indefinite life assessment continues to be supportable.

(d) Research and development expenditures

The Group incurs significant costs and efforts on research and development activities. Research expenditures are charged to the profit or loss as an expense in the period the expenditures are incurred. Development costs are recognised as assets if they can be directly attributable to a newly developed products and all the following can be demonstrated:

- it is technically feasible to complete the development project so that it will be available for use;
- management intends to complete the development project, and use or sell it;
- the ability to use or sell the development project;
- it can be demonstrated how the development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and the ability to use or sell the development project are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the development project include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Other development expenditures that do not meet those above criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

During the Track Record Period, there were no development costs meeting these criteria and capitalised as intangible assets.

38.5 Impairment of non-financial assets

Goodwill and entitlements for license plate are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

38.6 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

38.7 Investments and other financial assets

38.7.1 Classification

The Group classifies its financial assets in the following measurement categories:

(i) Those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss), and

(ii) Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

38.7.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

38.7.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as separate line item in the consolidated statements of comprehensive loss.

(ii) FVOCI: Assets that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "Other (losses)/gains – net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other (losses)/gains – net". Impairment losses are presented as separate line item in the consolidated statements of comprehensive loss.

(iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statements of comprehensive loss within "Other (losses)/gains – net" in the period in which it arises.

During the Track Record Period, no amount is recognised in respect of financial assets at FVOCI.

38.7.4 Impairment of financial assets

Saved as disclosed in Note 3.1(b), the Group assesses the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

At each reporting date, the Group shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

38.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheets where the Group currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

38.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting discounts and calculated using the specific identification method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

38.10 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 19 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

38.11 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include deposits held at call with banks, cash at other third party online payment platforms, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

38.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction, net of tax, from the proceeds.

38.13 Trade and other payables

Trade payables mainly represent the obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within one year or less after the reporting period.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

38.14 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current income tax assets and income tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group considers the asset and the liability separately for lease transactions. The Group recognises a deferred income tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred income tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities since initial recognition.

38.15 Provisions

Provisions for legal claims are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

38.16 Employee benefits

(a) Employee social security plans, housing funds, medical insurances and other social insurances obligations

Employees of the Group are covered by various government-sponsored social security plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred.

Employees of the Group are entitled to participate in various government supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period. Contributions to these plans are expensed as incurred.

(b) Short-term obligations

Liabilities for salaries and bonuses, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations and reflected in "Accruals and other payables" in the balance sheets.

(c) Share-based payments

The accounting policy for share-based payments is disclosed in Note 34(e).

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

38.17 Losses per share

Since the Historical Financial Information has been prepared based on the consolidated financial statements of the Group, losses per share is not applicable for the presentation.

38.18 Leases

(a) Definition of a lease and the Group as a lessee

The Group leases various vehicles, leased license plate and buildings in the PRC as lessee. Rental contracts are typically made for fixed periods of 2 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implied in the lease, if that rate can be determined, or the respective incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are subject to impairment (Note 38.5). Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months.

Modification of lease

A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of exercise of a purchase option. The corresponding adjustment is made to the related right-of-use assets.

(b) The Group as a lessor

The Group mainly leases vehicles to car companies, and as a result, the Group generally considers itself to be the accounting lessor, as applicable, in these arrangements in accordance with IFRS 16. The Group provides financial lease and operating lease to car companies as detailed below.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not. The Group also enters into lease arrangements with its car partners. The lease arrangements normally have lease terms of 2 years or 5 years and contain lessee bargain purchase options at prices substantially below the subject asset's estimated residual value at the exercise date for the option. Consequently, the Group has classified these leases as finance leases for accounting purposes.

For such finance leases, the Group reports the discounted present value of (i) future minimum lease payments (including the bargain purchase price) and (ii) any unguaranteed residual value not subject to a bargain purchase option, as finance lease receivables on its balance sheet. The Group accrues interest on the balance of the finance lease receivables based on the effective interest rate inherent in the applicable lease over the term of the lease.

The Group also earns rental income from operating leases of vehicles. Rental income is recognised on a straight-line basis over the term of lease.

(c) Sales and leaseback

The Group has entered into sale and leaseback arrangements with certain financial institutions (the "lenders") to obtain financing. Under such arrangements, the Group received the sales proceeds which represented the principal upon the lease inception, and would make instalments during the lease term. The Group is subject to substantially the entire benefits and risks incidental to the ownership of such leased vehicles through leaseback. Under the sale and leaseback agreements, ownership of the underlying vehicles is transferred to the lenders upon the lease inception, and the Group is entitled to obtain their ownership for insignificant consideration at the end of the lease term. The transfer of the assets is not accounted for as a sale because the Group has a substantive repurchase option with respect to the underlying assets. The Group accounted for such arrangements as long-term borrowings collateralised by leased vehicles and no disposal gain or loss was recognised from these sale and leaseback transactions.

38.19 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

The government grants relating to the purchase of property, plant and equipment for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the assets by way of reduced depreciation expenses.

Government grants relating to income are presented in gross under "Other income" in the consolidated statements of comprehensive loss.

38.20 Interest income

Income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets in "Other gains – net" (Note 9).

Interest income is presented as "Finance income" where it is earned from financial assets that are held for cash management purposes, see Note 10 above.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

38.21 Dividend distribution

Dividend distribution to the equity holders is recognised as a liability in the Group's consolidated financial statements during the period in which the dividends are approved by the equity holders or directors, where appropriate.

39 SUBSEQUENT EVENTS

(a) Borrowings from a related party

The Group borrowed a loan of RMB950,000,000, which is non-trade in nature, from Zhejiang Geely Holding Group Co., Ltd., a related party of the Group, subsequent to December 31, 2024 and up to the date of this report for the repayment of certain tranches of ABSs, the borrowings will be repaid prior to [**REDACTED**].

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of the companies now comprising the Group in respect of any period after December 31, 2024 and up to the date of this report.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

*The Company was incorporated in the Cayman Islands as an exempted company with limited liability on November 8, 2021, under the Companies Act. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (**Memorandum**) and its Amended and Restated Articles of Association (**Articles**).*

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum provides, inter alia, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on [●] with effect from the [**REDACTED**]. A summary of certain provisions of the Articles is set out below.

(a) Shares

(i) Classes of shares

The share capital of the Company consists of Ordinary Shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Act, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall *mutatis mutandis* apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a member being

a corporation, by its duly authorized representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

(iii) Alteration of capital

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate and divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; and (g) change the currency of denomination of its share capital.

(iv) Transfer of shares

Subject to the Companies Act and the requirements of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognize any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) Power of the Company to purchase its own shares

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any, code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member

willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

(b) Directors

(i) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgement of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the members before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by an ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

(aa) resigns;

(bb) dies;

(cc) is declared to be of unsound mind and the Board resolves that his office be vacated;

(dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(ee) is prohibited from being or ceases to be a director by operation of law;

(ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;

(gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Act, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by an ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Companies Act, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Act to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board goes beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Financial assistance to purchase Shares

Subject to the Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to give, directly or indirectly, by means of a loan, a guarantee, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any Shares or warrants or other securities in the Company or any company which is a holding company of the Company.

(ix) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefit received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

(aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefit scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(ee) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(x) Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(c) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(d) Meetings of member

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under the Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution," by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorized representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorized corporate representative):

(A) at least two members;

(B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorized as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized in accordance with this provision shall be deemed to have been duly authorized without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote and the right to speak.

Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting each financial year other than the financial year of the Company's adoption of the Articles. Such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the Listing Rules, if any) and shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint.

(iv) Requisition of general meetings

Extraordinary general meetings may be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

(v) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Companies Act and the Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means to such address as may from time to time be supplied by the member concerned or by publishing it on the Company's website or the website of the Hong Kong Stock Exchange.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(vi) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorized representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vii) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorized officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(viii) Right to Speak

All members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

(e) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Companies Act (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or authorized by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to members who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those members that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The members may by an ordinary resolution appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the members in a general meeting by an ordinary resolution in such manner as the members may determine.

The members may, at a general meeting remove the auditor(s) by an ordinary resolution at any time before the expiration of the term of office of the auditor(s) and shall, by an ordinary resolution, at that meeting appoint new auditor(s) in place of the removed auditor(s) for the remainder of the term.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(f) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

(i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;

(ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and

(iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

(aa) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(bb) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Upon the recommendation of the Board, the Company may by an ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(g) Inspection of corporate records

For so long as any part of the share capital of the Company is [**REDACTED**] on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

(h) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(i) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if the Company is wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the surplus assets available for distribution among the members are insufficient to repay the whole of the paid-up capital, such assets shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(j) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on November 8, 2021, subject to the Companies Act. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Companies Act and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorized share capital.

(b) Share capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account." At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(i) paying distributions or dividends to members;

(ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(iii) any manner provided in section 37 of the Companies Act;

(iv) writing-off the preliminary expenses of the company; and

(v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorized to do so by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorize the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of Foss v. Harbottle and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement

of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

(q) Reconstructions

Reconstructions and amalgamations may be approved by (i) 75% in value of the shareholders or class of shareholders or (ii) a majority in number representing 75% in value of the creditors or class of creditors, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no

rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

(s) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, the Company's legal advisor on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Act, is available on display as referred to in the paragraph headed "Documents Available on Display" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability on November 8, 2021.

Our registered office address is at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. Accordingly, our Company's corporate structure and Memorandum and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles of Association is set out in Appendix III to this document.

Our registered place of business in Hong Kong is at 46F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on March 29, 2023, with the Registrar of Companies in Hong Kong. Mr. Chung Shing Lee has been appointed as the authorized representative of our Company for the acceptance of service of process and any notices required to be served on the Company in Hong Kong. The address for service of process is 46F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

As of the date of this document, our Company's headquarter is located at Tower 1, Xinhuihu Building, 66 Lugang Road, Gaotie Xincheng, Xiangcheng District, Suzhou, Jiangsu, China.

2. Changes in Share Capital of Our Company

Our Company was incorporated with an authorized share capital of US$50,000 divided into 500,000,000 Shares with a par value of US$0.0001 each.

The following sets out the changes in our Company's issued capital within the two years immediately preceding the date of this document:

(a) On April 10, 2024, we altered our authorized share capital to US$50,000 divided into 5,000,000,000 Shares with a par value of US$0.00001 each, of which 7,386,920 Shares were issued to Ugo Investment Limited. Concurrently, we reserved 55,555,600 Shares for issuance under our Company's Pre-[**REDACTED**] Share Incentive Plan; and

(b) On April 10, 2024, we altered our authorized share capital to US$50,000 divided into 5,000,000,000 Shares with a par value of US$0.00001 each, of which (i) 4,919,346,000 shares are designated as Ordinary Shares, (ii) 21,403,500 shares are designated as Series A Preferred Shares, (iii) 11,378,500 shares are designated as Series A1 Preferred Shares, and (iv) 47,872,000 shares are designated as Series B Preferred Shares. Concurrently, we allotted and issued (i) 419,346,000 Ordinary Shares with a par value of US$0.00001 each to Ugo Investment Limited, and (ii) an aggregate of 80,654,000 Preferred Shares at par value of US$0.00001 to the Pre-[**REDACTED**] Investors to reflect their proportionate shareholding in Hangzhou Youxing.

Save as disclosed above and in the section headed "History, Reorganization and Corporate Structure" in this document, there has been no alteration in the share capital of our Company within the two years immediately preceding the date of this document.

3. Changes in the Share Capital of Members of Our Group

The following sets out the changes in the share or registered capital of the members of our Group within the two years immediately preceding the date of this document:

(a) Suzhou Geely Youxing Electronic Technology Co., Ltd. (蘇州市吉利優行電子科技有限公司)

On September 18, 2023, the registered capital of Suzhou Geely Youxing Electronic Technology Co., Ltd. increased from RMB200,000,000 to RMB300,000,000.

(b) Shantou Jixing Taxi Co., Ltd. (汕頭市吉行出租車有限公司)

On November 14, 2023, Shantou Jixing Taxi Co., Ltd. was established with a registered capital of RMB20,000,000.

(c) Changsha Youxing Intellect Driving Technology Co., Ltd. (長沙優行智駕科技有限公司)

On December 26, 2023, Changsha Youxing Intellect Driving Technology Co., Ltd. was established with a registered capital of RMB300,000,000.

(d) Limao Chuxing Technology (Changxing) Co., Ltd. (禮帽出行科技(長興)有限公司)

On August 7, 2023, Limao Chuxing Technology (Changxing) Co., Ltd. was established with a registered capital of RMB5,000,000.

(e) Limao Chuxing Technology (Quzhou) Co., Ltd. (禮帽出行科技(衢州)有限公司)

On August 7, 2023, Limao Chuxing Technology (Quzhou) Co., Ltd. was established with a registered capital of RMB5,000,000.

(f) Quanzhou Youxing Network Technology Co., Ltd. (泉州優行網絡科技有限公司)

On March 14, 2024, Quanzhou Youxing Network Technology Co., Ltd. was established with a registered capital of RMB30,000,000.

(g) Limao Chuxing Technology (Ningbo Qianwan New Area) Co., Ltd. (禮帽出行科技(寧波前灣新區)有限公司)

On July 22, 2024, Limao Chuxing Technology (Ningbo Qianwan New Area) Co., Ltd. was established with a registered capital of RMB10,000,000.

(h) Limao Chuxing Technology (Nanning) Co., Ltd. (禮帽出行科技(南寧)有限公司)

On August 6, 2024, Limao Chuxing Technology (Nanning) Co., Ltd. was established with a registered capital of RMB10,000,000.

(i) Shijiazhuang Geely Youxing Technology Co., Ltd. (石家莊吉利優行科技有限公司)

On August 9, 2024, Shijiazhuang Geely Youxing Technology Co., Ltd. was established with a registered capital of RMB22,080,000.

(j) Shanxi Geely Youxing Zhouyue Technology Co., Ltd. (山西吉利優行眾悅科技有限公司)

On August 19, 2024, Shanxi Geely Youxing Zhouyue Technology Co., Ltd. was established with a registered capital of RMB11,040,000.

(k) Huizhou Jixing Technology Co., Ltd. (惠州吉行科技有限公司)

On September 9, 2024, Huizhou Jixing Technology Co., Ltd. was established with a registered capital of RMB5,000,000.

Save as disclosed above, there has been no alteration in the share capital of any members of our Group within the two years immediately preceding the date of this document.

4. Resolutions Passed by Our Shareholders' General Meeting in Relation to the [REDACTED]

At the extraordinary general meeting of the Shareholders held on [●], the following resolutions, among other things, were duly passed:

(a) conditional on (i) the [**REDACTED**] granting [**REDACTED**] of, and permission to deal in, the Shares in issue and to be issued as stated in this document and such [**REDACTED**] and permission not subsequently having been revoked prior to the commencement of dealing in the Shares on the Stock Exchange; (ii) the [**REDACTED**] having been determined; and (iii) the obligations of the [**REDACTED**] under each of the [**REDACTED**] becoming unconditional (including if relevant, as a result of the waiver of any condition(s) thereunder) and such obligations not having been terminated in accordance with the terms of the [**REDACTED**] or otherwise, in each case on or before such dates as may be specified in the [**REDACTED**]:

(i) all of the preferred shares of par value US$0.00001 each, whether issued or unissued be re-designated as Shares of US$0.00001 each on a one-for-one basis ("**Re-designation**");

(ii) the [**REDACTED**], [**REDACTED**], and [**REDACTED**] were approved, and our Directors were authorized to negotiate and agree the [**REDACTED**] and to allot and issue the [**REDACTED**] (including pursuant to the [**REDACTED**]);

(iii) a general mandate (the "**Sale Mandate**") was granted to our Directors to allot, issue, and deal with any Shares (including the resale or transfer of treasury shares by our Company) or securities convertible into Shares and to make or grant offers, agreements, or options which would or might require Shares to be allotted, issued, or dealt with, provided that the number of Shares so allotted, issued, or dealt with or agreed to be allotted, issued, or dealt with by our Directors, shall not exceed 20% of the total number of Shares in issue immediately following completion of the [**REDACTED**] (excluding any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and the shares to be issued under the Pre-[**REDACTED**] Share Incentive Plan);

(iv) a general mandate (the "**Repurchase Mandate**") was granted to our Directors to repurchase our own Shares on the Stock Exchange or on any other stock exchange on which the securities of our Company may be [**REDACTED**] and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the total number of Shares in issue immediately following completion of the [**REDACTED**] (excluding any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and the shares to be issued under the Pre-[**REDACTED**] Share Incentive Plan);

(v) the Sale Mandate was extended by the addition to the total number of Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the total number of the Shares purchased by our Company pursuant to the Repurchase Mandate, provided that such extended amount shall not exceed 10% of the total number of the Shares in issue immediately following completion of the [**REDACTED**] (excluding any Shares which may be issued pursuant to the exercise of the [**REDACTED**] and the shares to be issued under the Pre-[**REDACTED**] Share Incentive Plan); and

(b) subject to the Re-designation becoming effective, the Memorandum and Articles of Association were approved and adopted effective from the [**REDACTED**].

Each of the general mandates referred to above will remain in effect until the earliest of:

(a) the conclusion of the next annual general meeting of our Company unless, by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to condition;

(b) the expiration of the period within which the next annual general meeting of our Company is required to be held under any applicable laws of the Cayman Islands or the Memorandum and Articles of Association of our Company; and

(c) the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority.

5. Explanatory Statement on Repurchase of Our Own Securities

The following summarizes restrictions imposed by the Listing Rules on share repurchases by a company listed on the Stock Exchange and provides further information about the repurchase of our own securities.

(a) Shareholders' approval

A listed company whose primary listing is on the Stock Exchange may only purchase its shares on the Stock Exchange, either directly or indirectly, if: (i) the shares proposed to be purchased are fully paid up, and (ii) its shareholders have given a specific approval or general mandate by way of an ordinary resolution of shareholders.

(b) Size of mandate

The exercise in full of the Repurchase Mandate, on the basis of [**REDACTED**] Shares in issue immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Share Incentive Plan), could accordingly result in up to approximately [**REDACTED**] Shares being repurchased by our Company.

The total number of shares which a listed company may repurchase on the Stock Exchange may not exceed 10% of the number of issued shares (excluding treasury shares of our Company) as of the date of the shareholders' approval.

(c) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and the Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and the Shareholders.

(d) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable Laws of the Cayman Islands.

Our Company shall not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Any repurchases by our Company may be made out of profits or out of an issue of new shares made for the purpose of the repurchase or, if authorized by its Memorandum and Articles of Association and subject to the Cayman Companies Act, out of capital, and, in the case of any premium payable on the purchase out of profits or from sums standing to the credit of our share premium account or, if authorized by its Memorandum and Articles of Association and subject to the Cayman Companies Act, out of capital.

(e) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of 30 days immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly, or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the company to announce its results for any year or half-year under the Listing Rules, or quarterly, or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(f) Trading restrictions

Our Company may not issue Shares, sell or transfer treasury shares, or announce a proposed issue of Shares, or a sale or transfer of any treasury shares for a period of 30 days immediately following a repurchase of Shares without the prior approval of the Stock Exchange. Such restriction does not apply to (i) a new issue of Shares, or a sale or transfer of treasury shares under capitalization issue; (ii) a grant of share awards or options under a share scheme that complies with Chapter 17 of the Listing Rules or a new issue of Shares or a transfer of treasury shares upon vesting or exercise of shares awards or options under the share scheme that complies with Chapter 17 of the Listing Rules; and (iii) a new issue of Shares or a transfer of treasury shares pursuant to the exercise of warrants, share options or similar instruments requiring our Company to issue Shares or transfer treasury shares, which were outstanding prior to the purchase of its own Shares.

A listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

A listed company may not repurchase its shares if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

(g) Status of repurchased shares

Our Company may cancel any repurchased Shares and/or hold them as treasury shares subject to, among others, market conditions and its capital management needs at the relevant time of the repurchases, which may change due to evolving circumstances. Shareholders and potential [**REDACTED**] should pay attention to any announcement to be published by the us in the future, including but without limitation, any next day disclosure return (which shall identify, amongst others, the number of repurchased Shares that are to be held in treasury or cancelled upon settlement of such repurchases).

The [**REDACTED**] of all Shares which are held as treasury shares will be retained. Our Company will ensure that treasury shares are appropriately identified and segregated. For any treasury shares deposited with [**REDACTED**] pending resale on the Stock Exchange, our Company will ensure that it would not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the relevant laws if those shares were registered in our Company's own name as treasury shares by, including but not limited to, obtaining an approval by the board of our Company that (i) our Company should procure its broker not to give any instructions to [**REDACTED**] to vote at general meetings for the treasury shares deposited with [**REDACTED**]; and (ii) in the case of dividends or distributions, our Company should withdraw the treasury shares from [**REDACTED**], and either re-register them in its own name as treasury shares or cancel them, in each case before the record date for the dividends or distributions.

The [**REDACTED**] of all Shares which are purchased by our Company (whether on the Stock Exchange or otherwise) but not held as treasury shares shall be automatically cancelled upon repurchase. Our Company shall ensure that the documents of title of these repurchased Shares are cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase.

(h) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates have a present intention, in the event the Repurchase Mandate is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the Repurchase Mandate is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(i) Takeover implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

(j) General

If the Repurchase Mandate were to be carried out in full at any time, there may be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse effect on our working capital or gearing position.

Our Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

We have not made any repurchases of our Shares in the previous six months.

FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by any member of our Group within the two years immediately preceding the date of this document that are or may be material:

(a) a business cooperation agreement dated April 10, 2024, entered into between Hangzhou Youxing, the WFOE and, Zhejiang Jidi, Geely Holding, Xiangcheng Xiangxing VC, SanJohn Fund, ABC Investment (Suzhou), Paradise Silicon-valley Tiansheng, Longqi Xinglu, Dongwu Innovation and Tongxiang Wuzhen Fund I (collectively, the "**Relevant Shareholders**"), pursuant to which, without the prior written approval of the WFOE, the Relevant Shareholders will not request or procure Hangzhou Youxing to enter transactions that may affect the assets, business, personnel, rights, or obligations of Hangzhou Youxing;

(b) an exclusive technical consulting services agreement dated April 10, 2024, entered into between Hangzhou Youxing and the WFOE, pursuant to which the WFOE has the exclusive right to provide Hangzhou Youxing and its subsidiaries with complete business support and technical and consulting services;

(c) an exclusive call option agreement dated April 10, 2024, entered into between Hangzhou Youxing, the WFOE and the Relevant Shareholders, pursuant to which the Relevant Shareholders have irrevocably and unconditionally granted the WFOE an irrevocable and exclusive option to purchase all or part of their respective equity interests in Hangzhou Youxing at the minimum amount of consideration permitted by PRC law;

(d) an equity pledge agreement dated April 10, 2024, entered into between Hangzhou Youxing, the WFOE and the Relevant Shareholders, pursuant to which each Relevant Shareholder has pledged all its equity interest in Hangzhou Youxing in favor of the WFOE to guarantee the performance of their respective obligations under the Contractual Arrangements;

(e) a shareholders' rights entrustment agreement dated April 10, 2024, entered into between Hangzhou Youxing, the WFOE and the Relevant Shareholders, pursuant to which each Relevant Shareholder authorizes the WFOE to exercise their rights as shareholders of Hangzhou Youxing; and

(f) the [**REDACTED**].

2. Intellectual Property Rights

Save as disclosed below, as of the Latest Practicable Date, there were no other trademarks, service marks, patents, intellectual property rights, or industrial property rights which are or may be material in relation to our business.

(a) Trademarks

Trademarks licensed to our Group

As of the Latest Practicable Date, we had been licensed to use certain trademarks, including the following:

No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date of Licensing
1.	曹操出行	Geely Holding	China	9	22263943	October 27, 2028
2.	CAOCAO	Geely Holding	China	9	20597368	August 27, 2027
3.		Geely Holding	China	9	17438236	September 13, 2026
4.	CAOCAO	Geely Holding	China	12	21021019	August 20, 2028

No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry Date of Licensing
5.	曹操出行	Geely Holding	China	12	21792766	December 6, 2028
6.	曹 操 Cao Cao	Geely Holding	China	39	5035595	August 20, 2029
7.	曹操出行	Geely Holding	China	39	21793190	February 27, 2028
8.	CAOCAO	Geely Holding	China	39	20597383	November 6, 2027
9.		Geely Holding	China	39	17160650	October 13, 2026
10.	CAOCAO	Geely Holding	Hong Kong	9, 12, and 39	304123403	April 26, 2027
11.	曹操出行	Geely Holding	Hong Kong	9, 12, and 39	305267395	May 7, 2030
12.	caocao	Geely Holding	Hong Kong	9, 12, and 39	305267403	May 7, 2030
13.		Geely Holding	Hong Kong	9, 12, and 39	305267412	May 7, 2030
14.	礼帽出行	Geely Holding	China	39	59150115	December 31, 2026
15.	礼帽	Geely Holding	China	39	59159453	December 31, 2026
16.		Geely Holding	China	39	59208865	December 31, 2026
17.		Geely Holding	China	12	75246286	May 13, 2034
18.	曹操汽车	Geely Holding	China	12	71593848	February 13, 2034
19.	曹操 60	Geely Holding	China	12	71593858	February 13, 2034

(b) Copyrights

As of the Latest Practicable Date, we had registered in the PRC the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Registered owner	Registration Number	Registration Date
1	CaoCao Mobility (Android version) system V2.0 (曹操出行(Android版)系統V2.0)	Hangzhou Youxing	2017SR273003	June 16, 2017
2	CaoCao Mobility (IOS version) system V2.0 (曹操出行(IOS版)系統V2.0)	Hangzhou Youxing	2017SR286690	June 19, 2017
3	CaoCao driver (Android version) system V2.0 (曹操司機(Android版)系統V2.0)	Hangzhou Youxing	2017SR272776	June 16, 2017
4	CaoCao driver (IOS version) system V2.0 (曹操司機(IOS版)系統 V2.0)	Hangzhou Youxing	2017SR272749	June 16, 2017
5	Green official business (android version) system V2.0 (綠色公務(android版)系統V2.0)	Hangzhou Youxing	2017SR269112	June 15, 2017
6	Green official business (IOS version) system V2.0 (綠色公務(IOS版)系統 V2.0)	Hangzhou Youxing	2017SR271246	June 15, 2017
7	CaoCao franchised driver system V1.0 (曹操加盟司機系統V1.0)	Hangzhou Youxing	2019SR0255515	March 18, 2019
8	CaoCao driver classic APP V3.73.3 (曹操司機經典版APPV3.73.3)	Hangzhou Youxing	2022SR0561404	May 6, 2022
9	CaoCao authorization system V1.0 (曹操權限系統V1.0)	Hangzhou Youxing	2022SR0387567	March 24, 2022
10	CaoCao Enterprise software (IOS) V4.13.1 (曹操企業版軟件(IOS)V4.13.1)	Hangzhou Youxing	2021SR1531195	October 19, 2021
11	CaoCao Enterprise software (Android) V4.13.1 (曹操企業版軟件(Android)V4.13.1)	Hangzhou Youxing	2021SR1531196	October 19, 2021
12	CaoCao Enterprise APP V4.21.1 (曹操企業版APP V4.21.1)	Hangzhou Youxing	2022SR0393734	March 25, 2022
13	CaoCao Mobility APP V5.3.6 (曹操出行APP V5.3.6)	Hangzhou Youxing	2022SR0393735	March 25, 2022
14	CaoCao driver APP V2.16.8 (曹操司機APPV2.16.8)	Hangzhou Youxing	2022SR0620999	May 23, 2022
15	Aman and Fulai (阿滿與福來)	Hangzhou Youxing	2022-F-10139773	July 14, 2022
16	Limao Mobility user APP (Android version) V1.0.0 (禮帽出行乘客端APP軟件(Android版本)V1.0.0)	Limao Mobility	2021SR1882568	November 24, 2021
17	Limao Mobility user APP (iOS version) V1.0.0 (禮帽出行乘客端APP軟件(iOS版本)V1.0.0)	Limao Mobility	2021SR1882569	November 24, 2021
18	Limao Mobility driver APP (Android version) V1.0.0 (禮帽出行司機端APP軟件(Android版本)V1.0.0)	Limao Mobility	2021SR1882540	November 24, 2021

No.	Copyright	Registered owner	Registration Number	Registration Date
19	Limao Mobility driver APP (iOS version) V1.0.0 (禮帽出行司機端APP軟件(iOS版本)V1.0.0)	Limao Mobility	2021SR1882570	November 24, 2021
20	Limao Enterprise APP (Android) V1.0.4 (禮帽出行企業版APP(Android)V1.0.4)	Limao Mobility	2022SR1518930	November 16, 2022
21	Limao Enterprise APP (iOS) V1.0.4 (禮帽出行企業版APP(iOS)V1.0.4)	Limao Mobility	2022SR1519055	November 16, 2022

(c) Patents

Patents granted in the PRC

As of the Latest Practicable Date, we had been granted the following patents in the PRC which we consider to be or may be material to our business:

No.	Patent	Registered owner	Patent Number	Effective Date	Expiry Date
1	A method, device and electronic equipment for vehicle sharing (車輛共享方法、裝置及電子設備)	Hangzhou Youxing	2018105029451	May 23, 2018	May 22, 2038
2	A method, device and computer readable storage medium for ride hailing vehicle management (網約車監管方法、裝置及計算機可讀存儲介質)	Hangzhou Youxing	2018104900267	May 21, 2018	May 20, 2038
3	A method, device, terminal and storage medium for malicious group account identification (惡意團體賬戶識別方法、裝置、終端及存儲介質)	Hangzhou Youxing; Geely Holding	2017114601040	December 28, 2017	December 27, 2037
4	A method and device for track-based ride hailing vehicle management (基於軌跡的網約車監管方法及裝置)	Hangzhou Youxing	2018104912207	May 21, 2018	May 20, 2038
5	A method, device, computer readable storage medium and electronic equipment for vehicle sharing (車輛共享方法、裝置、計算機可讀存儲介質及電子設備)	Hangzhou Youxing	201810503364X	May 23, 2018	May 22, 2038

No.	Patent	Registered owner	Patent Number	Effective Date	Expiry Date
6	A method and device for ride hailing vehicle positioning (網約車定位方法與裝置)	Hangzhou Youxing	2018108475859	July 27, 2018	July 26, 2038
7	A method, device, server and storage medium for route planning (線路規劃方法、裝置、服務端及存儲介質)	Hangzhou Youxing; Geely Holding	2018116040219	December 26, 2018	December 25, 2038
8	A method, device, server and computer readable storage medium for order distribution area identification (派單區域獲取方法、裝置、服務器及計算機可讀存儲介質)	Hangzhou Youxing; Geely Holding	2019101232973	February 19, 2019	February 18, 2039
9	A method, device, electronic equipment and storage medium for client management system based client data storage (一種基於客戶管理系統的客戶數據存儲方法、裝置、電子設備及存儲介質)	Hangzhou Youxing; Geely Holding	2020102968900	April 15, 2020	April 14, 2040
10	A method, device, server and storage medium for service provision (服務提供方法、裝置、服務器及存儲介質)	Hangzhou Youxing; Geely Holding	2019101433703	February 26, 2019	February 25, 2039
11	A method, device, electronic equipment and storage medium for booking pick-up and delivery service (一種預約取送件訂單的派送方法、裝置、電子設備及存儲介質)	Hangzhou Youxing; Geely Holding	2020102960059	April 15, 2020	April 14, 2040
12	A method, device and equipment for order processing (訂單處理方法、裝置和設備)	Hangzhou Youxing; Geely Holding	2019109181522	September 26, 2019	September 25, 2039
13	A method, device, electronic equipment and storage medium for rebate (一種返佣方法、裝置、電子設備及存儲介質)	Hangzhou Youxing; Geely Holding	2020105974320	June 28, 2020	June 27, 2040
14	A method and device for the processing of multiple-stop orders (一種多途經點訂單處理方法及裝置)	Hangzhou Youxing; Geely Holding	2019107988109	August 27, 2019	August 26, 2039

No.	Patent	Registered owner	Patent Number	Effective Date	Expiry Date
15	A method, device, terminal and storage medium for order management (訂單管理方法、裝置、終端及存儲介質)	Hangzhou Youxing; Geely Holding	2020101565669	March 9, 2020	March 8, 2040
16	A method, device and terminal for data processing (一種數據處理方法、裝置及終端)	Hangzhou Youxing; Geely Holding	2019109105321	September 25, 2019	September 24, 2039
17	A method, device, equipment and storage medium for message sending (一種消息發送方法、裝置、設備及存儲介質)	Hangzhou Youxing; Geely Holding	2019105760244	June 28, 2019	June 27, 2039
18	A method, device and terminal for real time order acceptance (一種實時單自動接單方法、裝置及終端)	Hangzhou Youxing; Geely Holding	2019105776647	June 28, 2019	June 27, 2039
19	A method, device and server for data syncing (一種數據同步方法、裝置及服務器)	Hangzhou Youxing; Geely Holding	2019105761124	June 28, 2019	June 27, 2039
20	A method, system and vehicle terminal for vehicle self-assistance management (一種車輛自動救助控制方法、系統及車載終端)	Hangzhou Youxing; Geely Holding	2019105761092	June 28, 2019	June 27, 2039
21	A method, device, equipment and terminal for comparison of large data (一種大數據的數據對比方法、裝置、設備及終端)	Hangzhou Youxing; Geely Holding	2019103681483	May 5, 2019	May 4, 2039
22	A method, device and equipment for order distribution (訂單推送方法、裝置和設備)	Hangzhou Youxing; Geely Holding	2019103681159	May 5, 2019	May 4, 2039
23	A method, device and server for search result sorting (一種搜索結果排序方法、裝置及服務器)	Hangzhou Youxing; Geely Holding	201910368667X	May 5, 2019	May 4, 2039
24	A method and assignment system for order booking (一種預約訂單的分配方法及分配系統)	Hangzhou Youxing; Geely Holding	2021103349601	March 29, 2021	March 28, 2041

(d) Domain names

As of the Latest Practicable Date, we owned or have been licensed to use the following domain names which we consider to be or may be material to our business:

No.[(1)]	Domain Name	Registered Owner	Expiry Date
1.	vipcaocao.com	Hangzhou Youxing	April 12, 2027
2.	vipcaocao.cn	Hangzhou Youxing	April 12, 2027
3.	caocaotrip.com	Hangzhou Youxing	January 21, 2027
4.	caocaotrip.cn	Hangzhou Youxing	January 21, 2027
5.	caocaotrip.cc	Hangzhou Youxing	May 25, 2026
6.	caocaotravel.cc	Hangzhou Youxing	May 25, 2026
7.	caocaoservice.cc	Hangzhou Youxing	May 25, 2026
8.	caocaokeji.net	Hangzhou Youxing	May 13, 2027
9.	caocao.com.cn	Hangzhou Youxing	July 1, 2026
10.	caocaojourney.cc	Hangzhou Youxing	May 25, 2026
11.	caocaoglobal.com	Hangzhou Youxing	September 27, 2027
12.	caocaocustomer.cc	Hangzhou Youxing	May 25, 2026
13.	caocaocenter.com	Suzhou Geely Youxing Electronic Technology Co., Ltd.	October 9, 2026
14.	limaocx.com	Limao Mobility	March 18, 2026

FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors' Service Contracts and Appointment Letters

(a) Executive Director

Our executive Director has entered into a service contract with us. The term of appointment shall be for an initial term of three years from the [**REDACTED**] or until the third annual general meeting of the Company after the [**REDACTED**], whichever is sooner (subject to retirement and rotation as and when required under the Articles of Association and the Listing Rules). Either party may terminate the agreement by giving not less than three months' written notice.

The executive Director is not entitled to receive any remuneration in his capacity as executive Director under his service contract.

(b) Non-executive Directors

Each of the non-executive Directors has entered into a letter of appointment with us. The term of appointment shall be for an initial term of three years from the [**REDACTED**] or until the third annual general meeting of the Company after the [**REDACTED**], whichever is sooner (subject to retirement and rotation as and when required under the Articles of Association and the Listing Rules). Either party may terminate the agreement by giving not less than three months' written notice.

The non-executive Directors are not entitled to receive any remuneration and benefits in their capacities as non-executive Directors under their respective appointment letters.

(c) Independent non-executive Directors

Each of our independent non-executive Directors has entered into a letter of appointment with us. The term of appointment shall be for an initial term of three years from the [**REDACTED**] or until the third annual general meeting of the Company after the [**REDACTED**], whichever is sooner (subject to retirement as and when required under the Articles of Association and the Listing Rules). Either party may terminate the agreement by giving not less than three months' written notice.

Under their letter appointments, each of the independent non-executive Directors is entitled to an annual fixed fee.

(d) Others

Save as disclosed in this document, none of our Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

2. Remuneration of Directors

(a) The aggregate amount of remuneration for our Directors for the years ended December 31, 2022, 2023, and 2024 was [**REDACTED**], [**REDACTED**] and [**REDACTED**], respectively.

(b) Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by any member of our Group in respect of the year ending December 31, 2025 is approximately [**REDACTED**].

3. Disclosure of Interests

(a) Interests and short positions of our Directors and chief executive in the share capital of our Company or our associated corporations following completion of the [**REDACTED**]

Immediately following completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised, the interests or short positions of our Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company or any associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO, or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to our Company and the Stock Exchange are set out below:

(i) Interest in our Company

Name	Nature of interest	Number of Shares	Approximate percentage of interest in our Company immediately after the [REDACTED][(1)]
Mr. Xin Gong	Beneficial owner[(2)]	[**REDACTED**]	[**REDACTED**]%
Mr. Jinliang Liu	Beneficial owner[(2)]	[**REDACTED**]	[**REDACTED**]%

Notes:

(1) Assuming the [**REDACTED**] is not exercised and without taking in account any Shares which may be allotted and issued pursuant to the exercise of any options under the Pre-[**REDACTED**] Share Incentive Plan.

(2) The beneficial ownership of the directors listed here represents the Shares underlying the options granted to them under the Pre-[**REDACTED**] Share Incentive Plan, subject to the conditions (including vesting conditions) of those options.

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following the completion of the [**REDACTED**], have an interest and/or short position (as applicable) in the Shares, underlying Shares or debentures of the Company or any interests and/or short positions (as applicable) in the shares, underlying shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or

deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the Shares are [**REDACTED**] on the Stock Exchange.

(b) Interests and short positions disclosable under Divisions 2 and 3 of Part XV of the SFO

For information, so far as is known to our Directors or chief executive, of each person, other than our Directors or chief executive, who immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) will have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group, see "Substantial Shareholders."

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [**REDACTED**], be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such capital.

PRE-[REDACTED] SHARE INCENTIVE PLAN

1. Summary

The following is a summary of the principal terms of the Pre-[**REDACTED**] Share Incentive Plan of the Company as adopted in November 2022. The Pre-[**REDACTED**] Share Incentive Plan does not involve the grant of any share options after [**REDACTED**] and is not subject to the provisions of Chapter 17 of the Listing Rules.

We [have applied] to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Appendix D1A to the Listing Rules; and (ii) an exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with the disclosure requirements of paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See "Waivers and Exemptions—Waiver and Exemption in relation to the Pre-[**REDACTED**] Share Incentive Plan" for more information.

(a) Purpose

The purpose of the Pre-[**REDACTED**] Share Incentive Plan is to promote the success and enhance the value of our company by linking the personal interests of our employee to those of our Shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to our Shareholders.

(b) Types of awards

The Pre-[**REDACTED**] Share Incentive Plan provides both for the grant of share options to purchase shares and for other types of awards (together, "**Awards**"), as determined by the administrator of the Pre-[**REDACTED**] Share Incentive Plan (the "**Administrator**"), at the time of grant.

(c) Eligible participants

We may grant awards to employees, Directors and other persons as determined by the Administrator.

(d) Maximum number of Shares

The maximum aggregate number of shares which may be issued pursuant to all Awards granted under the Pre-[**REDACTED**] Share Incentive Plan is 55,555,600 shares.

(e) Administration

Our Board will administer the Pre-[**REDACTED**] Share Incentive Plan. The Board will determine, among others, the participants to receive awards, the number of awards to be granted, the form of award agreements, and the terms and conditions of each award.

(f) Award agreement

Options granted under the Pre-[**REDACTED**] Share Incentive Plan are evidenced by award agreements that sets forth the terms, conditions and limitations for each award which may include the term of an award, the provisions applicable in the event the participant's employment or service terminates, and our Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an award.

(g) Cancellation of options

In the event that any circumstance stipulated below occurs, our Company shall have the right to cancel all options which are not exercised (whether vested or not):

(i) the participant fails to reach an agreement with our Company or Hangzhou Youxing on the severance agreement in writing, or resigns voluntarily without satisfying the departure notice period required by our Company or Hangzhou Youxing;

(ii) the participant violates the relevant laws, regulations and policies in the place of business, the place of registration and the place of proposed [**REDACTED**] of our Company or Hangzhou Youxing, the articles of association and other internal management documents of the Company or Hangzhou Youxing;

(iii) the participant breaches any agreement, contract or arrangement such as the labor contract or confidentiality agreement with our Company or Hangzhou Youxing, or violates professional ethics, labor discipline, internal management rules and regulations, affecting the employment order of our Company or Hangzhou Youxing;

(iv) the participant or his/her affiliates violates the non-competition agreement entered into with Hangzhou Youxing or our Company, and during the period when the participant works for Hangzhou Youxing or our Company or after the termination of the employment relationship with Hangzhou Youxing or our Company (only applicable to the circumstance that the participant retains any shares of Hangzhou Youxing or our Company after the termination of the employment relationship), directly or indirectly owns, manages, controls or invests in the business identical with, similar to or competitive with the business currently conducted or proposed to be conducted by our Company or Hangzhou Youxing (the "**Competing Business**"); or directly or indirectly enjoys any interest or interest in the Competing Business; to provide loans, customer information or any other form of assistance to a company or organization engaging in the Competing Business; serve as the director, officer, consultant or employee of a company or organization engaging in the Competing Business or hold any form of part-time job or provide labor service to a company or organization engaging in the Competing Business; or provide consulting and other service or support in any other form or name to a company or organization engaging in the Competing Business;

(v) during the employment with Hangzhou Youxing or our Company, the participant has violated the laws and disciplines, including, but not limited to, serious dereliction of duty, embezzlement of property, embezzlement of money, abuse of power for personal gains, theft, bribe, demand for bribe, defamation, disclosure of our Company's or Hangzhou Youxing's operational secrets, technical secrets or other kind of secrets and implementation of related transactions, which may result in damage to the interests and reputation of our Company or Hangzhou Youxing and its shareholders and management team, or material adverse effects on the image of our Company or Hangzhou Youxing;

(vi) the participant is criminally liable; and

(vii) other circumstances determined by the Administrator.

(h) Vesting schedule and performance targets

Unless otherwise approved by our Board, the vesting schedule for each grant is four years, and each grant may start to vest on the first anniversary of the date of grant, with the number of options vested for each year being 25% of such grant.

The Administrator, in its discretion, shall set performance targets or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of the Awards that will be granted or paid out to the Participants.

(i) Exercise of options

The Administrator determines the exercise price for each award, which is stated in the relevant award agreement. Options shall, in principle, only be exercisable after [**REDACTED**] of our Company in a stock exchange and options that are vested and exercisable will terminate if they are not exercised prior to the time as the plan administrator determines at the time of grant.

(j) Transfer restrictions

Unless otherwise expressly regulated by applicable laws and by the Award Agreement, as the same may be amended:

(i) all Awards are non-assignable and non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge;

(ii) Awards will be exercised only by the participant;

(iii) shares issuable (directly or indirectly), trust benefit or other benefit obtained pursuant to an Award after our [**REDACTED**] will be delivered only to (or for the account of) the Participant; and

(iv) unless otherwise provided for in the Pre-[**REDACTED**] Share Incentive Plan or the Award Agreement, if the Awards held by a participant have been exercised prior to our [**REDACTED**], such Participant shall have no right to transfer the shares to any third party, nor shall such participant dispose of such Shares in other manners, including, without limitation, mortgage or pledge of such shares, private transfer while holding such shares on behalf of others, etc.

The above restriction on transfer shall not apply to the transfer by a participant to one or more natural persons who are the participant's family members or entities owned and controlled by the participant, the participant's family members, or collectively by several participants, including, but not limited to, trusts or other entities whose beneficiaries or beneficial owners are the participant, the participant's family members, collectively several participants, or to such other persons or entities as may be expressly approved by the

Administrator, pursuant to such conditions and procedures as the Administrator or may establish. Any permitted transfer shall be subject to the condition that the Administrator receives evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes and on a basis consistent with our lawful issue of securities.

In addition, the shares shall be subject to the restrictions set forth in the applicable Award Agreement and the applicable laws.

(k) Amendment and termination

During the implementation of the Pre-[**REDACTED**] Share Incentive Plan, the Board has the right to adjust and amend the plan. The termination of the Plan shall be approved by the Board.

2. Outstanding options granted

The overall limit on the number of underlying Shares to be issued under the Pre-[**REDACTED**] Share Incentive Plan is 55,555,600 Shares. As of the Latest Practicable Date, the number of Shares underlying the outstanding options granted under the Pre-[**REDACTED**] Share Incentive Plan amounts to 51,533,214 Shares, representing approximately [**REDACTED**]% of the issued Shares immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no Shares are issued under the Pre-[**REDACTED**] Share Incentive Plan). As of the Latest Practicable Date, we have conditionally granted options to 556 participants under the Pre-[**REDACTED**] Share Incentive Plan whose options were outstanding. All the options under the Pre-[**REDACTED**] Share Incentive Plan were granted between November 30, 2022 and October 25, 2024 (both days inclusive) and the Company will not grant further Awards under the Pre-[**REDACTED**] Share Incentive Plan after [**REDACTED**].

Assuming full vesting and exercise of all outstanding options granted under the Pre-[**REDACTED**] Share Incentive Plan, the shareholding of our Shareholders immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) will be diluted by approximately [**REDACTED**]%. As our Group incurred losses for the year ended December 31, 2024, the dilutive potential ordinary Shares, namely the options under the Pre-[**REDACTED**] Share Incentive Plan, were not included in the calculation of diluted loss per Share as their inclusion would be anti-dilutive. Accordingly, diluted loss per Share for the year ended December 31, 2024 was the same as basic loss per Share for the same period.

The following table summarizes, as of the Latest Practicable Date, the number of Shares underlying outstanding options that we granted to our Directors and senior management pursuant to the Pre-[**REDACTED**] Share Incentive Plan.

Name	Position	Address	Date of grant	Vesting period/ conditions	Expiry date	Exercise price per Share	Number of Shares underlying the outstanding options granted	Approximate % of issued Shares immediately after completion of the [REDACTED][(1)]
						(RMB)		
Directors								
Mr. Xin Gong	Executive Director and chief executive officer	Room 102, Unit 4, Block 4, Xixi Lixi Garden, Xihu District, Hangzhou, Zhejiang, China	December 9, 2022	*Note 2*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
			December 24, 2022	*Note 3*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
			December 30, 2022	*Note 4*	January 10, 2032	18.54	[**REDACTED**]	[**REDACTED**]%
Mr. Jinliang Liu	Non-executive Director	Room 601, Building 1, No. 168 Liyi Road, Xiaoshan District, Hangzhou, Zhejiang, China	June 7, 2023	*Note 4*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
Senior management (excluding Directors)								
Mr. Sensen Liu	Executive President and Chief Financial Officer	10th Floor, Building 2, Park Avenue, 6 Chaoyang Park South Road, Chaoyang District, Beijing, China	December 26, 2022	*Note 3*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
			December 26, 2022	*Note 5*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
Mr. Qi Qiang	Chief Technology Officer	No. 335 Tiyuchang Road, Xiacheng District, Hangzhou, Zhejiang, China	February 10, 2023	*Note 6*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
			October 12, 2024	*Note 7*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
			October 23, 2024	*Note 7*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%

Name	Position	Address	Date of grant	Vesting period/ conditions	Expiry date	Exercise price per Share	Number of Shares underlying the outstanding options granted	Approximate % of issued Shares immediately after completion of the [REDACTED][(1)]
						(RMB)		
Mr. Liqun Liu	General Manager of CaoCao Vehicle Center	Room 701, Lane 1, 1588 Kangding Road, Jing'an District, Shanghai, China	January 13, 2023	*Note 8*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
			January 13, 2023	*Note 9*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
			October 12, 2024	*Note 10*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
			October 23, 2024	*Note 7*	January 10, 2032	1.692	[**REDACTED**]	[**REDACTED**]%
Subtotal:	**5 grantees**						[**REDACTED**]	[**REDACTED**]%

Notes:

(1) Assuming the [**REDACTED**] is not exercised and without taking in account any Shares which may be allotted and issued pursuant to the exercise of any options under the Pre-[**REDACTED**] Share Incentive Plan.

(2) 27.35%, 27.35%, 22.65% and 22.65% of such options shall vest upon the date of grant, as of June 1, 2023, June 1, 2024 and June 1, 2025 respectively, subject to the fulfilment of specific performance targets.

(3) The vesting conditions for these options are the [**REDACTED**] of our Company and the grantee meeting specific performance targets.

(4) Such options shall vest on the date of grant.

(5) 27.35%, 24.22%, 24.22% and 24.22% of such options shall vest upon the date of grant, as of December 1, 2023, December 1, 2024 and December 1, 2025 respectively, subject to the fulfilment of specific performance targets.

(6) 37.5% and 62.5% of such options shall vest as of December 1, 2023 and December 1, 2025, subject to the fulfilment of specific performance targets.

(7) These options shall vest equally on an annual basis over four years on the anniversary of January 1, with the first vesting date on January 1, 2025.

(8) 25%, 25%,25% and 25% of such options shall vest upon the grant of such options, as of November 1, 2023, November 1, 2024 and November 1, 2025 respectively, subject to the fulfilment of specific performance targets.

(9) These options shall vest equally on an annual basis over four years on the anniversary of July 1, with the first vesting date on July 1, 2023, subject to the fulfilment of specific performance targets.

(10) These options shall vest equally on an annual basis over four years on the anniversary of June 1, with the first vesting date on June 1, 2025.

The table below sets out the details of the outstanding options granted to the remaining 551 grantees under the Pre-[**REDACTED**] Share Incentive Plan, who are not Directors, members of the senior management or other connected persons of our Company:

Range of Shares underlying outstanding Options	Total number of grantees	Date of grant	Vesting period/ conditions	Expiry date	Exercise price per Share	Number of Shares underlying the outstanding options granted	Approximate % of issued Shares immediately after completion of the [REDACTED][(1)]
					(RMB)		
1 Share to 200,000 Shares	530	Between November 30, 2022 and October 25, 2024	*Note 2*	January 10, 2032	1.692	8,926,640	[**REDACTED**]%
200,001 Shares to 400,000 Shares	11	Between December 1, 2022 and October 23, 2024	*Note 3*	January 10, 2032	1.692	3,181,384	[**REDACTED**]%
400,001 Shares to 600,000 Shares	6	Between December 1, 2022 and October 23, 2024	*Note 4*	January 10, 2032	1.692	2,772,843	[**REDACTED**]%
More than 600,000 Shares	4	Between December 5, 2022 and October 23, 2024	*Note 5*	January 10, 2032	1.692	4,314,211	[**REDACTED**]%
Subtotal:	**551 grantees**					**19,195,078**	[REDACTED]%

Notes:

(1) Assuming the [**REDACTED**] is not exercised and without taking in account any Shares which may be allotted and issued pursuant to the exercise of any options under the Pre-[**REDACTED**] Share Incentive Plan.

(2) These options shall be vested (i) in full upon the grant of options, (ii) in four tranches over a period of up to four years with the first tranche of some of these options to be vested on the date of grant, (iii) in tranches upon the fulfilment of certain performance targets, or (iv) upon [**REDACTED**]. Certain of such options are also subject to the fulfilment of specific performance target.

(3) These options shall be vested (i) in full upon the grant of options, (ii) in four tranches over a period of two to four years, with the first tranche of some of these options to be vested on the date of grant, with certain of such options also subject to the fulfilment of specific performance targets, (iii) in tranches upon the fulfilment of certain performance targets or (iv) upon [**REDACTED**].

(4) These options shall be vested equally in four tranches over a period of four years or over a period of three years with the first tranche to be vested on the date of grant, or to be vested upon the occurrence of certain events, including the approval of the [**REDACTED**] or fulfillment of certain performance targets.

(5) These options shall be vested equally in four tranches over a period of up to four years with the first tranche of some of these options to be vested on the date of grant, or in full upon [**REDACTED**].

OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

2. Litigation

Save as disclosed in this document, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company's results of operations or financial condition.

3. Joint Sponsors

Huatai Financial Holdings (Hong Kong) Limited and GF Capital (Hong Kong) Limited satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

ABCI Capital Limited, as a subsidiary of Agricultural Bank of China Limited (中國農業銀行股份有限公司) (the "**Agricultural Bank of China**"), which may have potential business relationships with the Company or its substantial shareholders and also holds ABC Investment (Suzhou), a Pre-[**REDACTED**] Investor of the Company, may not be able to perform its duties as an independent sponsor as set out in Chapter 3A of the Listing Rules.

The Joint Sponsors will receive an aggregate of US$1.05 million for acting as the sponsors for the [**REDACTED**].

4. Consent of experts

This document contains statements made by the following experts:

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) of the regulated activities as defined under the SFO
ABCI Capital Limited	A licensed corporation under the SFO for type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
GF Capital (Hong Kong) Limited	A licensed corporation under the SFO for type 6 (advising on corporate finance) of the regulated activity as defined under the SFO
King & Wood Mallesons	Legal advisor to the Company as to PRC laws
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Frost & Sullivan (Beijing) Inc.	Industry consultant
Appleby	Legal advisor to the Company on Cayman Islands law

Save as disclosed in the part headed "—Other Information—Joint Sponsors" in this document and save in connection with the [**REDACTED**], as of the Latest Practicable Date, none of the experts named above has any shareholding interest in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

Each of the experts named above have given and have not withdrawn their respective written consent to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

5. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

6. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

7. Preliminary expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

8. Disclaimers

(a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

(i) there are no commissions for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company; and

(ii) there are no commissions, discounts, brokerages or other special terms granted in connection with the issue or sale of any capital of any member of our Group, and no Directors, promoters or experts named in the part headed "—Other information—Consent of experts" received any such payment or benefit.

(b) Save as disclosed in this document:

(i) there are no founder, management or deferred shares in our Company or any member of our Group;

(ii) we do not have any promoter and no cash, securities or other benefit has been paid, allotted or given within the two years immediately preceding the date of this document, or are proposed to be paid, allotted or given to any promoters;

(iii) none of the Directors or the experts named in the part headed "—Other information—Consent of experts" above has any interest, direct or indirect, in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(iv) there are no bank overdrafts or other similar indebtedness by our Company or any member of our Group;

(v) there are no hire purchase commitments, guarantees or other material contingent liabilities of our Company or any member of our Group;

(vi) there are no outstanding debentures of our Company or any member of our Group;

(vii) there are no other stock exchange on which any part of the equity or debt securities of our Company is [**REDACTED**] or dealt in or on which [**REDACTED**] or permission to deal is being or is proposed to be sought;

(viii) no capital of any member of our Group is under option, or is agreed conditionally or unconditionally to be put under option; and

(ix) there are no contracts or arrangements subsisting at the date of this document in which a Director is materially interested or which is significant in relation to the business of our Group.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) the written consents referred to in "Statutory and general information—Other information—Consent of experts" in Appendix IV; and

(b) copies of the material contracts referred to in "Statutory and general information—Further information about our business—Summary of material contracts" in Appendix IV.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.caocao.com.cn** up to and including the date which is 14 days from the date of this document:

(a) the Memorandum and the Articles;

(b) the material contracts referred to in "Statutory and general information—Further information about our business—Summary of material contracts" in Appendix IV;

(c) the service contracts and the letters of appointment with our Directors referred to in "Statutory and general information—Further information about our Directors—Particulars of Directors' service contracts and appointment letters" in Appendix IV;

(d) the report issued by Frost & Sullivan, a summary of which is set forth in "Industry Overview";

(e) the PRC legal opinion issued by King & Wood Mallesons, our PRC Legal Advisor, in respect of certain general corporate matters and property interests in China of our Group;

(f) the Accountant's Report and the report on the unaudited [**REDACTED**] financial information of our Group from PricewaterhouseCoopers, the texts of which are set out in Appendices I and II, respectively;

(g) the audited consolidated financial statements of our Company for the years ended December 31, 2022, 2023 and 2024;

(h) the letter of advice prepared by Appleby, our legal advisor on Cayman Islands law, summarising certain aspects of Cayman Islands company law referred to in Appendix III;

(i) the Cayman Companies Act;

(j) the written consents referred to in "Statutory and general information—Other information—Consent of experts" in Appendix IV; and

(k) the terms of the Pre-[**REDACTED**] Share Incentive Plan.

DOCUMENTS AVAILABLE FOR INSPECTION

A list of grantees under the Pre-[**REDACTED**] Share Incentive Plan will be available for inspection at the office of Skadden, Arps, Slate, Meagher & Flom at 42/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. up to and including the date which is 14 days from the date of this document.