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Application Proof of
Huoli Group Holdings Limited
活力集团控股有限公司
(the “Company”)

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

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Huoli Group Holdings Limited 活力集团控股有限公司

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

[REDACTED]

Number of [REDACTED] under the : [REDACTED] Shares (subject to the
[REDACTED])
Number of [REDACTED] : [REDACTED] Shares (subject to
[REDACTED])
Number of [REDACTED] : [REDACTED] Shares (subject to
[REDACTED] and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per [REDACTED]
plus brokerage of 1.0%, SFC
transaction levy of 0.0027%, AFRC
transaction levy of 0.00015% and
Stock Exchange trading fee of
0.00565% (payable in full on
application in Hong Kong dollars,
subject to refund)
Nominal value : US\$0.00005 per Share
[REDACTED] : [REDACTED]

Joint Sponsors



[REDACTED]

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The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, with our consent, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the indicative [REDACTED] range below that stated in this document at any time on or prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such a case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.133.cn as soon as practicable following such decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging [REDACTED] under the [REDACTED]. For further details, see [REDACTED] in this document.

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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SUMMARY

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. Moreover, there are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

We are a renowned comprehensive mobility platform in China, providing a full suite of multimodal travel products and services. Among China’s one-stop comprehensive mobility platforms, we ranked the second with a total GMV of RMB30.8 billion in 2023, according to Frost & Sullivan. We were the fifth largest third-party platform in China in terms of GMV from online air ticket bookings in 2023, and the third largest third-party platform in terms of GMV from online train ticket bookings in 2023, according to the same source.

Where We Come From

Our co-founder and Chairman, Mr. Wang Jiang (王江), is a veteran entrepreneur in China’s internet sector and a faithful believer in the power of technology. Since our early stage, Mr. Wang has envisioned us as a technology-driven company that brings exceptional travel experiences to users through innovation.

In 2009, we launched our first mobile application, Flight Master (航班管家), a groundbreaking product that was the first to provide dynamic real-time flight information to travelers in China. Over the next three years, we experienced rapid growth. To better serve our users, we began to evolve from a pure-play travel information provider into a comprehensive mobility platform that offers users one-stop travel related services before, during, and after their journeys. In 2012, we introduced Train Master (高鐵管家) to the market, the first mobile application in China to provide dynamic train information and train ticket booking services. Thanks to our mobile-first strategy and unwavering commitment to innovation, which drives us to continuously deliver superior user experience, we have built a large user base over the years. As of June 30, 2024, we had accumulated over 174 million registered users across all our platforms.

After more than a decade of serving millions of travelers through technology-enabled solutions, we have amassed extensive travel related data, sophisticated data analytics and robust AI capabilities. This enables us to further extend our footprint as a solution provider for corporate clients. With an inclusive approach, we empower ecosystem partners and other businesses to upgrade their operations, fostering an overall industry improvement as well as reinforcing our leadership position.

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While our businesses have gone through different stages, our identity as a technology-driven company has remained constant. From the novel products we developed early on to our proprietary supply chain management system and AI-powered solutions, technology has always been the driving force behind our offerings. We proactively embrace technological advancements, being an early leader in mobile internet a decade ago and a pioneer for AI applications today. We believe our strong technological capabilities have been key to successfully navigating through industry-wide challenges.

Our Technologies

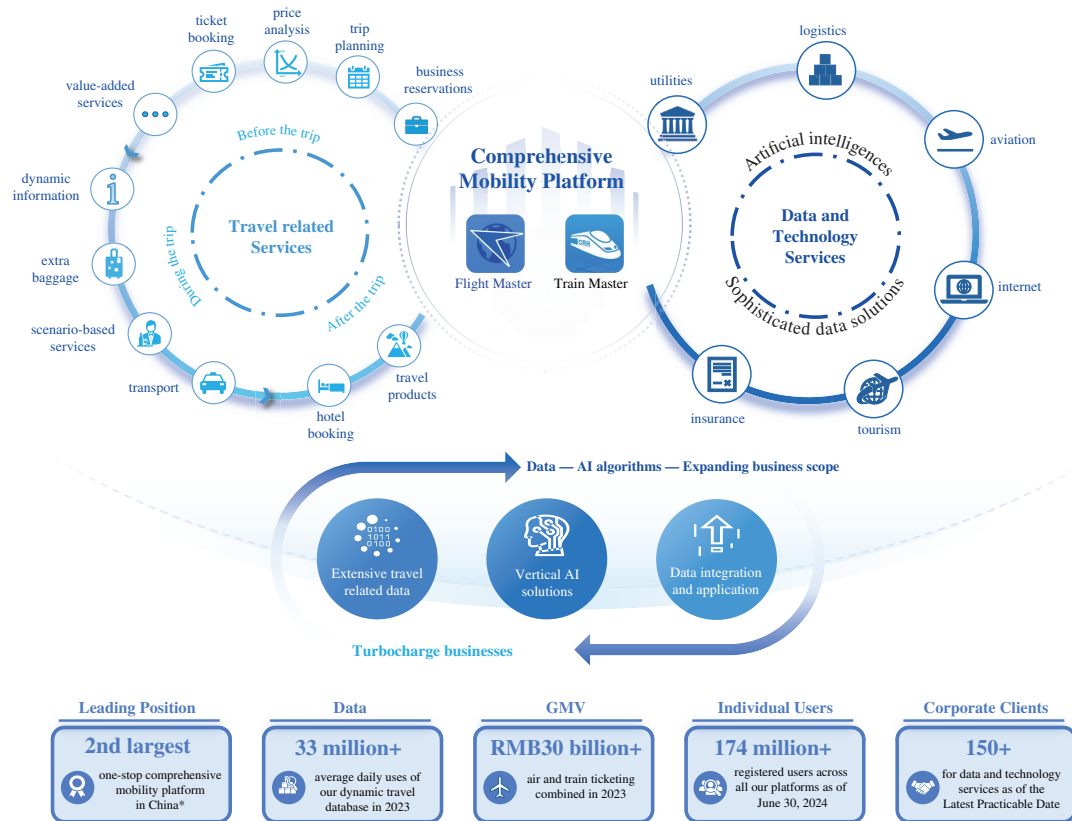
Technology is the backbone of our Company, intricately woven into the very essence of who we are. We have developed a widely-recognized supply chain management system in-house that, combined with our extensive TSP network, makes us one of the few players in our industry capable of intelligently recommending diverse multimodal travel options. By seamlessly integrating multiple modes of transport from various suppliers, we empower users to find cost-effective travel solutions quickly, which we believe is a key factor in why users return to our platforms.

In addition, we have cultivated robust vertical AI capabilities nurtured by extensive travel industry data. With over a decade of experience serving millions of travelers through technology-enabled solutions, we have amassed, among other things, two invaluable assets: abundant data and proven algorithms. These are cornerstones enabling us to harness the power of AI in an era where travel and technology are converging at an extraordinary pace. Our database encompasses air travel data across more than 40 dimensions, including flight schedules, flight dynamics, aircraft parameters, airport passenger flow, and airport infrastructure, to name a few. We have obtained official data authorization from upstream data suppliers, ensuring the legitimacy and authority of our data sources. According to Frost & Sullivan, we were the first mobility platform to obtain official authorization from an authoritative data source in China’s aviation industry. Through our ongoing commitment to technology advancements, we have leveraged our vast database to develop core algorithms that have been proven effective in meeting diverse travel needs. This ability enables us to become a pioneer in our industry with deep vertical AI application capabilities.

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Our Offerings

Leveraging our technological capabilities, we provide comprehensive services to travelers and innovative solutions to businesses.



* In terms of GMV in 2023

For travelers, we offer one-stop services through our flagship apps, Flight Master and Train Master. We enhance travel planning by integrating various transportation modes, including flights, trains and ride hailing services, into a seamless experience. We distinguish ourselves from traditional mobility platforms, which primarily serve as transaction intermediaries between travelers and businesses. Our platforms cover all key aspects of a user’s journey, from planning and booking to real-time travel updates and post-trip support. We offer a suite of complementary services, such as flight and train seat selection, flight delay checks, airport information navigation, and hotel bookings, to address the intricate details travelers encounter throughout their journeys, ensuring a hassle-free and enjoyable experience. As of June 30, 2024, our services spanned across over 5,000 airports located in over 220 countries and regions, covered over 3,000 domestic railway stations, and provided booking options for over 400,000 hotels.

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For businesses, we leverage travel data and technological expertise accumulated over a decade to offer data and technology services that empower businesses in various scenarios, accelerating their digital transformation and driving efficiency and cost reduction. Operating under a data-as-a-service model, we provide companies with comprehensive air, rail and air cargo data, along with a rich toolkit. These resources empower businesses to optimize their services, manage costs, enhance efficiency, and make informed decisions. As of the Latest Practicable Date, our data and technology services reached over 150 companies spanning various industries, including travel, tourism, hospitality, insurance and logistics. Rather than merely a service provider, we position ourselves as an ecosystem enabler as we believe the industry-wide innovations will benefit all participants, especially those at the forefront of technological advancements. To this end, we provide a suite of AI-powered solutions to ecosystem partners helping them streamline service process, enhance customer experience, and improve operational efficiency. Our services to consumers and solutions to businesses form unique synergies, creating a virtuous cycle with powerful flywheel effects. As we expand our data solutions, we continuously enrich our database with multidimensional data and expand our TSP network, which, in turn, optimizes our AI algorithm and enhance overall service quality for consumers.

What We Have Achieved

Our comprehensive service offerings and compelling value propositions to travelers have garnered us a large and growing group of loyal users. As of June 30, 2024, our registered user base across all our platforms had surpassed 174 million, increased by 37.6% since January 1, 2021. The percentage of our paying users in 2022 who paid for our services again in 2023 was over 60%, the highest among major platforms in China according to Frost & Sullivan. A significant portion of our paying user base in 2023, over 40%, are frequent travelers who on average make at least one ticket booking each quarter on our platforms. This type of travelers tends to prioritize efficiency when booking. We believe our smart recommendations engine and streamlined searching and booking procedures are among the key factors that drive users to return to us for their future travel needs. In 2023, an average of 22.7% of our MAUs were paying users — outperforming most of our peers, according to Frost & Sullivan. While still in the early stages, our AI-powered solutions have won us a number of renowned corporate clients in telecommunication, airport management, hospitality and e-commerce industries since the launch in 2021.

Despite the decline we experienced in 2022 due to the impact of the COVID-19 pandemic, we achieved impressive growth during the Track Record Period. Our revenue increased at a CAGR of 20.8% from RMB343.6 million in 2021 to RMB501.6 million in 2023. We recorded a net loss of RMB357.5 million and RMB0.8 million in 2021 and in 2022, respectively, and a net profit of RMB59.3 million in 2023. From the six months ended June 30, 2023 to the six months ended June 30, 2024, our revenue grew by 22.6% from RMB229.6 million to RMB281.4 million and our net profit decreased slightly from RMB32.0 million to RMB31.7 million. We recorded an adjusted net profit/(loss) (non-HKFERS measure) of RMB13.5 million,

SUMMARY

RMB(0.7) million, RMB61.6 million, RMB32.1 million and RMB39.0 million in 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024, respectively, which is defined as our profit/loss for the year/period adjusted for (i) share-based compensation expenses and (ii) [REDACTED].

OUR STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiate us from our competitors.

- China’s leading one-stop comprehensive mobility platform;
- exceptional services driving high user and customer loyalty;
- cutting-edge technologies empowering innovation;
- robust vertical AI capabilities nurtured by extensive travel industry data;
- industry-empowering approach unleashing prominent flywheel effects; and
- visionary management team and innovation inspiring culture.

See “Business — Our Strengths.”

OUR STRATEGIES

To further enhance our leadership position and capitalize on the significant opportunity before us, we are focused on pursuing the following strategies:

- strengthen advantages in AI applications and continue to invest in innovation;
- expand global footprints through cooperation with overseas partners;
- continuously enrich and enhance our products and services; and
- selectively pursue strategic partnerships, investments and acquisition opportunities.

See “Business — Our Strategies.”

SUMMARY

RISK FACTORS

[REDACTED] in the [REDACTED] involves certain risks as set out in “Risk Factors” in this document, which could be categorized into (i) risks relating to our business and industry, (ii) risks relating to our corporate structure, (iii) risks relating to doing business in the jurisdiction where we operate, and (iv) risks relating to the [REDACTED] and our Shares. Some of the major risks we are exposed to are as follows:

- Our business is sensitive to macroeconomic conditions. Any severe or prolonged downturn in the Chinese or global economy may have a material and adverse effect on our business and results of operations.
- Natural disasters, health epidemics and other force majeure events may disrupt the comprehensive internet mobility service industry and materially and adversely affect our business and the results of operations.
- We operate in a highly competitive industry and may face increased competition.
- If we are unable to continue to maintain, expand or upgrade our service offerings, our business, financial condition and results of operations may be materially and adversely affected.
- If we fail to grow or retain our user base, or if our user engagement ceases to grow, or declines, our business, financial condition and results of operations may be materially and adversely affected.
- Our success depends on the market recognition of our brand.
- We rely on third-party data sources for our offering of travel related information.
- Our business depends on our relationships with TSPs.
- Our launch of new products or services may not be successful and may expose us to new challenges and more risks.
- If we cannot keep up with the advancement of AI technologies, or if we fail to adopt other new technologies that are important to our business and industry, our competitive position and ability to generate revenue may be materially and adversely affected.

SUMMARY

OUR CUSTOMERS AND SUPPLIERS

Our customers comprise paying users, TSPs and corporate clients in need of our travel, marketing or technology services. The revenue attributable to our five largest customers for each year/period during the Track Record Period was RMB54.4 million, RMB84.6 million, RMB89.8 million and RMB63.3 million, respectively, accounting for 15.9%, 30.2%, 18.0% and 22.5% of our total revenue, respectively. The revenue attributable to our largest customer for each year/period during the Track Record Period was RMB17.0 million, RMB38.1 million, RMB30.9 million and RMB25.5 million, respectively, accounting for 5.0%, 13.6%, 6.2% and 9.1% of our total revenue, respectively. See “Business — Our Users and Customers.”

Our suppliers consist primarily of (i) online payment service providers, (ii) marketing service providers, (iii) bandwidth and server service providers, and (iv) vendors in ticketing and in-destination travel service. The purchases attributable to our five largest suppliers for each year/period during the Track Record Period were RMB47.8 million, RMB45.2 million, RMB61.1 million and RMB35.3 million, respectively, accounting for 25.1%, 29.1%, 20.7% and 22.3% of our total purchase, respectively. The purchases attributable to our largest supplier for each year/period during the Track Record Period were RMB15.6 million, RMB14.4 million, RMB17.3 million and RMB11.8 million, respectively, accounting for 8.2%, 9.2%, 5.9% and 7.5% of our total purchase, respectively. See “Business — Our Suppliers.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our combined financial information for the Track Record Period, extracted from the Accountant’s Report set out in Appendix IA to this document. The summary combined financial data set forth below should be read together with, and is qualified in its entirety by reference to, the Accountant’s Report set out in Appendix IA to this document, including the related notes. Our combined financial information was prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”).

SUMMARY

Summary of Combined Statements of Profit or Loss

The following table sets forth a summary of our combined income statements with line items in absolute amount and as a percentage of our total revenue for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Revenue	343,640	100.0	280,117	100.0	501,622	100.0	229,590	100.0	281,416	100.0
Cost of sales	(172,537)	(50.2)	(148,114)	(52.9)	(216,611)	(43.2)	(97,708)	(42.6)	(116,389)	(41.4)
Gross profit	171,103	49.8	132,003	47.1	285,011	56.8	131,882	57.4	165,027	58.6
Selling and marketing expenses	(94,513)	(27.5)	(44,098)	(15.7)	(115,861)	(23.1)	(45,550)	(19.8)	(62,649)	(22.3)
General and administrative expenses	(287,859)	(83.8)	(27,797)	(9.9)	(39,077)	(7.8)	(13,723)	(6)	(27,184)	(9.7)
Research and development expenses	(144,448)	(42.0)	(59,202)	(21.1)	(71,313)	(14.2)	(32,112)	(14.0)	(37,921)	(13.5)
Net impairment losses on financial assets	(13,030)	(3.8)	(10,632)	(3.8)	(1,634)	(0.3)	(5,555)	(2.4)	(664)	(0.2)
Other income	11,531	3.4	6,927	2.5	5,888	1.2	2,447	1.1	884	0.3
Other losses, net	(588)	(0.2)	(1,675)	(0.6)	(3,140)	(0.6)	(2,902)	(1.3)	(2,446)	(0.9)
Operating (loss)/profit	(357,804)	(104.1)	(4,474)	(1.6)	59,874	11.9	34,487	15.0	35,047	12.5
Finance income	1,610	0.5	1,670	0.6	1,320	0.3	893	0.4	343	0.1
Finance costs	(1,732)	(0.5)	(1,736)	(0.6)	(931)	(0.2)	(357)	(0.2)	(684)	(0.2)
Finance (costs)/income, net	(122)	(0.0)	(66)	(0.0)	389	0.1	536	0.2	(341)	(0.1)
Share of net loss of an associate accounted for using the equity method	(1,336)	(0.4)	-	-	-	-	-	-	-	-
(Loss)/profit before income tax	(359,262)	(104.5)	(4,540)	(1.6)	60,263	12	35,023	15.3	34,706	12.3
Income tax	1,721	0.5	3,782	1.4	(954)	(0.2)	(3,004)	(1.3)	(2,994)	(1.1)
(Loss)/profit for the year/period	(357,541)	(104.0)	(758)	(0.3)	59,309	11.8	32,019	13.9	31,712	11.3
(Loss)/profit attributable to:										
Owners of our Company	(337,569)	(98.2)	1,824	0.7	55,570	11.1	30,790	13.4	28,946	10.3
Non-controlling interests	(19,972)	(5.8)	(2,582)	(0.9)	3,739	0.7	1,229	0.5	2,766	1.0
	<u>(357,541)</u>	<u>(104.0)</u>	<u>(758)</u>	<u>(0.3)</u>	<u>59,309</u>	<u>11.8</u>	<u>32,019</u>	<u>13.9</u>	<u>31,712</u>	<u>11.3</u>

SUMMARY

Revenue

During the Track Record Period, we generated revenue mainly from travel related services, including transportation ticketing, corporate travel management, online ride hailing, accommodation reservation, and other travel related services. We also generated revenue from online marketing services as well as data and technology services. For details, see “Financial Information — Description of Major Components of Our Results of Operations — Revenue.” The following table sets forth a breakdown of our revenue in both absolute amount and as a percentage of total revenue for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Travel related services	285,999	83.2	240,501	85.9	442,142	88.1	206,473	89.9	251,836	89.5
Online marketing services	40,110	11.7	21,266	7.6	40,998	8.2	16,988	7.4	19,712	7.0
Data and technology services	17,531	5.1	18,350	6.6	18,482	3.7	6,129	2.7	9,868	3.5
Total revenue	<u>343,640</u>	<u>100.0</u>	<u>280,117</u>	<u>100.0</u>	<u>501,622</u>	<u>100.0</u>	<u>229,590</u>	<u>100.0</u>	<u>281,416</u>	<u>100.0</u>

Gross Profit and Gross Profit Margin

In 2021, 2022 and 2023, our gross profit was RMB171.1 million, RMB132.0 million and RMB285.0 million, respectively, and our gross profit margin (expressed as a percentage of the revenue) was 49.8%, 47.1%, and 56.8%, respectively. For the six months ended June 30, 2023 and 2024, our gross profit was RMB131.9 million and RMB165.0 million, respectively, and our gross profit margin (expressed as a percentage of the revenue) was 57.4% and 58.6%, respectively.

Our gross profit increased by 25.1% from the six months ended June 30, 2023 to the six months ended June 30, 2024, primarily driven by (i) the significant recovery of the travel industry in China since 2023 and (ii) our increased investments in sales and promotions to promote our platforms. Our gross profit increased by 115.9% from 2022 to 2023, primarily driven by a significant recovery of business activities and travel demand in 2023, leading to increased transactions completed on our platforms. Our gross profit decreased by 22.9% from 2021 to 2022, primarily due to a significant decline in travel demand and frequency in China caused by the COVID-19 pandemic, resulting in a significant decrease in transaction activities on our platforms in 2022.

SUMMARY

Non-HKFRS Measure

To supplement our combined financial statements which are presented under HKFRS, we also use adjusted net profit (non-HKFRS measure) as an additional financial measure, which is not required by or presented in accordance with HKFRS. The use of such non-HKFRS measure has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRS. We define adjusted net profit (non-HKFRS measure) as profit or loss for the period adjusted for (i) share-based compensation expenses and (ii) [REDACTED]. Share-based compensation expenses consist of non-cash expenses arising from granting share options to eligible individuals under the Share Incentive Plan. [REDACTED] primarily consist of professional fees associated with the [REDACTED] and the [REDACTED]. These fees are outside our ordinary course of business and are not anticipated to recur after the [REDACTED]; therefore, we believe that these items should be adjusted for when calculating our adjusted net profit (non-HKFRS measure). See “Financial Information — Description of Major Components of Our Results of Operations — Non-HKFRS Measure.” The following table reconciles our adjusted net profit/loss (non-HKFRS measure) for the periods presented to the most directly comparable financial measure calculated and presented under HKFRS.

	For the Year Ended December 31,			Six Months Ended June 30,	
	2021	2022	2023	2023	2024
	<i>(RMB in thousands)</i>			<i>(Unaudited)</i>	
(Loss)/profit	(357,541)	(758)	59,309	32,019	31,712
Adjusted for:					
Share-based compensation expenses	371,076	88	225	127	392
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-HKFRS measure:					
Adjusted net profit/(loss)	<u>13,535</u>	<u>(670)</u>	<u>61,642</u>	<u>32,146</u>	<u>38,992</u>

SUMMARY

Summary of Combined Statements of Financial Position

The following table sets forth selected information from our combined statements of financial position as of the dates indicated, which has been extracted from the Accountant’s Report included in Appendix IA to this document.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Total non-current assets	66,032	64,695	95,505	90,430
Total current assets	509,366	516,825	604,589	801,397
Total assets	575,398	581,520	700,094	891,827
Equity attributable to owners of the Company	348,077	349,985	405,746	435,112
Non-controlling interest	11,363	8,785	12,534	15,316
Total equity	359,440	358,770	418,280	450,428
Total non-current liabilities	6,132	3,784	11,012	8,543
Total current liabilities	209,826	218,966	270,802	432,856
Total liabilities	215,958	222,750	281,814	441,399
Total equity and liabilities	575,398	581,520	700,094	891,827

Summary of Combined Statement of Cash Flows

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

	Year Ended December 31,			Six Months Ended June 30,	
	2021	2022	2023	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Net cash (used in)/generated from operating activities	(25,650)	2,015	17,648	25,602	86,879
Net cash (used in)/generated from investing activities	(38,542)	26,036	(30,991)	(13,413)	24,368
Net cash generated from/(used in) financing activities	92,524	(31,689)	(2,145)	370	101,439
Net increase/(decrease) in cash and cash equivalents	28,332	(3,638)	(15,488)	12,559	212,686

SUMMARY

	Year Ended December 31,			Six Months Ended June 30,	
	2021	2022	2023	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Cash and cash equivalents at the beginning of the year/period	259,411	287,708	284,063	284,063	268,544
Effect of exchange rate changes on cash and cash equivalents.	<u>(35)</u>	<u>(7)</u>	<u>(31)</u>	<u>–</u>	<u>175</u>
Cash and cash equivalents at the end of the year/period. .	<u>287,708</u>	<u>284,063</u>	<u>268,544</u>	<u>296,622</u>	<u>481,405</u>

Key Financial Ratios

The following table sets forth certain of our key financial ratios for the periods and as of the dates indicated.

	As of/Year Ended December 31,			As of/ Six Months Ended June 30,
	2021	2022	2023	2024
Gross profit margin	49.8%	47.1%	56.8%	58.6%
Return on equity	(118.1)%	(0.2)%	15.3%	N/A
Return on assets	(69.4)%	(0.1)%	9.3%	N/A
Current ratio	2.4	2.4	2.2	1.9
Gearing ratio	11.4%	4.9%	7.9%	5.3%

See “Financial Information — Key Financial Ratios.”

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, assuming the Warrants are fully exercised, Mr. Wang was entitled to control the exercise of approximately 35.15% of the voting rights in our Company in aggregate through: (i) 65,379,101 Shares held by Non Human Limited, an entity ultimately controlled by him; (ii) 62,264,160 Shares held by Travel Around Holdings Limited, the voting rights of which was granted to Non Human Limited pursuant to the Offshore Proxy Agreement; and (iii) 9,236,218 Shares held by TRXZ Holdings Limited, where Zhitu Xingzhou Technology controls such share according to its proportional voting power. Therefore, as of the Latest Practicable Date, Mr. Wang, Non Human Limited, Aigility Wander Limited and Zhitu Xingzhou Technology (collectively, the “**Controlling Shareholders**”), by virtue of their shareholding together with the voting proxy conferred upon them as mentioned above, form a group of Controlling Shareholders who are interested in and control approximately 35.15% of the total issued share capital of our Company in aggregate.

SUMMARY

Immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders will be entitled to exercise the voting rights of approximately [REDACTED]% of the enlarged issued share capital of our Company.

For details, see “Relationship with the Controlling Shareholders.”

PRE-[REDACTED] INVESTORS

Our Group has conducted multiple rounds of Pre-[REDACTED] Investments at the level of Huoli Tianhui and the Company. For further details of the identity and background of the Pre-[REDACTED] Investors, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investment.”

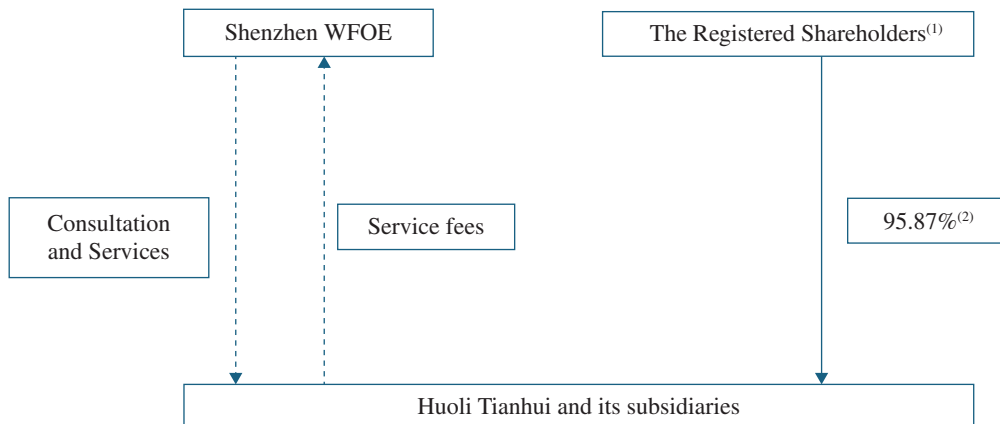
DILUTIVE EFFECT UNDER THE SHARE INCENTIVE PLAN

As of the Latest Practicable Date, our Company had granted a total of 63,310,016 options (representing the right to subscribe 63,310,016 Shares) to eligible participants. Assuming the full exercise of the options granted prior to the [REDACTED], the shareholding of our Shareholders immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised) will be diluted by approximately [REDACTED]%.

CONTRACTUAL ARRANGEMENTS

The operations of our Consolidated Affiliated Entities are subject to various foreign ownership restrictions under PRC laws and regulations. In order to maintain and exercise control over our Consolidated Affiliated Entities, we have adopted Contractual Arrangements. These Contractual Arrangements allow us to enjoy approximately 95.87% of the economic benefits of our Consolidated Affiliated Entities and consolidate the corresponding results of operations into ours.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group stipulated under the Contractual Arrangements. For further details, see “Contractual Arrangements.”



SUMMARY

Notes:

→ denotes direct legal and beneficial ownership in the equity interest.

→→ denotes contractual relationship.

- (1) As of the Latest Practicable Date, Mr. Li Lijun remained as a Registered Shareholder of Huoli Tianhui, and therefore was a party to the Contractual Arrangements.

On October 27, 2024, Mr. Li Lijun and Zhitu Xingzhou Technology entered into a share transfer agreement with a deferred closing date, pursuant to which Mr. Li Lijun agreed that he shall transfer 62,264,160 shares he held in Huoli Tianhui to Zhitu Xingzhou Technology, with a closing date on March 11, 2025. Following the completion of the transfer of the Relevant Shares by Mr. Li Lijun to Zhitu Xingzhou Technology, Mr. Li Lijun would cease to be a Registered Shareholder. For details, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Reorganization — Acquisition of Equity Interests in Huoli Tianhui.”

- (2) The remaining approximately 4.13% interest in Huoli Tianhui is held by Caissa Shijia. Due to (i) a previous pledge and (ii) the court injunction over its interest in Huoli Tianhui, Caissa Shijia is not able to transfer nor to create pledge over its shares in Huoli Tianhui and therefore is not a party to the contractual arrangements.

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 has been no material adverse change in our financial or [REDACTED] position or prospects since June 30, 2024, being the latest date of our combined financial statements as set out in Appendix IA to this document, and there is no event since June 30, 2024 that would materially affect the information as set out in the Accountant’s Report included in Appendix IA to this document.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We are [REDACTED] for [REDACTED] under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test, among other things, with reference to (i) our revenue for the year ended December 31, 2023, being RMB501.6 million, which is over HK\$500.0 million; and (ii) our expected market capitalization at the time of the [REDACTED] (assuming the [REDACTED] is not exercised and no new Shares are issued under the Share Incentive Plan), based on the low end of the indicative [REDACTED] range of HK\$[REDACTED] per [REDACTED], being HK\$[REDACTED] billion, which is over HK\$4.0 billion as required by Rule 8.05(3) of the Listing Rules.

DIVIDEND

During the Track Record Period, we did not pay or declare any dividend. According to our dividend policy, the Articles of Association and applicable laws and regulations, the determination 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

SUMMARY

payment of dividends, and other factors that our Directors may consider relevant. We do not have a pre-determined dividend payout ratio. We will continue to re-evaluate our dividend policy in light of our financial condition and the prevailing economic environment.

As advised by our Cayman Islands legal advisors, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which the financial position of accumulated losses does not necessarily prohibit us from declaring and paying dividends to our Shareholders, as dividends may be declared and paid out of our share premium account notwithstanding our profitability, provided that this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

[REDACTED] STATISTICS

All statistics in the following table are based on the assumptions that (i) the [REDACTED] has been completed and [REDACTED] Shares are issued pursuant to the [REDACTED]; (ii) the [REDACTED] is not exercised; and (iii) [REDACTED] Shares are issued and outstanding following the completion of the [REDACTED].

	Based on an [REDACTED] of HK\$[REDACTED] per Share	Based on an [REDACTED] of HK\$[REDACTED] per Share
Market capitalization of the Share following the completion of the [REDACTED].	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] adjusted combined net tangible assets per Share	HK\$[REDACTED]	HK\$[REDACTED]

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] commissions, and other fees incurred in connection with the [REDACTED]. The estimated total [REDACTED] (based on the mid-point of the [REDACTED] range and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] million (accounting for approximately [REDACTED]% of our gross [REDACTED]). The estimated total [REDACTED] consist of (i) [REDACTED]-related expenses (including but not limited to commissions and fees) of approximately RMB[REDACTED] million, and (ii) non-[REDACTED] related expenses of approximately RMB[REDACTED] million, which consist of fees and expenses of legal advisors and Reporting Accountant of approximately RMB[REDACTED] million, and other fees and expenses of approximately RMB[REDACTED] million. During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED] million, which were charged to the combined statements of profit or loss and other comprehensive income. We expect to incur additional [REDACTED] of approximately RMB[REDACTED] million, of which RMB[REDACTED] million is expected to be charged to our combined statements of profit and loss and RMB[REDACTED] million is expected to be deducted from equity. This calculation is subject to adjustment based on the actual amount incurred or to be incurred.

SUMMARY

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting estimated [REDACTED] commissions, fees and expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share, and assuming the [REDACTED] is not exercised.

We currently intend to apply the net [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used to enhance our R&D capabilities and expand the application of AI across our business operations.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for the expansion of our global footprints.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for the enrichment and enhancement of our offerings.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for working capital and general corporate purposes.

See “Future Plans and Use of [REDACTED].”

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in “Glossary.”

“Accountant’s Report”	the accountant’s report from the reporting accountant of our Company, the text of which is set out in Appendix IA to this document
“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”	the Accounting and Financial Reporting Council, the full-fledged independent auditor regulator of Hong Kong established under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
“Articles” or “Articles of Association”	the [third] amended and restated articles of association of our Company adopted on [●] with effect from the [REDACTED], a summary of which is set forth in Appendix III to this document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Beijing Huoli Tourism”	Beijing Huoli Tourism Co., Ltd. (北京活力旅行社有限公司), a limited liability company established in the PRC on January 12, 2009, which is wholly owned by Huoli Century, an indirect wholly-owned subsidiary of our Company
“Beijing WFOE”	Beijing Huoli Xingsheng Technology Co., Ltd. (北京活力星聲科技有限公司), a limited liability company established in the PRC on December 5, 2023, which is wholly-owned by Huoli Development, an indirect wholly-owned subsidiary of our Company
“Board” or “Board of Directors”	the board of Directors of the Company

DEFINITIONS

“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open to the public for normal banking business
“BVI”	the British Virgin Islands
“Caissa Shijia”	Caissa Shijia Tourism Management Consulting Co., Ltd. (凱撒世嘉旅遊管理顧問股份有限公司), a limited liability company established in the PRC on November 24, 2009, one of shareholders of Huoli Tianhui
	[REDACTED]
“Cayman Companies Act,” or “Companies Act”	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
	[REDACTED]
“China” or “the PRC”	the People’s Republic of China, and for the purposes of this document only, except where the context requires otherwise, excluding Hong Kong, Macau, and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	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”	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” or “our Company” or “the Company”	Huoli Group Holdings Limited (活力集团控股有限公司), an exempted company incorporated with limited liability in the Cayman Islands on June 29, 2023
“Compliance Advisor”	CMBC International Capital Limited

DEFINITIONS

“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 Entity(ies)”	the entities we control through the Contractual Arrangements, being Huoli Tianhui and its subsidiaries, details of which are set out in “History, Reorganization and Corporate Structure”
“Contractual Arrangement(s)”	the series of contractual arrangements entered into by, among others, Huoli Tianhui, Shenzhen WFOE and the Registered Shareholders, details of which are set out 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. Wang, Non Human Limited, Aigility Wander Limited and Zhitu Xingzhou Technology. See “Relationship with the Controlling Shareholders” for details
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” or “our Director(s)”	the director(s) of the Company
“EIT”	Enterprise Income Tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
“Exchange Participant”	has the meaning ascribed to it under the Listing Rules
“Extreme Condition(s)”	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong

DEFINITIONS

[REDACTED]

“Foreign Investment Law” the PRC Foreign Investment Law (《中華人民共和國外商投資法》), as amended, supplemented or otherwise modified from time to time

“Frost & Sullivan” Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a global market research and consulting company, which is an Independent Third Party

“General Rules of HKSCC” General Rules of CCASS published by the Stock Exchange and as amended from time to time and where the context so permits, shall include the HKSCC Operational Procedures

[REDACTED]

“Governmental Authority(ies)” any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organization, or other non-governmental 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,” “we,” “us,” or “our” the Company, its subsidiaries and consolidated affiliated entities, from time to time, including where the context otherwise requires, any companies and businesses transferred to the Group as part of the Reorganization (as the case may be)

“HK” or “Hong Kong” the Hong Kong Special Administrative Region of the People’s Republic of China

“HK\$” or “Hong Kong dollars” or “HK dollars” Hong Kong dollars, the lawful currency of Hong Kong

“HKFRS(s)” Hong Kong Financial Reporting Standards, as issued by the Hong Kong Institute of Certified Public Accountants

DEFINITIONS

[REDACTED]

DEFINITIONS

“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]

“Huoli Century” Huoli Century Technology (Beijing) Co., Ltd. (活力世紀科技(北京)有限公司), a limited liability company established in the PRC on October 10, 2010, which is wholly-owned by Beijing WFOE, an indirect wholly-owned subsidiary of our Company

“Huoli Development” Huoli Development Limited, a company incorporated in Hong Kong with limited liability on July 21, 2023, an indirectly wholly-owned subsidiary of our Company

“Huoli HK” Huoli HK Limited (活力香港科技有限公司), a company incorporated in Hong Kong with limited liability on December 13, 2023, which is wholly owned by Shenzhen Huoli Tourism, an indirect wholly-owned subsidiary of our Company

“Huoli Qiushi” Shenzhen Huoli Qiushi Technology Co., Ltd. (深圳市活力秋實科技有限公司), a limited liability company established in the PRC on June 30, 2023, which is wholly owned by Huoli Century, an indirect wholly-owned subsidiary of our Company

“Huoli Sanya” Huoli Caissa Business Travel (Sanya) Co., Ltd. (活力凱撒商務旅行(三亞)有限公司), a limited liability company established in the PRC on July 21, 2020, one of our Consolidated Affiliated Entities

“Huoli Selection” Shenzhen Huoli Selection Technology Co., Ltd. (深圳市翳力精選科技有限公司), a limited liability company established in the PRC on November 20, 2019

DEFINITIONS

“Huoli Tianhui”	Shenzhen Huoli Tianhui Technology Co., Ltd. (深圳活力天匯科技股份有限公司) (formerly known as Shenzhen Ao Tian New Information Technology Co., Ltd. (深圳市傲天新信息技術有限公司)), a limited liability company established in the PRC on September 22, 2005, one of our Consolidated Affiliated Entities
“Huoli Xinghui”	Beijing Huoli Xinghui Technology Co., Ltd. (北京活力星輝科技有限公司), a limited liability company established in the PRC on July 3, 2023, which is wholly owned by Huoli Century, an indirect wholly-owned subsidiary of our Company
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company or an associate of such person within the meaning ascribed to it under the Listing Rules

[REDACTED]

DEFINITIONS

“Jinghong Beijing”	Caissa Jinghong (Beijing) Business Travel Co., Ltd. (凱撒景鴻(北京)商務旅遊有限責任公司), a limited liability company established in the PRC on November 3, 2009, a wholly-owned subsidiary of Huoli Sanya and one of our Consolidated Affiliated Entities
“Jinghong Travel”	Caissa Jinghong Business Travel (Beijing) Business Services Co., Ltd. (凱撒景鴻商旅(北京)商務服務有限公司), a limited liability company established in the PRC on October 30, 2007, a wholly-owned subsidiary of Huoli Sanya and one of our Consolidated Affiliated Entities
“Latest Practicable Date”	October 25, 2024, 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, orders, judgments, decrees, or rulings of any Governmental Authority (including, without limitation, the Stock Exchange and the SFC) of all relevant jurisdictions
	[REDACTED]
“Listing Committee”	the Listing Committee of the Stock Exchange
	[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
“Lvtu Lingzhou”	Shenzhen Lvtu Lingzhou Technology Co., Ltd. (深圳市旅圖靈舟科技有限公司), a limited liability company established in the PRC on December 28, 2023, which is wholly-owned by Huoli Qiushi, an indirect wholly-owned subsidiary of our Company
“Macau”	the Macau Special Administrative Region of the PRC

DEFINITIONS

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“Memorandum of Association” or “Memorandum”	the [third] amended and restated memorandum of association of our Company adopted on [●] with effect from the [REDACTED], a summary of which is set forth in Appendix III to this document
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (formerly known as the Ministry of Information Industry)
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Wang”	Mr. Wang Jiang (王江), our executive Director, chairman of the Board, chief executive officer and one of our Controlling Shareholders
“New Huoli”	New Huoli Holding Limited, a company incorporated in the BVI with limited liability on July 13, 2023, a wholly-owned subsidiary of our Company
“Next Stop Information”	Next Stop Information Technology (Shanghai) Co., Ltd. (下一站信息技術(上海)有限公司), a limited liability company established in the PRC on October 31, 2012, a wholly-owned subsidiary of Huoli Tianhui and one of our Consolidated Affiliated Entities
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of the Board
“NPC”	National People’s Congress (全國人民代表大會)

DEFINITIONS

[REDACTED]

“Overseas Listing Trial Measures”	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行)
“PRC Government”	the central government of the PRC, including all governmental subdivisions (including principal, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them

DEFINITIONS

“PRC Legal Advisor”	Commerce & Finance Law Offices, our legal advisor on PRC law
“Preferred Shares”	The preferred shares of the Company
“Pre-[REDACTED] Investment(s)”	the investments in the Company undertaken by the Pre-[REDACTED] Investors pursuant to the definitive agreements, as applicable, prior to this [REDACTED], the details of which are set out in “History, Reorganization and Corporate Structure” in the document
“Pre-[REDACTED] Investor(s)”	the investors as set out in “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments — Information on the Pre-[REDACTED] Investors” in the document
	[REDACTED]
“Province”	each being a province or, where the context requires, a provincial-level autonomous region or municipality under the direct supervision of the central government of the PRC
“Registered Shareholders”	The registered shareholders of Huoli Tianhui upon the completion of the Pre-[REDACTED] Reorganization. For details and the identities of the Registered Shareholders, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Reorganization”
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board

DEFINITIONS

“Renminbi” or “RMB”	the lawful currency of the PRC
“Reorganization”	the corporate reorganization of the Group in preparation for the [REDACTED], particulars of which are set out in “History, Reorganization and Corporate Structure” in the document
“SAFE”	State Administration of Foreign Exchange of China (中華人民共和國國家外匯管理局)
“SAIC”	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), which has been merged into SAMR
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場管理總局)
“SAT”	State Taxation Administration of the PRC (國家稅務總局)
“SCNPC”	the Standing Committee of the National People’s Congress of the PRC (中華人民共和國全國人民代表大會常務委員會)
“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)”	the ordinary share(s) in the share capital of the Company with a par value of US\$[REDACTED] each
“Shareholder(s)”	holder(s) of the Share(s)
“Share Incentive Plan”	the pre-[REDACTED] share incentive plan approved and adopted by the Company on October 17, 2024, the principal terms of which are set out in “Statutory and General Information — D. Share Incentive Plan” in Appendix IV to this document

DEFINITIONS

“Shenzhen Huoli Tourism”	Shenzhen Huoli Tourism Co., Ltd. (深圳市活力旅行社有限公司), a limited liability company established in the PRC on March 26, 2013, which is wholly owned by Huoli Century, an indirect wholly-owned subsidiary of our Company
“Shenzhen WFOE”	Shenzhen Huoli Chunhui Technology Co., Ltd. (深圳市活力春暉科技有限公司), a limited liability company established in the PRC on January 2, 2024, which is wholly-owned by Huoli Development, an indirect wholly-owned subsidiary of our Company
	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2024
“US\$” or “U.S. dollars”	United States dollars, the lawful currency of the United States
“U.S.” or “United States”	United States of America, its territories, its possessions, and all areas subject to its jurisdiction

[REDACTED]

“U.S. Persons”	U.S. persons as defined in Regulation S
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DEFINITIONS

“U.S. SEC”	the Securities and Exchange Commission of the United States
“U.S. Securities Act”	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“VAT”	value-added tax
“Warrants”	warrants issued to certain institutional Shareholders that correspond to their respective interest in Huoli Tianhui in order to enable them to subscribe for the Shares upon completion of overseas direct investment filing procedures. For details, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Reorganization”
“WFOEs”	Beijing WFOE and Shenzhen WFOE

[REDACTED]

“Zhitu Xingzhou Technology”	Shenzhen Zhitu Xingzhou Technology Co., Ltd. (深圳市智圖星舟科技有限公司), a limited liability company established in the PRC on July 5, 2023, one of our Controlling Shareholders
“%”	per cent

Unless otherwise specified, all references in this document to any shareholdings in our Company following the completion of the [REDACTED] assume that the [REDACTED] is not exercised, the Warrants are fully exercised and no new Shares are issued under the Share Incentive Plan.

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

GLOSSARY OF TECHNICAL TERMS

This glossary contains definitions of certain technical terms used in this document in connection with our Company. Such terms and their meanings may not correspond to standard industry definitions or usage and may not be comparable to similarly terms adopted by other companies.

“AI”	artificial intelligence, the capability of computer systems or algorithms to simulate intelligent human behavior
“AIGC”	AI-generated content, meaning leveraging artificial intelligence to automate content generation and to generate personalized content according to user-inputted keywords or requirements
“algorithm”	a procedure or sequence of steps, often implemented in computer code, designed to perform a specific task or solve a particular problem
“app” or “mobile application”	application software designed to run on smart phones and other mobile devices
“big data analytics”	the use of advanced analytic techniques against very large and diverse data sets, which greatly exceed the capabilities of traditional database software tools in terms of data collection and analysis, to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information that can help organizations make more informed business decisions
“business travel”	travel for work or business purposes
“CAGR”	compound annual growth rate
“GDS”	global distribution system, a computerized network system that has real-time link to our ecosystem partners’ inventory
“gross merchandise volume” or “GMV”	the total value of merchandise sold through our platforms during a given period
“LLM”	large language model, a large-scale model that is trained with more than 1 billion parameters and is able to perform multi-domain tasks, understand and generate humanized text

GLOSSARY OF TECHNICAL TERMS

“MAU”	monthly active user, the aggregate number of users who have interacted with any of our platforms, including our mobile applications and mini programs, at least once in a given month. Individuals using multiple platforms are counted multiple times
“multimodal”	a combination of multiple modes of transportation to reach a destination
“paying user”	a registered user who has paid for products and services on any of our platforms, including our mobile applications and mini programs, within a given period, regardless of whether the order is subsequently refunded after ticket issuance
“registered user”	a user account that registered on any of our platforms, including our mobile applications and mini programs
“TSP”	travel service provider

FORWARD-LOOKING STATEMENTS

This document contains, and the documents incorporated by reference herein may contain, forward-looking statements representing our goals, beliefs, expectations, intentions or predictions for the future. The actual results or outcomes may differ materially from those expressed or implied in the forward-looking statements. Such forward-looking statements are subject to certain risks, uncertainties and assumptions. Forward-looking statements typically can be identified by the use of words such as “aim,” “anticipate,” “aspire,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goals,” “intend,” “may,” “objective,” “ought to,” “outlook,” “plan,” “potential,” “project,” “schedules,” “seek,” “should,” “target,” “vision,” “will,” “would” and other similar terms. Forward-looking statements reflect the current views of our Directors with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this document, some of which are beyond our control and may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by 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 operations and business prospects;
- our business and operating strategies and our ability to implement such strategies;
- our future business development, financial conditions and results of operations;
- our ability to develop and manage our operations and business;
- our ability to control costs and expenses;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with customers, users, suppliers and other partners to conduct our business;
- our planned use of [REDACTED];
- future developments, trends and competitive landscape in the industries and markets in which we operate or plan to operate;
- relevant government policies and regulations relating to our industry; and
- all other risks and uncertainties described in “Risk Factors” of this document.

FORWARD-LOOKING STATEMENTS

By their nature, certain disclosures relating to these and other risks are only estimates. Should one or more of these risks or uncertainties, among others, materialize, or should the underlying assumptions prove to be incorrect, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Accordingly, you should not place undue reliance on any forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made. Except as required by applicable laws, rules and regulations, including the Listing Rules, we undertake no obligation to update any forward-looking statement 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.

RISK FACTORS

You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in the [REDACTED] Shares. Our business, financial condition, results of operations or prospects could be materially and adversely affected by any of these risks and uncertainties. The [REDACTED] of the [REDACTED] could significantly decrease due to any of these risks and uncertainties, and you may lose all or part of your [REDACTED].

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks can be categorized into (i) risks relating to our business and industry; (ii) risks relating to our corporate structure; (iii) risks relating to doing business in the jurisdiction where we operate; and (iv) risks relating to the [REDACTED] and our Shares. Additional risks and uncertainties presently not known to us or not expressed or implied below, or that we currently deem immaterial could also harm our business, financial condition, results of operations or prospects. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

Risks Relating to Our Business and Industry

Our business is sensitive to macroeconomic conditions. Any severe or prolonged downturn in the Chinese or global economy may have a material and adverse effect on our business and results of operations.

We operate in the comprehensive internet mobility service industry, which is highly sensitive to business and personal discretionary spending levels and generally tends to decline during general economic downturns. Weaknesses in the economy could erode consumer confidence which could, in turn, result in changes to consumer spending on travel products and services. Accordingly, our business and results of operations have been, and are expected to continue to be, affected by developments in global macroeconomic conditions. If consumer demand for travel products and services decreases, our business and results of operations will suffer.

While the economy in China has grown significantly over the past decades, growth has been uneven, both geographically and among various sectors of the economy. Many factors beyond our control may lead to adverse changes in economic conditions and have a material adverse effect on the overall economic growth of China. Such developments could lead to reduction in demand for our services and adversely affect our business prospects, financial condition, and results of operations.

Moreover, since the economy in China is also affected by global economy, our business is sensitive to global economic conditions. The global macroeconomic environment is faced with many challenges and uncertainties. Economic factors, such as interest rates, heightened inflationary pressures, currency exchange rate volatility, changes in monetary and related policies, market volatility, consumer confidence, supply chain issues and unemployment rates,

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are among the most significant factors that impact consumer spending behavior. Weak economic conditions or a significant deterioration in either global or certain regional economic conditions, including those resulting from general macroeconomic factors, such as the rise in interest rates by the U.S. Federal Reserve in response to concerns about inflation, health epidemics, such the COVID-19 pandemic which had caused significant global economic and social disruption, or man-made events, such as the ongoing military conflicts in Ukraine and Middle East, may increase economic uncertainty, reduce the amount of disposable income consumers have, which, in turn, reduces consumer spending, and would have an adverse effect on our business, financial condition, and results of operations.

Natural disasters, health epidemics and other force majeure events may disrupt the comprehensive internet mobility service industry and materially and adversely affect our business and the results of operations.

We generate substantially all of our revenue from the travel industry. In addition to macroeconomic conditions, our business may be significantly affected by many factors that tend to reduce travel, including:

- widespread health concerns, epidemics or pandemics, such as the COVID-19 pandemic, the Zika virus, H1N1 influenza, the Ebola virus, avian flu, SARS or any other serious contagious diseases;
- severe earthquakes and other natural disasters, or extreme weather conditions, such as hurricanes and flooding, and actions taken by governments, businesses and supplier partners in response to such natural disasters or extreme weather conditions;
- global security concerns caused by terrorist attacks, the threat of terrorist attacks, or the precautions taken in anticipation of such attacks, including elevated threat warnings or selective cancelation or redirection of travel;
- political unrest, the outbreak of hostilities or escalation or worsening of existing hostilities or war;
- the occurrence of travel related accidents or the grounding of aircraft due to safety concerns;
- labor shortages on the cost and availability of airline travel; and
- adverse changes in visa and immigration policies or the imposition of travel restrictions or more restrictive security procedures.

We have little or no control over the occurrence of such disruptions, which could result in a decrease in demand for our travel services and, in turn, materially and adversely affect our business, financial conditions and results of operations.

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In addition, our business could be adversely affected by natural disasters or outbreaks of epidemics. These natural disasters, outbreaks of contagious diseases, and other adverse public health developments in any countries or regions in which we do business could severely disrupt our business operations by damaging our network infrastructure or information technology system or impacting the productivity of our workforce, which may adversely affect our financial condition and results of operations. We have not adopted any written contingency plans to combat any future natural disasters or outbreaks of serious contagious diseases.

We operate in a highly competitive industry and may face increased competition.

China’s comprehensive internet mobility service industry is growing rapidly and highly competitive. We compete with other mobility platforms, traditional travel agencies and travel service suppliers. As China’s travel market continues to evolve, we may also face increased competition from both emerging domestic players, including e-commerce companies, search engines, social media companies and other internet companies, and international travel companies that seek to expand into China. Our current and future competitors may enter into mergers and acquisitions, alliances, equity investments or commercial arrangements with one another or with TSPs, which may limit our ability to reach commercial or strategic relationship arrangements with such parties.

We may also be negatively affected by the changing competition landscape among TSPs. We face increasing competition from TSPs, such as airlines, that increase their online direct selling efforts. Moreover, consolidation of, and alliance among, major TSPs may result in TSPs becoming fewer but larger, which will bring them economies of scale and lead to stronger bargaining power of TSPs as a whole against mobility platforms, including us.

Increased competition could reduce our operating margins and profitability and result in our loss of market share. For example, in response to increasing competition, we engaged in promotion and advertising campaigns to promote our brands and acquire new users, which caused us to incur substantial selling and marketing expenses. Some of our existing and potential competitors may have competitive advantages, such as better known brands, larger user bases, broader and more diverse product and service offerings, and significantly greater financial, marketing or other resources. We cannot assure you that we will be able to successfully compete against new or existing competitors. If we are unable to successfully compete, our business, financial condition and results of operations may be adversely affected.

If we are unable to continue to maintain, expand or upgrade our service offerings, our business, financial condition and results of operations may be materially and adversely affected.

Since our inception, we have been committed to building and expanding our service offerings, creating a one-stop mobility platform for travelers. Today, our offerings range from air and train ticket reservation, accommodation reservation, online ride hailing services, to corporate travel management services. We believe users and customers come to us for convenient access to reliable, comprehensive travel related services. We intend to continue to invest in expanding and upgrading our service offerings. For instance, we will continue to

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enhance our collaborations with quality TSPs and expand our accommodation network to provide more options and better prices to our users. Additionally, we will further enrich our AI-powered solutions to corporate clients. Our endeavors and initiatives may not yield the anticipated outcomes. Our lack of experience with new service offerings may adversely affect our prospects and our ability to compete with established players in these service categories. See “— Our launch of new products or services may not be successful and may expose us to new challenges and more risks.” Expanding our service coverage may divert management attention, increase expenses, and expose us to unforeseen liabilities. Additionally, we may face challenges in achieving the expected benefits of synergies and growth opportunities in connection with our service offerings. Failure to expand successfully may also erode investor confidence in our decision-making and execution capabilities, which could materially and adversely affect our business, results of operations, financial condition and prospects.

If we fail to grow or retain our user base, or if our user engagement ceases to grow, or declines, our business, financial condition and results of operations may be materially and adversely affected.

We mainly generate revenue from comprehensive internet mobility services to users and corporate customers. Therefore, our ability to attract and retain users while maintaining and enhancing their engagement with our services is critical to the continued success and growth of our business. Such ability primarily depends on the overall user experience we provide to our users. If we fail to provide superior services, users may be less inclined to book travel products and services with us or recommend us to new users, and we may lose our users to our competitors.

A number of factors could negatively affect user growth, retention and engagement, including:

- despite our continuous research, monitoring and analysis of user needs, we may be unable to identify and meet evolving user demand;
- we may not be able to develop and introduce new or updated quality products and services in a timely fashion, or the new or updated products and services we introduce may not be favorably received by users;
- we may fail to update existing technology or develop new technology in time to stay ahead or abreast of market developments;
- we may encounter technical or other problems that prevent our products and services from operating in a smooth and reliable manner;
- we may fail to address user concerns related to privacy, data security and other factors; and
- we may be compelled to modify our products and services to address requirements imposed by laws, regulations and government policies or requests from government authorities, in ways that may compromise user experience.

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If any of the above occurs, we may not be able to meet our users’ expectation. We may face user dissatisfaction with the quality of our services, technical disruptions or failure of our apps. If we are unable to grow or maintain our user base or enhance user engagement for one or more of the reasons discussed above, our revenue may decline, which may have a material adverse effect on our business, financial condition and results of operations.

Our success depends on the market recognition of our brand.

We believe that recognition and reputation of our brands, including the Flight Master (航班管家) and Train Master (高鐵管家) brands, among our targeted users and TSPs have contributed significantly to our success. Enhancing and maintaining our brands are critical to our efforts to scale our business and attract and retain users and TSPs. We have engaged in branding efforts such as online social media advertising and offline promotion and intend to make continuous investment in enhancing awareness of our brands among users and TSPs. Our brand recognition and reputation depend on our ability to provide comprehensive product offerings, deliver high-quality user services, and maintain relationships with a wide array of TSPs. Failure to maintain the strength of our brands could negatively affect our ability to grow our user base and deteriorate our relationships with TSPs.

We operate in a highly competitive industry and we intend to continue to incur substantial advertising and marketing expenses and utilize other resources to maintain and increase our brand recognition. Our marketing costs may also increase as a result of inflation in media pricing in China, including costs for placing online and offline advertisements. If we fail to maintain and increase our brand recognition in a cost-effective manner, our financial condition and results of operations may be materially and adversely affected.

We rely on third-party data sources for our offering of travel related information.

Our business depends on our ability to access, offer and utilize travel related information, such as real-time accurate flight information. We rely heavily on the official data authorization by upstream flight data suppliers to serve our users. We have entered into a data licensing agreement with an authoritative data source in China’s aviation industry, and expect to renew the agreement upon the expiration of the current term. Our agreement with this supplier has a one-year term and allows for termination with notice. If such supplier terminates our contract, or declines to renew it when the current term expires, we may not be able to find an alternative means of offering flight information in a commercially viable manner, in which case our business, financial condition and results of operations would be materially and adversely affected.

In addition, we collect travel related data using automated technical means, such as Python, from third-party official websites and official social media accounts that are open to the public. We do not extract or process any personal data from such sources. Based on the Robots exclusion protocols (a standard used by websites to indicate to visiting web crawlers and other web robots which portions of the website they are allowed to visit) and the websites’ copyright statements, collecting or reprinting data from these websites is not generally

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prohibited. However, if there is any change to these agreements or statements, or if these websites impose additional restrictive measures, we will have to take timely measures to comply with these changes. Failure to do so may result in breach of copyrights and other legitimate interests of third parties, which could adversely impact our business, financial status, and operating performance.

Our business depends on our relationships with TSPs.

Our success depends on our ability to maintain our existing relationships and to build new relationships with TSPs. Adverse changes in existing relationships, or our inability to enter into new arrangements with TSPs on commercially favorable terms, if at all, could reduce the amount, quality and breadth of travel products and services that we source from TSPs, or severely disrupt our business operations. Any of the foregoing could adversely affect our business, financial condition and results of operations.

We generate revenue from the travel products and services we offer primarily by charging commissions from TSPs. TSPs may reduce the commissions paid to us, which may adversely impact our revenue and profitability. If a large number of TSPs negotiate to lower the commissions paid to us, our business and results of operations may be adversely impacted. Additionally, TSPs are increasingly seeking to lower their travel distribution costs by promoting their own direct sales channels, with more attractive loyalty program offerings and/or lower transaction fees to users than we share or offer and might choose not to make their travel products and services available on our online platforms, which may negatively impact our results of operations and financial condition.

Our launch of new products or services may not be successful and may expose us to new challenges and more risks.

There is no assurance that we will be able to continue our success in our promulgation of new products and services in the future. For example, we intend to expand our service coverage to countries and regions outside of China, making our services available to overseas users through collaboration with local TSPs. Launch of new services overseas will require us to invest heavily in identifying the right markets, finding local partners and developing new products. It may also require us to obtain additional permits, authorizations or other regulatory approval. We cannot assure you that our efforts will translate into commercial success. Expanding into a new market or launching new products and services involves significant risks and uncertainties. We may fail to accurately estimate market opportunities, understand competitive landscape, or identify hidden risks in a new market. We may have difficulties in finding suitable local partners and may face increased operational complexity. We may encounter technical challenges in developing products that adapt to the local infrastructure, potentially leading to unanticipated delays. Moreover, we are exposed to compliance risks when we enter a new market or launch new products and services. Compliance with applicable foreign laws and regulations increases our cost of doing business in foreign jurisdictions and may divert management attention and resources from other business concerns. Violations of these laws and regulations could result in fines and penalties, criminal sanctions against us, our

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officers or our employees, and prohibitions on the conduct of our business, which could materially damage our reputation, our brand, our expansion efforts, our ability to attract and retain employees, our business and our operating results. Additionally, our new products and services may not meet the preferences of local users and may subject us to additional compliance requirements. If our new products or services are unsuccessful or fail to attract a sufficient number of users to be profitable, our business, financial condition, and results of operations could be adversely affected.

If we cannot keep up with the advancement of AI technologies, or if we fail to adopt other new technologies that are important to our business and industry, our competitive position and ability to generate revenue may be materially and adversely affected.

We depend on the use of information technology and systems to support our business, including platform operations, data gathering and analytics, product development, and user services, and to accommodate demands for new features and functionalities. To furtherance our success, we must continue to anticipate and adapt to AI technology advancements and timely adopt other new technologies. We cannot assure you that we can continue to innovate and keep up with the fast technology development. Our technologies may become or may be considered obsolete or ineffective, and we may have difficulties in adapting to technology advances or applying them in a timely and cost-effective manner. Delays or difficulties in implementing new or enhanced technologies may keep us from achieving the desired results in a timely manner. Additionally, we cannot assure you that our technology does not and will not carry any flaws or defects that could compromise the integrity of our business. Certain flaws or defects may not become evident until information is provided to users. We may incur significant expenses to identify and remediate any defects in technology or may not be able to correct them at all. Although we have not experienced any material defects to date, we cannot assure you that our technology is flawless. Furthermore, developing and integrating new technologies into our existing digital learning programs and data analytics algorithms could be costly and time-consuming, and we may not succeed in developing or integrating new technologies at all. If we fail to continue to develop, innovate, or otherwise leverage advanced technologies timely and effectively, our business, financial condition, and results of operations could be materially and adversely affected.

Our success depends, in part, on the integrity of our information technology systems and infrastructures and on our ability to prevent significant disruptions to and maintain satisfactory performance of these systems and infrastructures in a timely and cost-effective manner.

In order for us to succeed, our information technology systems and infrastructures must perform well on a consistent basis. Our products and systems rely on complex software and hardware and depend on the ability of such software and hardware to store, retrieve, process and manage immense amounts of data. We may from time to time in the future experience system interruptions that make some or all of our systems or data temporarily unavailable and prevent our products from functioning properly for our users; any such interruption could arise for any number of reasons, including software bugs and human errors. Further, our systems and

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infrastructures are vulnerable to damage from fire, power loss, hardware and operating software errors, cyber-attacks, technical limitations, telecommunications failures, acts of God and similar events. While we have backup systems in place for certain aspects of our operations, not all of our systems and infrastructures are fully redundant. Also, system backups do not account for all possible eventualities and our property and business interruption insurance coverage may not be adequate to compensate us fully for any losses that we may suffer. Any interruptions or outages, regardless of the cause, could negatively impact our users’ experiences with our products, tarnish our brands’ reputations and decrease demand for our products and services, any or all of which could materially adversely affect our business, financial condition and results of operations. Moreover, even if detected, the resolution of such interruptions may take a long time, during which users may not be able to access, or may have limited access to, the service. In addition, computer hackers may attempt to penetrate our network security and our apps or websites. We may be required to invest significant resources in protecting against the foregoing technological disruptions, to remediate problems and damages caused by such incidents, or to maintain the satisfactory performance of our system infrastructure, which could increase our operating cost and in turn adversely affect our financial condition and results of operations.

We also continually work to expand and enhance the efficiency and scalability of our technology and network systems to improve the experience of our users, accommodate substantial increases in the volume of traffic to our various apps, ensure acceptable load times for our products and keep up with changes in technology and user preferences. Any failure to do so in a timely and cost-effective manner could materially adversely affect our users’ experience with our various products and thereby negatively impact the demand for our products, and could increase our costs, either of which could materially adversely affect our business, financial condition and results of operations.

If there is any deterioration in the quality of the travel products and services sourced from TSPs, our users may not continue using our online platforms.

Our ability to ensure satisfactory user experience in a large part depends on our TSPs to provide high-quality travel products and services. If TSPs fail to provide high-quality travel products and services in a timely manner to our users, or provide products or services that are substantially different from its description or without licenses or permits as required by the relevant laws and regulations despite that we have so requested, violate any applicable rules and regulations, or involve in incidents of negative publicity, we may not be able to meet the expectations of users on our platforms and our reputation and brand will be negatively affected. If our users are dissatisfied with the travel products and services provided, they may reduce their use of, or completely forgo, our online platforms, which could harm our reputation and materially and adversely affect our business, financial condition and results of operations.

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Our evolving businesses make it difficult to evaluate our business prospects and predict.

We have been focused on providing products and services for travelers integrating various modes of transportation as well as data and technology services for businesses. To further grow our business, we have made a series of strategies. For example, we plan to ramp up our efforts in data analytics and AI applications and continue to invest in innovation. We also intend to expand our global footprints through cooperation with overseas partners. In addition, we will continuously enrich and enhance our products and services, while actively pursuing strategic partnerships, investments and acquisition opportunities. For details, see “Business — Our Strategies” and “Future Plans and Use of [REDACTED].” All these efforts will require significant managerial, financial and human resources. The successful implementation of these strategies depends on a number of factors including, among other things, market conditions, the availability of funds, competition, government policy, and our ability to obtain governmental consents, permits and licenses. Some of these factors are beyond our control and, by nature, are subject to uncertainty. There is no assurance that these business strategies can be implemented successfully.

In implementing our strategies, we have encountered and expect to encounter in the future risks and difficulties frequently experienced by companies in changing industries that are associated with our ability to:

- continue our growth while maintaining profitability;
- continue to offer innovative products and services to attract recurring and new users;
- maintain and enhance our competitive position in China’s travel industry;
- implement our strategies and modify from time to time to respond effectively to competition and changes in user preferences and needs;
- attract, train, retain and motivate qualified personnel;
- retain existing and attract new TSPs to continue to offer quality products and services with competitive prices; and
- maintain and enhance our operational efficiency while growing our business.

We cannot assure you that we will be able to effectively manage our growth or that our new business initiatives will be successful. If we are unsuccessful in addressing any of the abovementioned risks or challenges, our business may be materially and adversely affected. Our historical financial performance may therefore not be indicative of our future results of operations and financial position, and you should not rely on our historical results to predict our future financial performance.

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We incurred net loss and recorded net operating cash outflows during the Track Record Period.

We recorded a net loss of RMB357.5 million and RMB0.8 million in 2021 and in 2022, respectively, and a net profit of RMB59.3 million, RMB32.0 million and RMB31.7 million in 2023 and the six months ended June 30, 2023 and 2024, respectively. We cannot assure you that we will be able to maintain or increase our profitability or to avoid net losses in the future. Our ability to maintain profitability will depend primarily on our ability to increase our operating margin, either by growing our revenue at a rate faster than the increase of our operating expenses, or by reducing our operating expenses as a percentage of our revenue. As we plan to continue to invest in enhancing our offerings and technologies, and expanding our service coverage, there can be no assurance of sustained profitability, and we may incur net losses in the future.

In addition, we experienced operating cash outflow in 2021 in the amount of RMB25.7 million. In light of our historical cash needs and our rapid growth in the post-pandemic period, we may in the future require additional cash resources for our business expansion, marketing initiatives, investment in technology or other investments we may decide to pursue. If these resources are insufficient to satisfy our cash requirements, we may seek to obtain a credit facility or sell additional equity or debt securities. The sale of additional equity securities could result in dilution of our existing shareholders. The occurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. It is uncertain whether financing will be available in amounts or on terms acceptable to us, if at all.

Negative publicity about us, our peers or our industry in general, regardless of its accuracy, could materially and adversely affect our business, brand image or reputation.

Our reputation and brand are vulnerable to many threats that can be difficult or impossible to control. Any malicious or negative publicity about our Company, implicating the quality of our products and services, the integrity of our business practices, compliance with laws, and financial condition or prospects, whether with merit or not, could severely harm our reputation, business, and results of operations. Furthermore, negative developments in the travel industry, such as regulatory actions against other players or adoption of new laws or regulations that restrict the provision of travel related services, may result in a negative perception of the industry as a whole and undermine the brand recognition we have established. In addition, we are exposed to detrimental conducts against us, including complaints, anonymous or otherwise, to regulatory agencies regarding our operations, accounting, revenue, and regulatory compliance. Moreover, any actual or perceived illegal acts, misbehavior, or unsatisfactory performance by our employees, TSPs, or any player in our industry may undermine consumers’ perception of the industry as a whole and adversely affect our business and results of operations. Allegations against us may also be posted on the internet by any person or entity that identifies itself or remains anonymous. Defense against the allegations may incur significant time and divert management’s attention, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all.

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Our reputation may also be negatively affected as a result of public dissemination of allegations or malicious statements about us or our industry, which in turn may materially and adversely affect our [REDACTED].

In addition to traditional media, there has been increasing use of social media platforms and similar media in China that provide individuals with access to a broad audience of consumers and other interested persons. The availability of information on instant messaging applications and social media platforms is virtually immediate without affording us an opportunity for redress or correction. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information concerning our Company, shareholders, affiliates, directors, officers and other employees may be posted on such platforms at any time. The risks associated with any such negative publicity or incorrect information cannot be completely eliminated or mitigated and may materially harm our reputation, business, financial condition and results of operations.

We rely on operating system providers and app stores to support some of our products and technologies, including our apps. Any disruption, deterioration or change in their services, policies, practices, guidelines and/or terms of service could have a material adverse effect on our reputation, business, financial condition and results of operations.

Our products depend on mobile app stores and other third parties such as data center service providers, as well as third party payment aggregators, computer systems, internet transit providers and other communications systems and service providers. Our mobile applications are almost exclusively accessed through and depend on the Apple App Store and Android app stores in China. While our apps are free to download from these stores, our users may make purchases through our apps, which are mainly processed through third-party payment processors connected to our apps. While we do not anticipate any interruption in these app stores’ distribution platforms, any such disruptions, even temporary, may have material impacts on our business and operations.

We are subject to the standard policies and terms of service of third-party platforms, which govern the promotion, distribution, content and operation generally of apps on the platform. Each platform provider has broad discretion to make changes to its operating systems or payment services or change the manner in which their mobile operating systems function and to change and interpret its terms of service and other policies with respect to us and other developers, and those changes may be unfavorable to us. For example, such changes could limit, eliminate or otherwise interfere with our products, our ability to distribute our apps through their stores, our ability to update our apps, including to make bug fixes or other feature updates or upgrades, the features we provide, the manner in which we market our in-app products, our ability to access native functionality or other aspects of mobile devices, our ability to access information about our users that they collect, and our ability to request protective measures in relation to data privacy and security from such third-party platforms. To the extent third-party platform providers on which we rely make such changes, our business, financial condition and results of operations could be materially adversely affected.

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A platform provider may also change its fee structure, add fees associated with access to and use of its platform, alter how we are able to advertise on the platform, change how the personal information of its users is made available to application developers on the platform, limit the use of personal information for advertising purposes, or restrict how users can share information with their friends on the platform or across platforms. If we violate, or a platform provider believes we have violated, its terms of service (or if there is any change or deterioration in our relationship with these platform providers), that platform provider could limit or discontinue our access to the platform. A platform provider could also limit or discontinue our access to the platform if it establishes more favorable relationships with one or more of our competitors or it determines that we are a competitor. Any limit or discontinuation of our access to any platform could significantly reduce our ability to distribute our products to users or decrease the size of our user base, each of which would materially and adversely affect our business, financial condition and results of operations.

We also rely on the continued popularity and functionality of third-party platforms. In the past, some of these platform providers have been unavailable for short periods of time or experienced issues with their app downloading functionality. If either of these events recurs on a prolonged, or even short-term, basis or other similar issues arise that impact users’ ability to access our app or access social features, our business, financial condition, results of operations or reputation may be harmed.

We rely on third-party hosting and cloud computing providers to operate certain aspects of our business. A significant portion of our product traffic is hosted by a limited number of vendors, and any failure, disruption or significant interruption in our network or hosting and cloud services could adversely impact our operations and harm our business.

Our technology infrastructure is critical to the performance of our products and to user satisfaction, as well as our corporate functions. Our products and company systems run on a complex distributed system, or what is commonly known as cloud computing. We operate and maintain elements of this system, but significant elements of this system are operated by third parties that we do not control, and which would require significant time and expense to replace. We expect this dependence on third parties to continue. We may suffer interruptions in service during our operations, including when releasing new software versions or bug fixes, and if any interruption is significant and/or prolonged, it could adversely affect our business, financial condition, results of operations or reputation.

In particular, our product traffic, data storage, data processing and other computing services and systems are hosted by third-party cloud computing providers. Third-party cloud computing providers provide us with computing and storage capacity and promise to ensure our data security and privacy pursuant to agreements with us. We may in the future experience disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and capacity constraints. If a particular application is unavailable when users attempt to access it or navigation through a product is slower than they expect, users may stop using the application and may be less likely to return to the application as often, if at all.

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Any failure, disruption or interference with our use of hosted cloud computing services and systems provided by third parties could adversely impact our business, financial condition or results of operations. To the extent we do not effectively respond to any such interruptions, upgrade our systems as needed and continually develop our technology and network architecture to accommodate traffic, our business, financial condition or results of operations could be adversely affected. Furthermore, our disaster recovery systems and those of third parties with which we do business may not function as intended or may fail to adequately protect our critical business information in the event of a significant business interruption, which may cause interruption in service of our products, security breaches or the loss of data or functionality, leading to a negative effect on our business, financial condition or results of operations.

In addition, we depend on the ability of our users to access the internet. Currently, this access is provided by companies that have significant market power in the broadband and internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies, government-owned service providers, device manufacturers and operating system providers, any of whom could take actions that degrade, disrupt or increase the cost of user access to our products or services, which would, in turn, negatively impact our business. The adoption or repeal of any laws or regulations that adversely affect the growth, popularity or use of the internet, including laws or practices limiting internet neutrality, could decrease the demand for, or the usage of, our products and services, increase our cost of doing business and adversely affect our results of operations.

We are subject to PRC laws, regulations and government policies in connection with operating a comprehensive mobility platform.

Our business is subject to various PRC laws and regulations and governmental supervision by the relevant PRC governmental authorities in connection with operating a comprehensive mobility platform. These laws and regulations require us, among other things, to obtain licenses, permits or approvals for our businesses, such as separate licenses for provision of value-added telecommunication business, travel agency, internet map, and other internet-related activities. For more information, see “Regulations” and “Business — Licenses, Permits and Approvals.” If we fail to obtain or renew any of the required licenses, permits or approvals, or are otherwise found to be in violation of any other laws and regulations, we may be subject to various penalties, such as warnings, fines, orders to rectify any violations, or suspension of operations in the regulated businesses, any of which could disrupt our business operations and, in turn, adversely affect our financial condition and results of operations.

Additionally, the PRC government may promulgate new laws and regulations, interpretation of existing laws and regulations, as well as regulatory guidance and policies. We may not be able to always keep abreast of these developments, and we could be subject to regulatory or administrative penalties and operational disruption if we are unable to comply with these laws, regulations and policies in a timely fashion, or at all. For example, the Standing Committee of the National People’s Congress (the “SCNPC”) promulgated the E-Commerce Law of the People’s Republic of China (《中華人民共和國電子商務法》) (the

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“E-Commerce Law”) on August 31, 2018, which came into effect on January 1, 2019. Pursuant to the E-Commerce Law, an e-commerce platform operator shall take joint liabilities with the relevant merchants operating on its platform and may be subject to warnings and fines where it fails to take necessary measures when (i) it knows or should have known that the products or services provided by the merchants operating on its platform do not meet the personal or property safety requirements or such merchants’ other acts may infringe on the lawful rights and interests of the consumers; or (ii) it knows or should have known that the merchants operating on its platform infringe any intellectual property rights of any other third party. In addition, with respect to products or services affecting the consumers’ life and health, if an e-commerce platform operator fails to examine and verify the merchants’ qualification, or it fails to assure the consumers’ security, which results in damages to consumers, it shall take corresponding liabilities and may be subject to warnings and fines. For more information about the E-Commerce Law, see “Regulations — Regulations on E-Commerce.” In addition, the Civil Aviation Administration of China (the “CAAC”) issued the Notice on Regulating Online Air-Ticketing (《關於規範互聯網機票銷售行為的通知》) in August 2017 which requires online travel platforms to ensure that ancillary air-ticket-related services and products are offered to users as an option in addition to their air ticket purchases, with the terms of these ancillary services and products disclosed in an explicit and accurate manner, as well as other laws and regulations designed to curb improper bundle sales of travel products and services. For more information about the foregoing CAAC notice, see “Regulations — Regulations on Air-Ticketing.” These additional laws, regulations and policies may also require us to change certain aspects of our business, operations and commercial relationships, which could decrease the demand for our products and services, reduce revenue, increase costs, result in additional compliance obligations and/or subject us to additional liabilities. If we are unable to respond to these new laws, regulations and policies in an effective and cost-efficient manner, our business, financial condition and results of operations may be materially and adversely impacted.

If our ride hailing platform or drivers or vehicles on it fail to obtain and maintain the required licenses or permits for providing online ride hailing services, our business, financial condition, and results of operations may be materially and adversely impacted.

In 2021, 2022 and 2023 and the six months ended June 30, 2024, revenue from our online ride hailing services accounted for 3.3%, 1.4%, 1.6% and 1.1% of our total revenue, respectively. The online ride hailing industry is highly regulated in China. The existing regulations and rules applicable to the industry are constantly evolving. For instance, 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.

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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 county level finds that the platform no longer has the online and offline service capabilities or has committed a “serious breach.”

During the Track Record Period, some of the vehicles and drivers providing such services through our platforms did not possess the requisite transportation permits and online ride hailing driver’s licenses at the time of services. As a result, during the Track Record Period, we received fines due to provision of services on our platforms by some vehicles or drivers without the requisite permits or licenses, which accounted for less than 0.1% of our total revenue. As of the date of this document, all of these fines had been fully and timely paid by us. As of the same date, no transport authorities had ordered us to suspend our business operations or revoked our platform license. For a detailed discussion of specific non-compliance during the Track Record Period, see “Business — Legal Proceedings and Regulatory Compliance — Regulatory Compliance — Transportation Permits and Online Ride Hailing Driver’s Licenses.”

We have taken proactive measures in rectifying such non-compliances. To monitor our compliance, we require drivers to provide relevant licenses and vehicle permits before they are allowed to join our platforms. We strictly prohibit drivers’ non-compliant behaviors, such as allowing unlicensed personnel to drive their vehicles. As of June 30, 2024, there were 192 vehicles taking orders through our platforms, all of which had obtained the requisite transportation permits and online ride hailing driver’s licenses. However, if in the future our platforms or the vehicles or drivers on our platforms fail to obtain or maintain any required permits or licenses going forward in a timely matter or at all, we may be subject to a variety of penalties, which may disrupt our business operations and materially and adversely affect our financial condition and results of operations.

A cybersecurity breach or failure of one or more key information technology systems, improper unauthorized access to or disclosure of our proprietary data or user-related data, including personal data, other hacking and phishing attacks on our systems or service, or other cyber incidents could have a material adverse effect on our business or reputation.

In order to effectively provide our services, we collect and use basic user data, including the phone number, name, identification, itinerary, bank account and payment information of the user. We only collect the personal information and data necessary for the use of our products and services. While we have taken steps to protect our data pursuant to applicable laws and regulations, we cannot guarantee that our security measures will effectively prevent data breaches in all circumstances. Techniques used to obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, and we may be unable to anticipate these techniques or to implement adequate preventive measures. Any failure or perceived failure by us or our TSPs or other business partners to

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protect such information could damage our reputation, cause users and business partners to lose confidence in us and cease to purchase travel products and services through our online platforms, or subject us to inquiries and other proceedings or actions against us by government agencies or others, all of which may materially and adversely affect our business, financial condition and results of operations.

We also face risks associated with security breaches affecting third parties conducting business over the Internet. Users generally are concerned with security and privacy on the Internet, and any publicized security problems could negatively affect their willingness to provide private information or effect commercial transactions on the Internet generally, including through our services. Additionally, users using our services could be affected by security breaches at third parties, such as our TSPs and payment processors, upon which we rely. A security breach at any such third party could be perceived by users as a security breach of our systems and could result in negative publicity, damage our reputation, expose us to risk of loss or litigation and possible liability and subject us to regulatory penalties and sanctions.

In addition, the interpretation of privacy and data protection laws and their application to the travel industry is in flux. There is a risk that these laws may be interpreted and applied in conflicting manners from country to country, or region to region, and in a manner that is not consistent with our current data protection practices. As our operations become increasingly globalized, complying with varying international requirements in different jurisdictions could cause us to incur substantial costs and change our business practices. Any failure or perceived failure to comply with these laws and regulations could result in claims, changes to our business practices, negative publicity, legal proceedings, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

The wide variety of payment methods that we adopt subjects us to risks related to third-party payment processing.

Orders placed by users on our platforms are primarily processed through third-party payment channels. We may suffer losses, because of orders placed with fraudulent payment data. Although we employ technologies to detect abnormal transactions, these technologies may not always be effective, due to either technical glitches or human error. Any failure to detect or control payment fraud could negatively impact our reputation and cause us to lose sales and revenue.

In addition, our business depends on the billing, payment, and escrow systems of the third-party payment service providers to maintain accurate records of payments by users and collect such payments. If the quality, utility, convenience, or attractiveness of these payment processing and escrow services declines, or if we have to change the pattern of using these payment services for any reason, the attractiveness of our Company could be materially and adversely affected. There are currently only a limited number of reputable third-party online payment systems in China. If any of these major payment systems decides to cease to provide services to us, or significantly increase the percentage they charge us for using their payment systems for our products and services, our business and results of operations may be materially and adversely affected.

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We are also subject to various rules, regulations, and requirements, regulatory or otherwise, governing electronic funds transfers that could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and become unable to accept the current online payment solutions from our users, and our business, financial condition, and results of operations could be materially and adversely affected.

Our results of operations may fluctuate due to seasonality, and the results for any period in a year are not necessarily indicative of full-year results.

Our business experiences fluctuations, reflecting seasonal variations in demand for leisure travel services. Sales of travel related services will increase in respect of holiday periods and decrease in respect of off-peak times and prices of travel services are subject to fluctuation between peak seasons and low seasons. In general, we generate higher revenue from the sales of travel services during holiday seasons, such as the Chinese New Year holiday, the Labor Day holiday, the National Day holiday, and summer holidays, compared to the rest of the year. In light of such seasonal pattern of the demand for our travel products and services, our revenue and results of operations are likely to continue to fluctuate due to seasonality, and thus the results for any period in a year are not necessarily indicative of the full-year results.

If we are not able to improve or maintain our selling and marketing efficiency, our business and results of operations may be materially and adversely affected.

We operate in a highly competitive industry, and we have invested significant resources in sales, marketing, and brand-building efforts. Our selling and marketing expenses amounted to RMB94.5 million, RMB44.1 million, RMB115.9 million and RMB62.6 million in 2021, 2022 and 2023 and the six months ended June 30, 2024, respectively, accounting for 27.5%, 15.7%, 23.1% and 22.3% of our total revenue for the respective periods. We intend to conduct more selling and marketing activities through online advertising and offline branding activities. These selling and marketing activities may not be well received by our target users and may not result in the levels of sales that we anticipate. We also may not be able to retain or recruit experienced sales and marketing staff, or to efficiently train junior sales and marketing staff. In addition, selling and marketing approaches and tools in the travel market in China are evolving. This further requires us to enhance our marketing and branding approaches and experiment with new methods to keep pace with industry developments and user preferences. Failure to refine our existing selling and marketing approaches or to introduce new selling and marketing approaches in a cost-effective manner may reduce our market share, cause our revenue to decline and negatively impact our profit margins.

We are subject to credit risk relating to the collection of trade receivables from our customers.

Our trade receivables represent the amounts due from our customers for the purchase of the services we provide in the ordinary course of business. Generally, we grant credit terms of one to three months to our customers. A substantial majority of our outstanding accounts

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receivables are not covered by collateral, third-party bank support or financing arrangements, or credit insurance. As of December 31, 2021, 2022 and 2023 and June 30, 2024, our net trade receivables amounted to RMB47.0 million, RMB65.9 million, RMB87.7 million and RMB66.4 million, respectively, after subtracting an allowance for impairment of RMB2.6 million, RMB5.2 million, RMB4.9 million and RMB3.5 million, respectively. This allowance accounts for the expected risk that some trade receivables may not be fully collected. We apply the simplified approach to provide for the expected credit loss prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The expected loss rates are based on the corresponding historical credit losses, which are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We cannot assure you that we will be able to recover all or any part of our trade receivables due from our customers within the agreed credit terms or at all. Furthermore, to the extent we expand our business to international markets, our exposure to credit and collectability risk on our accounts receivable may be higher in certain international markets and our ability to mitigate such risks may be limited. Failure to collect any overdue trade receivables may have an adverse effect on our financial condition and results of operations.

The determination of the fair value changes and impairment of certain of our financial assets requires the use of estimates that are based on unobservable inputs, and therefore inherently involves a certain degree of uncertainty.

We use significant unobservable inputs, such as expected volatility, discount for lack of marketability, risk-free interest rate, expected rate of return, financial data of target company, market multiple of comparable companies and risk adjusted discount rates, in valuing certain of our assets, including investments in wealth management products and derivative financial assets measured at fair value through profit or loss and investment in unlisted equity securities measured at fair value through other comprehensive income. As of December 31, 2021, 2022 and 2023 and June 30, 2024, our financial assets at fair value through profit or loss amounted to RMB40.1 million, RMB14.5 million, RMB23.9 million and RMB9.6 million, respectively, and our financial assets at fair value through other comprehensive income amounted to nil, nil, RMB20.0 million and RMB20.1 million, respectively. Determination on fair value requires us to make significant estimates, which may be subject to material changes, and therefore inherently involves a certain degree of uncertainty. Factors beyond our control can significantly influence and cause adverse changes to the estimates we use and thereby affect the fair value of such assets. Any of these factors, as well as others, could cause our estimates to vary from actual results, which could materially and adversely affect our financial condition and results of operation. In addition, the process for determining fair value usually requires complex and subjective judgments, which could subsequently prove to have been wrong. Any changes in fair value of investment measured at fair value through profit or loss and investment measured at fair value through other comprehensive income could also affect our financial condition and results of operation.

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Our recognition of deferred income tax asset is subject to significant management judgment, and we cannot guarantee we will generate sufficient taxable profits in the future to fully utilize the deferred income tax assets.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized based upon the likely timing and the level of future taxable profits of the individual entities together with tax planning strategies. Although we estimate and recognize the deferred income tax asset in good faith, we cannot assure you that we will generate sufficient taxable profits in the future to fully utilize the deferred income tax assets. If we cannot utilize the deferred income tax assets, our financial conditions will be adversely affected.

Failure to obtain any preferential tax treatments, or the discontinuation, reduction or delay of any of the preferential tax treatments that may be available to us in the future, could materially and adversely affect our business, financial condition and results of operations.

Under the PRC Enterprise Income Tax Law effective from December 29, 2018, foreign-invested companies such as the WFOEs, and domestic companies such as our Consolidated Affiliated Entities, are subject to a unified income tax rate of 25%. Various favorable income tax rates are, however, available to qualified enterprises in certain encouraged sectors of the economy. For the companies that qualified as “high and new technology enterprise,” such as Huoli Tianhui, are eligible for such preferential tax treatment and are entitled to a preferential rate of 15%. We have enjoyed various preferential tax treatments during the Track Record Period. For details, see Note 12 to the Accountant’s Report included in Appendix IA to this document. If any of our PRC subsidiaries and Consolidated Affiliated Entities that qualifies for preferential tax treatment fails to continue to qualify in a subsequent year, our income tax expenses would increase, which may have a material adverse effect on our net income and results of operations.

If we are unable to identify, attract, hire, train or retain key personnel, our business may be adversely affected.

Our future performance depends on the continued service of our senior management. If one or more of our key executives were unable or unwilling to continue in their present positions, we may not be able to replace them easily, our future growth may be constrained, our business may be disrupted and our financial condition and results of operations may be materially and adversely affected.

As our business continues to expand, we will need to hire additional personnel, including user and TSP services, information technology and engineering personnel. If we are unable to identify, attract, hire, train or retain sufficient employees in these areas, our users may not have satisfactory experiences with us and may turn to our competitors, which may adversely affect our business and results of operations.

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In addition, China's overall economy and the average compensation level for employees in China have increased in recent years and are expected to continuously grow. As a result, we expect our labor costs, including wages and employee benefits, to continue to increase in the foreseeable future. Unless we are able to cover these increased labor costs with an increase in revenue, our financial condition and results of operations may be adversely affected.

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 have adopted the Share Incentive Plan for the purpose of granting share-based compensation awards to their respective employees. As of the Latest Practicable Date, options to purchase 63,310,016 Shares under the Share Incentive Plan have been granted and outstanding. The relevant share-based compensation expenses had largely been recorded during the Track Record Period. We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we may elect to grant additional share-based compensation to employees in the future. Issuance of additional Shares with respect to such share-based compensation may dilute the shareholding percentage of our existing Shareholders, and our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

We may be involved in legal and other disputes from time to time arising out of our operations, including allegations relating to our infringement of intellectual property rights of third parties.

We may be from time to time subject to legal proceedings, claims or regulatory actions in the ordinary course of our business, including breach of contract claims, alleged infringement on copyrights or other intellectual property rights used in our operation. Any claims against us, with or without merit, could be time consuming and costly to defend or litigate, divert our management's attention and resources or result in the loss of goodwill associated with our brand. If we are found to have infringed on 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. Successful infringement or licensing claims made against us may result in significant financial liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question. Moreover, regardless of whether we successfully defend against such claims, we could suffer negative publicity and our reputation could be severely damaged. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

If we fail to protect our intellectual property rights and the confidentiality of our proprietary information and know-how, our brand and business may suffer.

We believe that our patents, copyrights, trademarks, other intellectual property and know how are essential to our success. We depend, to a large extent, on our ability to develop and maintain the intellectual property rights relating to our technology. We have devoted considerable time and resources to the development and improvement of our mobile apps and our system infrastructure.

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We rely primarily on a combination of intellectual property laws and other contractual restrictions, including confidentiality agreements, non-compete agreements and IP ownership assignment terms, for the protection of the intellectual property used in our business. Nevertheless, these measures provide only limited protection and the actions we take to protect our intellectual property rights may not be adequate. Our trade secrets may become known or be independently discovered by our competitors. Third parties may in the future infringe upon or misappropriate our other intellectual property. Infringement upon or the misappropriation of our technologies or other intellectual property could have a material adverse effect on our business, financial condition or results of operations. Although we have taken measures in monitoring and policing the unauthorized use of our intellectual property, policing the unauthorized use of intellectual property rights can be difficult and expensive.

In addition, litigation may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of the proprietary rights of others. Such litigation may be costly and divert management's attention away from our business. An adverse determination in any such litigation would impair our intellectual property rights and may harm our business, prospects and reputation. In addition, we have no insurance coverage against litigation costs and would have to bear all costs arising from such litigation to the extent we are unable to recover them from other parties. If we are unable to adequately protect our trademarks, copyrights, and other intellectual property rights, we may lose these rights, our brand name may be harmed, and our business may suffer materially.

We may require additional capital to meet our future capital needs, which may result in additional shareholder dilution. If we cannot obtain additional capital on acceptable terms, or at all, our business, financial condition and results of operations may be materially and adversely affected.

We believe that our current cash and cash equivalents, and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs in the near term. We may, however, require additional cash resources due to changed business conditions or other future developments, including any marketing initiatives or investments we may decide to pursue. If current cash resources are insufficient to satisfy our cash requirements, we may seek to obtain a credit facility or sell additional equity or debt securities. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. The sale of additional equity securities could result in dilution of our existing shareholders. It is uncertain whether financing will be available in amounts or on terms acceptable to us, if at all. If adequate capital is not available to us as required, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our infrastructure or respond to competitive pressures could be significantly limited.

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We may engage in acquisition and investment activities, which could require significant management attention, disrupt our business, dilute shareholder value, and adversely affect our operating results.

As part of our business strategy, we may acquire or make investments in other companies, products, or technologies to enhance the features and functionality of our devices, and accelerate the expansion of our platforms and network of strategic partners. We may not be able to find suitable acquisition or investment candidates and we may not be able to complete acquisitions and investments on favorable terms, if at all. If we do complete acquisitions and investments as we expect, we may not ultimately strengthen our competitive position or achieve our goals; and any acquisition and investment we complete could be viewed negatively by users or investors. In addition, if we fail to successfully integrate such acquisitions, or the technologies associated with such acquisitions, into our Company, the revenue and operating results of the combined company could be adversely affected.

Acquisitions and investments may disrupt our ongoing operations, divert management from their primary responsibilities, subject us to additional liabilities, increase our expenses, and adversely impact our business, financial condition, operating results, and cash flow. We may not accurately forecast the financial impact of an acquisition or investment transaction, including accounting charges. We would have to pay cash, incur debt, or issue equity securities to pay for any such acquisition and investment, each of which may affect our financial condition or the value of our capital stock and could result in dilution to our shareholders.

Additionally, we may receive indications of interest from other parties interested in acquiring some or all of our business. The time required to evaluate such indications of interest could require significant attention from management, disrupt the ordinary functioning of our business, and adversely affect our operating results.

We have limited business insurance coverage and our insurance policies may not provide adequate coverage for all existing and potential claims associated with our business operations.

Insurance companies in China offer limited business insurance products. Business disruption insurance is available to a limited extent in China, but we have determined that the risks of disruption, the cost of such insurance and the difficulties associated with acquiring such insurance make it commercially impractical for us to have such insurance. We maintain insurance coverage for travel company liabilities, but we do not maintain insurance coverage for business disruptions and would have to bear the costs and expenses associated with any such events out of our own resources. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

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If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and our [REDACTED] may be materially and adversely affected.

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. 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 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, results of operations and financial condition could be materially and adversely affected.

Failure to fully comply with labor-related laws and regulations may subject us to penalties.

Companies operating in China are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at locations where we operate our businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. During the Track Record Period, we did not fully contribute to the social insurance and housing provident funds for some of our employees. We have made full provisions in respect of the outstanding amount of the social insurance fund and housing provident fund contributions. In 2021, 2022 and 2023 and the six months ended June 30, 2024, our outstanding amount of social insurance fund and housing provident fund contributions amounted to RMB2.0 million, RMB2.0 million, RMB3.5 million and RMB2.4 million, respectively. For details, see “Business — Employees — Remuneration and Benefits.” As advised by our PRC Legal Advisor, for outstanding social insurance fund contributions that we did not fully pay within the prescribed deadlines, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated period, and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each

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day of delay. If we fail to repay the outstanding social insurance contributions within the stipulated period, we may be liable for a fine of one to three times the outstanding contribution amount. As of the Latest Practicable Date, we had not received any order of correction from the competent authority, or any complaint or labor arbitration application from any of our employees, as a result of any such failure. However, we cannot assure you that the competent authority will not require us to rectify any non-compliance or to pay any penalty related thereto. Additionally, we cannot assure you that any new laws and regulations or any developments in the implementation of the existing laws and regulations will not require us to pay any contribution shortfall retroactively, thereby adversely affecting our results of operations and financial condition.

We face certain risks relating to our leased properties.

All our office spaces, including the premise where our headquarter is currently located, are located in leased properties. As of the Latest Practicable Date, we leased 19 properties in the PRC, among which 18 of our lease agreements had not been registered with the relevant local authorities and the lessors of six properties had not provided title certificates or relevant authorization documents evidencing their rights to lease the properties. We cannot assure you that title to our leased properties will not be challenged. Under the PRC laws, all lease agreements are required to be registered with the relevant real estate administration bureaus. As registration of a lease agreement will require the cooperation of the landlord, we cannot assure you that we can complete the registration of such lease agreements in a timely manner or at all. Failure to complete the registration and filing of lease agreements will not affect the validity of such lease agreements or result in us being required to vacate the leased properties. However, the relevant government authorities may impose a fine on each lease ranging from RMB1,000 to RMB10,000. As of the Latest Practicable Date, we had not been ordered by any PRC government authorities to register any lease agreements. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

Furthermore, we cannot assure you that we are able to renew our lease on commercially acceptable terms upon expiry, or at all. If the title of any of our leased properties is controversial or the validity of the relevant lease is challenged by any third party, or if we fail to renew our lease upon expiry, we may be compelled to relocate from the affected premises. Such relocation may result in additional expenses or business interruption, which could, in turn, have an adverse effect on our business, financial condition and results of operations.

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Risks Relating to Our Corporate Structure

We conduct our Businesses in the PRC through our Consolidated Affiliated Entities by way of Contractual Arrangements, and if the PRC government finds that these Contractual Arrangements do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to penalties or be forced to relinquish our interests in those operations.

Current PRC laws and regulations impose certain restrictions and prohibitions on foreign ownership of companies that engage in the Internet related businesses, such as the provision of internet information services. For example, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider (other than those engaged in e-commerce, domestic multi-party communications, store-and-forward and call centers services) in accordance with the Provisions on Administration of Foreign Invested Telecommunications Enterprises (《外商投資電信企業管理規定》).

We are a company incorporated under the laws of the Cayman Islands, and the WFOEs, being our wholly-owned PRC subsidiaries, are therefore considered foreign-invested enterprises. To comply with PRC laws and regulations, we currently conduct a significant portion of our business in the PRC through the Consolidated Affiliated Entities, as well as their respective subsidiaries, through a series of Contractual Arrangements by and among Shenzhen WFOE, the Consolidated Affiliated Entities, as well as the Registered Shareholders. The Contractual Arrangements enable us to (i) have the power to direct the activities that most significantly affect the economic performance of the Consolidated Affiliated Entities; (ii) receive approximately 95.87% of the economic benefits from the Consolidated Affiliated Entities in consideration for the services provided by the relevant WFOE; and (iii) have an exclusive option to purchase all or part of the equity interests in the Consolidated Affiliated Entities when and to the extent permitted by PRC law or request any Registered Shareholder of the Consolidated Affiliated Entities to transfer any or part of the equity interest in the relevant Consolidated Affiliated Entity to another PRC person or entity designated by us at any time at our discretion. Because of the Contractual Arrangements, we are the primary beneficiary of the Consolidated Affiliated Entities and their respective subsidiaries and consolidate the results of operations of the Consolidated Affiliated Entities into ours. Our Consolidated Affiliated Entities hold the licenses, approvals and key assets that are essential for our business operations.

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If the PRC government finds that our Contractual Arrangements do not comply with its restrictions on foreign investment, or if the PRC government otherwise finds that we, the Consolidated Affiliated Entities or any of their subsidiaries are in violation of PRC laws or regulations or lack the necessary permits or licenses to operate our business, the relevant PRC regulatory authorities, including but not limited to MOFCOM and MIIT, would have broad discretion in dealing with such violations or failures, including, without limitation:

- revoking our business and operating licenses;
- discontinuing or restricting our operations;
- imposing fines or confiscating any of our income that they deem to have been obtained through illegal operations;
- imposing conditions or requirements with which we or our PRC subsidiaries and Consolidated Affiliated Entities may not be able to comply;
- requiring us or our PRC subsidiaries and Consolidated Affiliated Entities to restructure the relevant ownership structure or operations;
- restricting or prohibiting our use of the [REDACTED] from the [REDACTED] or our other financing activities to finance the business and operations of our Consolidated Affiliated Entities; or
- taking other regulatory or enforcement actions that could be harmful to our business.

Any of these actions could cause significant disruption to our business operations, and may materially and adversely affect our business, financial condition and results of operations. In addition, it is unclear what impact the PRC government actions would have on us and on our ability to consolidate the financial results of any of the Consolidated Affiliated Entities in our combined financial statements, if the PRC governmental authorities find our legal structure and Contractual Arrangements to be in violation of PRC laws, rules and regulations. If any of these penalties results in our inability to direct the activities of Consolidated Affiliated Entities that most significantly impact their economic performance and/or our failure to receive the economic benefits from the Consolidated Affiliated Entities, we may not be able to consolidate the Consolidated Affiliated Entities into our combined financial statements in accordance with the HKFRSs.

Certain provisions in the Contractual Arrangements through which we conduct our business operations in the PRC may not be enforceable under PRC laws.

All the agreements under the Contractual Arrangements are governed by PRC laws. Developments in the PRC legal system could limit our ability to enforce our Contractual Arrangements. In the event that we are unable to enforce the Contractual Arrangements, or if we suffer significant time delays or other obstacles in the process of enforcing them, it would be very difficult to exert effective control over the Consolidated Affiliated Entities, and our ability to conduct our business and our financial condition and results of operations may be materially and adversely affected.

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Under the dispute resolution provisions of the agreements under the Contractual Arrangements, in the event of any dispute relating to the Contractual Arrangements, any party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with the then effective arbitration rules and procedures. The Contractual Arrangements also contain provisions to the effect that the arbitration tribunal may grant any remedies in accordance with the relevant agreement and applicable PRC laws, including preliminary and permanent injunctive relief (such as injunctions against carrying out business activities, or mandating the transfer of assets), specific performance of contractual obligations, remedies concerning the equity interest or assets of our Consolidated Affiliated Entities and awards directing them to conduct liquidation. However, under PRC laws, an arbitral body does not have the power to grant injunctive relief or to directly issue liquidation orders. Interim remedies or enforcement orders granted by overseas courts such as the courts of Hong Kong and the Cayman Islands also may not be enforceable under PRC laws. For details of the enforceability of the Contractual Arrangements, see “Contractual Arrangements — Our Contractual Arrangements — Summary of the Material Terms under the Contractual Arrangements — Other Key Terms Thereunder — Dispute Resolution.” Therefore, in the event that the Consolidated Affiliated Entities or their shareholders breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over our Consolidated Affiliated Entities and conduct our business could be materially and adversely affected.

The interpretation and implementation of the Foreign Investment Law may be subject to developments from time to time, and it remains to be seen how it may impact the viability of our current corporate structure and business operations.

On March 15, 2019, the National People’s Congress of the PRC promulgated the Foreign Investment Law (《中華人民共和國外商投資法》), which took effect on January 1, 2020. Along with the Foreign Investment Law, the Regulations on the Implementation of Foreign Investment Law (《中華人民共和國外商投資法實施條例》) promulgated by the State Council and the Interpretation on Several Issues Concerning the Application of the Foreign Investment Law of the PRC promulgated by the Supreme People’s Court (《最高人民法院關於適用〈中華人民共和國外商投資法〉若干問題的解釋》) also took effect on January 1, 2020. The Foreign Investment Law does not explicitly classify whether Consolidated Affiliated Entities that are controlled through contractual arrangements would be deemed as foreign invested enterprises if they are ultimately “controlled” by foreign investors. However, it has a catch-all provision under the definition of “foreign investment” that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations or other methods prescribed by the State Council. We cannot guarantee that future laws and regulations will not recognize contractual arrangements as a form of foreign investment and there can be no assurance that our control over our Consolidated Affiliated Entities through contractual arrangements will not be deemed as foreign investment in the future.

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The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either “restricted” or “prohibited” from foreign investment in the Special Administrative Measures for Access of Foreign Investments (Negative List) (2021 Version) (《外商投資准入特別管理措施(負面清單)》(2021年版)), jointly promulgated by the MOFCOM and the NDRC, and took effect on January 1, 2022 as amended by the Special Administrative Measures for Access of Foreign Investments (Negative List) (2024 Version) (《外商投資准入特別管理措施(負面清單)》(2024年版)) promulgated on September 6, 2024 and shall come into effect since November 1, 2024 (the “**Negative List**”). The Foreign Investment Law provides that (i) foreign-invested entities operating in “restricted” industries are required to meet the conditions specified in the Negative List; (ii) foreign investors shall not invest in any industries that are “prohibited” under the Negative List. Our business is also subject to other restrictions under applicable laws and regulations. See “Contractual Arrangements” for more details. If our control over our Consolidated Affiliated Entities through the Contractual Arrangements is deemed as foreign investment in the future, and any business of our Consolidated Affiliated Entities is “restricted” or “prohibited” from foreign investment under the “negative list” effective at the time or under other applicable laws and regulations, we may be deemed to be in violation of the Foreign Investment Law, the Contractual Arrangements that allow us to have control over our Consolidated Affiliated Entities may be deemed as invalid and illegal, and we may be required to unwind such Contractual Arrangements and/or restructure our business operations, any of which may materially and adversely affect our business operation.

Furthermore, if future laws, administrative regulations or provisions 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. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations.

Our Contractual Arrangements may not be as effective in providing operational control as direct ownership, and the Consolidated Affiliated Entities or their respective shareholders may fail to perform their obligations under our Contractual Arrangements.

Due to the PRC restrictions or prohibitions on foreign ownership of Internet and other related businesses in China, we operate a portion of our business in China through our Consolidated Affiliated Entities, and we rely on a series of Contractual Arrangements with the Consolidated Affiliated Entities and their respective shareholders to control and operate their business. These Contractual Arrangements are intended to provide us with effective control over our Consolidated Affiliated Entities and allow us to obtain economic benefits from them. See “Contractual Arrangements.”

Although we have been advised by Commerce & Finance Law Offices, our PRC Legal Advisor, that our Contractual Arrangements with the Consolidated Affiliated Entities constitute valid and binding obligations enforceable against each party of such agreements in accordance with their terms, these Contractual Arrangements may not be as effective in providing control over Consolidated Affiliated Entities as direct ownership. If the Consolidated Affiliated Entities or their shareholders fail to perform their respective obligations under the Contractual

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Arrangements, we may incur substantial costs and expend substantial resources to enforce our rights. All of these Contractual Arrangements are governed by and interpreted in accordance with PRC laws, and disputes arising from these Contractual Arrangements will be resolved through arbitration or litigation in China. There are relatively few precedents and little official 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 outcome of arbitration or litigation. These uncertainties could limit our ability to enforce these Contractual Arrangements. In the event we are unable to enforce these Contractual Arrangements, or we experience significant delays 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 may lose control over the assets owned by our Consolidated Affiliated Entities. As a result, we may be unable to consolidate our Consolidated Affiliated Entities in our combined financial statements and our ability to conduct our business may be negatively affected.

We may lose the ability to use or benefit from, the licenses, approvals, and assets held by our Consolidated Affiliated Entities that are material to our business operations if any of our Consolidated Affiliated Entities declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

We do not have priority pledges and liens against the assets of our Consolidated Affiliated Entities. If any of our Consolidated Affiliated Entities undergoes an involuntary liquidation proceeding, third-party creditors may claim rights to some or all of its assets and we may not have priority over such third-party creditors on the assets of our Consolidated Affiliated Entities. If our Consolidated Affiliated Entities liquidate, we may take part in the liquidation procedures as a general creditor under the PRC Enterprise Bankruptcy Law and claim any outstanding liabilities owed by Consolidated Affiliated Entities to the relevant WFOE under the applicable service agreement, along with other general creditors.

If the Registered Shareholders of our Consolidated Affiliated Entities were to attempt to voluntarily liquidate our Consolidated Affiliated Entities without obtaining our prior consent, we could effectively prevent such unauthorized voluntary liquidation by exercising our right to request the Registered Shareholders of our Consolidated Affiliated Entities to transfer all of their respective equity ownership interests to an entity or individual designated by us in accordance with the option agreement with the Registered Shareholders of our Consolidated Affiliated Entities. In addition, under the Contractual Arrangements signed by, among others, the relevant WFOE, the Consolidated Affiliated Entities and the Registered Shareholders, the Registered Shareholders do not have the right to receive dividends or retained earnings or other distributors from Consolidated Affiliated Entities without our consent. In the event that the Registered Shareholders initiate a voluntary liquidation proceeding without our authorization or attempts to distribute the retained earnings or assets of our Consolidated Affiliated Entities without our prior consent, we may need to resort to legal proceedings to enforce the terms of the Contractual Arrangements. Any such legal proceeding may be costly and may divert our management’s time and attention away from the operation of our business, and the outcome of such legal proceeding will be uncertain.

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The Registered Shareholders may potentially have a conflict of interest with us, and they may breach their contractual arrangements with us or cause such arrangements to be amended in a manner contrary to our interests.

We conduct a significant portion of our operations, and generate a significant portion of our revenue, through the Consolidated Affiliated Entities. Our control over these entities is partially based upon the Contractual Arrangements with the Consolidated Affiliated Entities and the Registered Shareholders that allow us to control the Consolidated Affiliated Entities. The Registered Shareholders may potentially have a conflict of interest with us, and they may breach their Contractual Arrangements with us, if they believe it would further their own interest or if they otherwise act in bad faith. We cannot assure you that when conflicts of interest arise between us and the Consolidated Affiliated Entities, the Registered Shareholders will act in our interests or that the conflicts of interest will be resolved in our favor.

In addition, the Registered Shareholders may breach or cause the Consolidated Affiliated Entities to breach the Contractual Arrangements. If the Consolidated Affiliated Entities or the Registered Shareholders breach their Contractual Arrangements with us or otherwise have disputes with us, we may have to initiate legal proceedings, which involve significant uncertainty. Such disputes and proceedings may significantly disrupt our business operations, adversely affect our ability to control the Consolidated Affiliated Entities and otherwise result in negative publicity. We cannot assure you that the outcome of any such dispute or proceeding will be in our favor.

Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your [REDACTED].

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material adverse tax consequences if the PRC tax authorities determine that the Contractual Arrangements signed by, among others, the relevant WFOE, our Consolidated Affiliated Entities and the Registered Shareholders are not at arm's-length and adjust our Consolidated Affiliated Entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction, for PRC tax purposes, of expense deductions recorded by our Consolidated Affiliated Entities, which could in turn increase its tax liabilities without reducing our tax liabilities. In addition, the PRC tax authorities may impose late payment fees and other penalties to our Consolidated Affiliated Entities for under-paid taxes. Our consolidated net loss may be increased if our tax liabilities increase or if we are found to be subject to late payment fees or other penalties.

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Risks Relating to Doing Business in the Jurisdiction Where We Operate

Failure to respond to the development in the economic, social and other general conditions in the geographical market in which we operate could affect our business, results of operations, financial condition and prospects.

We currently mainly operate in China and substantially all of our assets are located in China. Accordingly, our business, results of operations and financial condition may be affected to a significant degree by economic, social conditions, legal and other general developments in China. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. The aforementioned adjustments are beneficial to China’s economy in general, but may have an impact on our business operations and financial performance. It may be difficult for us to predict all the risks that we could face as a result of the current development and many of these risks are beyond our control. Failure to respond to such development and risks could affect our business, results of operations, financial condition and prospects.

Laws and regulations on currency conversion and future fluctuations in exchange rates could have a material adverse effect on our business, results of operations, financial condition and prospects, and may reduce the value of, and dividends payable on, our Shares in foreign currency terms.

Our revenue and expenses are substantially denominated in Renminbi. A portion of the revenue must be converted into other currencies in order to meet our foreign currency obligations. For example, we will need to obtain foreign currency to make payments of declared dividends, if any, on our Shares. Under China’s existing foreign exchange regulations, we are able to make payments of current account items, including paying dividends in foreign currencies without prior approval from SAFE, by complying with certain procedural requirements. We cannot assure you that we will be able to complete the necessary procedural requirements on a timely basis. Our ability to pay dividends in foreign currencies to our Shareholders may be adversely affected. Foreign exchange transactions under our capital account are subject to foreign exchange regulations and require the SAFE’s approval. These limitations could affect our ability to convert funds denominated in foreign currencies raised through offshore financing.

The value of the Renminbi against the Hong Kong dollar, the U.S. dollar, and other currencies fluctuates due to various factors, including from government policies (including those of the PRC government), and is influenced by domestic and international economic and political developments, as well as supply and demand in the local market. With a wider floating range of the Renminbi’s value against foreign currencies and a more market-oriented mechanism for determining the mid-point exchange rates, the Renminbi may significantly appreciate or depreciate against the Hong Kong dollar, the U.S. dollar, or other foreign currencies in the long-term. We cannot assure you that the Renminbi will not experience significant appreciation or depreciation against the Hong Kong dollar or the U.S. dollar or other foreign currencies in the future.

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Our [REDACTED] from the [REDACTED] will be denominated in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in a decrease in the value of our foreign currency-denominated assets and our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on our Shares in foreign currencies. There are limited instruments available for us to reduce our foreign currency risk exposure at reasonable cost in China, and we have not utilized, and may not in the future utilize, any such instrument. Furthermore, currently we are also required to obtain SAFE’s approval before converting significant sums of foreign currencies into Renminbi. All of these factors could materially and adversely affect our business, results of operations, financial condition and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

You may experience difficulties in effecting service of legal process, enforcing shareholder rights and foreign judgments, or bringing actions based on foreign laws, against us and our Directors and management.

Substantially all of our assets and a substantial portion of the assets of our Directors are located in China. On July 14, 2006, Hong Kong and 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 (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “**2006 Arrangement**”), promulgated on July 3, 2008, pursuant to which a party with an enforceable final court judgment rendered by any designated people’s court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people’s court of China or Hong Kong court. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the Arrangement, in which a Hong Kong court or a Chinese court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a judgment rendered by a Hong Kong court in China if the parties in the dispute did not agree to enter into a choice of court agreement in writing. Although the 2006 Arrangement became effective 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 the PRC and the government of the Hong Kong Special Administrative Region 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 (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**2019 Arrangement**”), which seeks to establish a bilateral legal mechanism that provides clarity and certainty for the recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong and mainland China, based on criteria other than a written choice of court agreement. The 2006 Arrangement was superseded upon the effectiveness of the 2019 Arrangement. However, judgments that do not conform to the 2019 Arrangement may not be recognized and enforced effectively.

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We are subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with [REDACTED] activities, including this [REDACTED].

On July 6, 2021, the General Office of the State Council, together with another regulatory authority, jointly promulgated the Opinions on Strictly Combating Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》), which calls for, among others, enhanced administration and supervision of overseas-listed China-based companies, proposes to revise the relevant regulations governing the overseas issuance and listing of shares by such companies, and clarifies the responsibilities of competent domestic industry regulators and government authorities.

On February 17, 2023, the CSRC released 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 five supporting guidelines (together, “**Overseas Listing Trial Measures**”), which came into effect on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, domestic companies that seek to list overseas, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC. Specifically, following the principle of substance over form, if an issuer meets both of the following criteria, its overseas offering and listing will be deemed as an indirect overseas offering and listing by a domestic enterprise: (1) any of the total assets, net assets, revenue or profits of the domestic operating entities of the issuer in the most recent accounting year accounts for more than 50% of the corresponding figure in the issuer’s audited combined financial statements for the same period; and (2) its major operational activities are carried out in China or its main places of business are located in China, or a majority of the senior management in charge of operation and management of the issuer are Chinese citizens or are domiciled in China. The filing is required to be conducted within three business days after the submission of the application for initial public offering and listing overseas to the overseas regulators. The CSRC will review the filing application and may have queries and/or consult with other relevant regulators. Filings granted by the CSRC will have a valid term of one year during which the issuer should complete the offering. Further follow-up offerings after overseas listings also require a filing within three business days after the completion of the offering, and the listed companies will need to report to the CSRC upon the occurrence and public disclosure of certain significant matters such as a change in control, penalty received from overseas securities regulators or relevant PRC regulators, a switch of listing status and a termination of listing. See “Regulations — Regulations on Mergers and Acquisitions and Overseas Listings.” If a domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as orders to rectify, warnings, fines, 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.

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Our PRC Legal Advisor is of the view that this [REDACTED] shall be deemed as an indirect overseas [REDACTED] and [REDACTED] by PRC domestic enterprise, and we are required to submit filings with the CSRC within three business days after we submit [REDACTED] for this [REDACTED]. We will take any and all actions necessary to complete the required procedures with the CSRC before the completion of this [REDACTED]. However, we cannot predict whether we will be able to complete such filing in a timely manner, or at all. If we could not complete such filing, we will suspend or terminate our [REDACTED] for [REDACTED]. Furthermore, if the filing procedure with the CSRC under the Overseas Listing Trial Measures is required for any future [REDACTED], [REDACTED] or any other [REDACTED] activities, it is uncertain whether we could complete the filing procedure in relation to any further [REDACTED] activities in a timely manner, or at all.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection, and the National Archives Administration of China published the revised Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《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》) (the “**Confidentiality and Archives Administration Provisions**”) which came into effect on March 31, 2023. The Confidentiality and Archives Administration Provisions require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. According to the Confidentiality and Archives Administration Provisions, during an overseas offering and listing, if a domestic company needs to provide or publicly disclose to securities companies, securities service providers and overseas regulators, any materials that contain relevant state secrets or that have an adverse impact on the national security or public interests, the domestic company should complete the relevant approval/filing and other regulatory procedures.

In addition, on December 28, 2021, the CAC, together with other relevant administrative departments, jointly promulgated the revised Cybersecurity Review Measures (《網絡安全審查辦法》) with effect from February 15, 2022, according to which critical information infrastructure operators that procure internet products and services, and network platform operators engaging in data processing activities, must be subject to the cybersecurity review if their activities affect or may affect national security. The Cybersecurity Review Measures further provide that an online platform operator who possesses personal information of over one million users and intends for listing in a foreign country must be subject to the cybersecurity review. Our PRC Legal Advisor is of the view that the term of “listing on a foreign stock exchange” under the Cybersecurity Review Measures exempts listing in Hong Kong from the mandatory obligation of ex-ante declaration of cybersecurity review. Furthermore, the governmental authorities have discretion to initiate a cybersecurity review on any data processing activity if they deem such activity affects or may affect national security. The identification of critical information infrastructure operators is subject to specific identification rules stipulated by relevant industry regulators and the notice from the relevant

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regulators pursuant to the Regulations on Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》). As of the Latest Practicable Date, we had not received any notification determining us as “critical infrastructure information operator” from the relevant supervisory authorities. There can be no assurance that the relevant PRC government authorities would not determine us as “critical infrastructure information operator” in the future.

The Measures for Security Assessment for Data Outbound Transfer (《數據出境安全評估辦法》), which was enacted on July 7, 2022 and took effective on September 1, 2022, provides the circumstances where an application for the security assessment of outbound data transfer is required. According to the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》) promulgated and implemented on March 22, 2024, if it is really necessary to provide personal information abroad in order to fulfill the contracts to which an individual is a party, including, among others, air ticket and accommodation booking, cross-border shopping and cross-border payment, reporting the security assessment of outbound data transfer to the relevant government authorities could be exempted for such data processing activities. Since it is necessary to transfer certain personal data of our users abroad when we provide international air ticketing services, we believe that we are exempted from the requirement to report the security assessment for data outbound transfer under the applicable laws and regulations. However, there can be no assurance that we will always be entitled to such exemption. The relevant government authorities may determine that our data outbound transfer activities have affected or may affect national security and thus require us to report the security assessment for data outbound transfer. If our business concerns additional scenarios involving outbound data transfer in the future, we may need to submit a security assessment for data outbound transfer, sign a standard contract for the overseas transfer of personal information, or apply for personal information protection certification.

On September 24, 2024, the State Council published the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the “Data Security Regulations”), which will take effective on January 1, 2025. The Data Security Regulations stipulates that if cyber data processing activities affect or may affect national security, a cyber data security vetting must be conducted in accordance with applicable regulations. Therefore, we cannot guarantee that we will not be required to conduct such vetting in the future. Additionally, the Data Security Regulations emphasizes the obligations of important data processors, and clarifies the definition and obligations of large-scale internet platform service providers. Although the Data Security Regulations has not come into effect as of the Latest Practicable Date, we must evaluate our obligations under it, determine whether our data and personal information processing practices comply, and rectify any non-compliance identified before January 1, 2025. As the relevant legal regime continues to evolve, future regulatory changes may impose additional restrictions, and we will continue to make adjustments to ensure compliance.

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The CSRC or other PRC regulatory authorities may also take actions requiring us, or making it advisable for us, to halt this [REDACTED] or future capital raising activities before settlement and delivery of the Shares [REDACTED] hereby. Consequently, if you engage in market [REDACTED] or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures in addition to those prescribed under the Overseas Listing Trial Measures for this [REDACTED] or future capital raising activities, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any such circumstances regarding such approval, filing or other requirements could materially and adversely affect our business, results of operations, financial condition, prospects, reputation, and [REDACTED] of the Shares.

We may be classified as a “Chinese resident enterprise” under the Enterprise Income Tax Law, which could result in PRC taxation and implications upon us and our non-PRC shareholders.

We are a holding company incorporated under the laws of the Cayman Islands and indirectly hold interests in our Chinese operating subsidiaries. Pursuant to the Enterprise Income Tax Law of China (《中華人民共和國企業所得稅法》) and the Regulation on the Implementation of the Enterprise Income Tax Law of China (《中華人民共和國企業所得稅法實施條例》), or collectively the EIT Law, dividends payable by a foreign-invested enterprise to its foreign corporate investors who are not deemed a Chinese resident enterprise are subject to a 10% withholding tax, unless such foreign investor’s jurisdiction of incorporation has a tax treaty with China that provides for a different withholding tax arrangement.

The EIT Law provides that if an enterprise incorporated outside China has its “de facto management bodies” within China, such enterprise would generally be deemed a “Chinese Resident Enterprise” for tax purposes and be subject to an EIT rate of 25% on its global income. “De facto Management Body” is defined as the body that has actual overall management and control over the business, personnel, accounts and properties of an enterprise. In April 2009, the SAT, promulgated the Circular on Issues concerning the Determination of Resident Enterprises of Overseas-registered Chinese-funded Controlled Enterprises Based on the Standard of Actual Management Body (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), to clarify the certain criteria for the determination of the “De facto Management Bodies” for foreign enterprises controlled by Chinese enterprises. These criteria include: (1) the enterprise’s senior management personnel and department, who are responsible for managing the day-to-day production and operation, will perform their obligations primarily in China; (2) decisions relating to the enterprise’s financial and human resource matters are made or subject to approval by organizations or personnel in China; (3) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholders’ meeting minutes are located or maintained in China; and (4) 50% or more of voting board members or senior executives of the enterprise habitually reside in China. According to these regulations, we may be regarded as a Chinese resident enterprise by Chinese tax authorities and pay Chinese EIT at a rate of 25% on all of our global income. In addition, the “De facto Management Bodies” determination is based on the principle of substance over form. The SAT further issued administrative rules in July 2011 and January 2014 regarding administrative procedures for recognizing Chinese resident enterprise status of a Chinese-invested company registered abroad.

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The tax resident status of an enterprise is subject to determination by the PRC tax authorities and we may not accurately predict the results of their determination. If the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, we will be subject to the enterprise income tax on our global income at the rate of 25% and we will be required to comply with PRC enterprise income tax reporting obligations.

Failure by the shareholders or beneficial owners who are PRC residents to make any required applications and filings pursuant to regulations relating to offshore investment activities by PRC residents may prevent us from distributing profits and could expose us and our PRC resident shareholders to liability under the PRC laws.

The Circular on Relevant Issues concerning Foreign Exchange Administration of Overseas Investment and Financing and Return Investments Conducted by Domestic Residents through Overseas Special Purpose Vehicles (《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》) (“SAFE Circular 37”), which was promulgated by SAFE and became effective on July 4, 2014, requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents’ legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a “special purpose vehicle.” If the shareholders of an offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries of the offshore holding company may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. In addition, on February 13, 2015, SAFE issued SAFE Circular No. 13, which took effect on June 1, 2015, and further amended by SAFE on December 30, 2019, pursuant to which, the power to accept SAFE registration was delegated from local SAFE to local qualified banks where the assets or interest in the domestic entity was located.

We have requested PRC residents who we know hold direct or indirect interest in us to make the necessary applications, filings and amendments as required under SAFE Circular 37 and other related rules. We are committed to complying with, and to ensuring that our shareholders who are subject to the regulations will comply with, the relevant SAFE rules and regulations. In addition, we may not at all times be fully informed of the identities of all our shareholders who are PRC residents and we do not have control over our Shareholders. As such, we cannot assure you that all of our PRC resident beneficial owners will comply with SAFE’s regulations, including those requiring them to make necessary applications, filings and amendments. Any failure by our PRC residents shareholders to register with SAFE or update SAFE’s records, or the failure of future shareholders who are PRC residents to comply with the registration requirements may result in penalties and limit our PRC subsidiaries’ ability to make distributions, pay dividends or other payments to us or affect our ownership structure and restrict our cross-border investment activities, which could adversely affect our business.

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

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 Companies (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (“**SAFE Circular 7**”), replacing the previous rules issued by SAFE in March 2007. Under the SAFE Circular 7 and other relevant rules and regulations, PRC residents who participate in a 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 the overseas publicly listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes. Also, SAFE Circular 37 stipulates that PRC residents who participate in a share incentive plan of an overseas non-publicly-listed special purpose company may register with SAFE or its local branches before they exercise the share options. We and our PRC employees who have been granted share options will be subject to these regulations upon the completion of this [REDACTED]. Failure of our PRC share option holders to complete their SAFE registrations may subject these PRC residents to fines of up to RMB300,000 for entities and up to RMB50,000 for individuals, and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiary, limit our PRC subsidiary’s ability to distribute dividends to us, or otherwise materially and adversely affect our business.

The Chinese tax authorities have strengthened their scrutiny over transfers of equity interests in a PRC resident enterprise by a non-resident enterprise.

In October 2017, the State Administration of Taxation issued the Bulletin on Issues Concerning the Withholding of Non-PRC Resident Enterprise Income Tax at Source (“**Bulletin 37**”), which replaced the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or Circular 698, issued by the State Administration of Taxation, on December 10, 2009, and partially replaced and supplemented by rules under the State Administration of Taxation of China, issued the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (“**Circular 7**”) issued by the State Administration of Taxation, on February 3, 2015. Pursuant to Circular 7, an “indirect transfer” of PRC assets, including a transfer of equity interests in a non-PRC holding company of a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of the underlying PRC assets, if such

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arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax (the “**Chinese Taxable Assets**”).

For example, Circular 7 provides that where a non-resident enterprise transfers Chinese Taxable Assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such Chinese Taxable Assets, Chinese tax authorities may disregard the existence of the overseas holding company and re-characterize the nature of the indirect transfer of Chinese Taxable Assets as a direct transfer of Chinese Taxable Assets, if such transfer is deemed to have been conducted for the purposes of avoiding Chinese EIT and without any other bona fide commercial purpose.

Except as provided in Circular No. 7, transfers of Chinese Taxable Assets under the following circumstances will be automatically deemed as having no bona fide commercial purpose, and are subject to Chinese enterprise income tax if: (i) more than 75% of the value of the overseas enterprise is derived directly or indirectly from Chinese Taxable Assets; (ii) more than 90% of the total assets (cash excluded) of the overseas enterprise is directly or indirectly composed of investment in China at any time during the year prior to the indirect transfer of China’s Taxable Assets, or more than 90% of the income of the overseas enterprise is directly or indirectly from China during the year prior to the indirect transfer of China’s Taxable Assets; (iii) the overseas enterprise and its subsidiaries directly or indirectly hold China’s Taxable Assets and have registered with the relevant authorities in the host countries (regions) in order to meet the local legal requirements in relation to organization forms, yet prove to be inadequate in their ability to perform their intended functions and withstand risks as their alleged organization forms suggest; and (iv) the tax from the indirect transfer of Chinese Taxable Assets payable abroad is lower than the tax in China that may be imposed on the direct transfer of such Chinese Taxable Assets.

Pursuant to Bulletin 37, the withholding agent shall declare and pay the withheld tax to the competent tax authority, in the place where such withholding agent is located, within 7 days from the date of occurrence of the withholding obligation, while the transferor is required to declare and pay such tax to the competent tax authority within the statutory time limit according to Circular 7. Late payment of applicable tax will subject the transferor to default interest. Neither Bulletin 37 nor Circular 7 apply to transactions of sale of shares by investors on a public stock exchange where such shares were acquired in a transaction on a public stock exchange. Although Circular 7 contains certain additional exemptions, it is unclear whether any such additional exemptions under Circular 7 will be applicable to the transfer of our Shares or to any future acquisition by us outside of China involving Chinese Taxable Assets, or whether China’s tax authorities will reclassify such transactions by applying Circular 7. Therefore, China’s tax authorities may deem any transfer of our Shares (not acquired and sold on a public stock exchange) by our shareholders that are non-resident enterprises, or any future acquisition by us outside of China involving Chinese Taxable Assets, to be subject to the foregoing regulations, which may subject our shareholders or us to additional Chinese tax reporting obligations or tax liabilities.

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During the Track Record Period, we have taken certain corporate restructuring steps, in preparation for the [REDACTED]. See “History, Reorganization and Corporate Structure” for details. These corporate restructuring steps taken by us may be subject to Circular 7. In particular, there is a risk that the relevant transfer of equity may be considered by the relevant Chinese tax authority as having no “reasonable commercial purpose” and thus subject to the EIT law. However, it is currently unclear how the relevant Chinese tax authorities will implement or enforce Circular 7.

PRC regulations of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the [REDACTED] of the [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We may transfer funds to our PRC subsidiaries or finance our PRC subsidiaries by means of Shareholders’ loans or capital contributions after completion of the [REDACTED]. Any loans to our PRC subsidiaries, which are foreign-invested enterprises, cannot exceed statutory limits based on the difference between the registered capital and the investment amount of such subsidiaries, and shall be registered with the SAFE or its local counterparts.

Furthermore, any capital contributions we make to our PRC subsidiaries shall be reported to the MOFCOM or its local counterparts and be registered with the SAFE or its local counterparts. We may not be able to fulfill such reporting obligations or obtain these government registrations or approvals on a timely basis, if at all. If we fail to fulfill such reporting obligations or receive such registrations or approvals, our ability to provide loans or capital contributions to our PRC subsidiaries in a timely manner may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Administration Measures on Conversion of Foreign Exchange Registered Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (“**Circular 19**”), which took effect and replaced certain previous SAFE regulations from June 1, 2015. SAFE further promulgated the Circular of the State Administration of Foreign Exchange 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》) (“**Circular 16**”), effective on June 9, 2016, which, among other things, amend certain provisions of Circular 19. According to Circular 19 and Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope, or to provide loans to persons other than affiliates, unless otherwise permitted under its business scope. Circular 19 and Circular 16 may limit our ability to transfer the net [REDACTED] from the [REDACTED] to our PRC subsidiaries and convert the net [REDACTED] into the Renminbi.

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We principally rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business or financial condition.

We are a holding company, and we principally rely on dividends and other distributions on equity that may be paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to the holders of our ordinary shares and service any debt we may incur. If our PRC subsidiaries incur debt on their 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 may pay dividends only out of their retained earnings 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. Furthermore, under PRC law, our wholly-owned PRC subsidiary, which is a wholly foreign-owned enterprise under PRC law, cannot distribute any profits until all of its losses from prior fiscal years have been offset. 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 wholly-owned PRC subsidiaries 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.

Risks Relating to the [REDACTED] and Our Shares

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

Prior to the [REDACTED], there has been no public market for our Shares. We cannot assure you that an active [REDACTED] market for our Shares will develop and be sustained following the [REDACTED]. In addition, the initial issue price range for our Shares was the result of negotiations between our Company and the [REDACTED], and the [REDACTED] may differ significantly from the [REDACTED] of our Shares following the completion of the [REDACTED]. We have applied for the [REDACTED] of and permission to [REDACTED]. The [REDACTED] on the Stock Exchange, however, does not guarantee that an active [REDACTED] market for our Shares will develop, or if it does develop, that it will be sustainable following the [REDACTED] or that the [REDACTED] of our Shares will not decline after the [REDACTED].

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Furthermore, the [REDACTED] and [REDACTED] volume of our Shares may be volatile. The following factors, among others, may cause the [REDACTED] of our Shares after the [REDACTED] to vary significantly from the [REDACTED], some of which are beyond our control:

- variations in our revenue, earnings and cash flow;
- unexpected business interruptions resulting from natural disasters and pandemics such as Covid-19;
- major changes in our key personnel or senior management;
- regulatory developments affecting us or our industry, users;
- our inability to compete effectively in the market;
- political, economic, financial and social developments in China, Hong Kong and in the global economy;
- fluctuations in stock market prices and volume;
- conditions of the internet or travel industries;
- changes in analysts’ estimates of our financial performance; and
- involvement in material litigation.

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.

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

Future [REDACTED] of a substantial number of our Shares, especially by our Directors, executive officers and substantial shareholders, or the perception or anticipation of such [REDACTED], 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.

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The Shares held by certain of our 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.

Future financing may cause a dilution in your shareholding or place restrictions on our operations.

We may raise additional funds in the future to finance the expansion of our capacity, the enhancement of our research and development capabilities, the development of our operations, acquisitions or strategic partnerships. If additional funds are raised through the issuance of our new equity or equity-linked securities other than on a pro rata basis to existing Shareholders, the percentage ownership of such shareholders in us may be reduced, and such new securities may confer rights and privileges that may take priority over those conferred by the Shares. Alternatively, if we meet such funding requirements by way of additional debt financing, we may have restrictions placed on us through such debt financing arrangements which may:

- limit our ability to pay dividends or require us to seek consent for the payment of dividends;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to service our debt, thereby reducing the availability of our cash flow to fund capital expenditure, working capital requirements and other general corporate needs; and
- limit our flexibility in planning for, or reacting to, changes in our business and our industry.

We cannot assure you that we will declare and distribute any amount of dividends in the future and dividends distributed in the past may not be indicative of our dividend policy in the future.

During the Track Record Period, we did not declare or pay any dividends. We cannot assure you that dividends will be declared or paid in the future. A decision to declare or pay any dividends and the amount of dividends is subject to the discretion of our Directors, depending on, among other considerations, our operations, earnings, cash flows and financial position, operating and capital expenditure requirements, our strategic plans and prospects for business development, our constitutional documents and applicable law. For more details on our dividend policy, see “Financial Information — Dividends.” In addition, as a holding company, our ability to declare future dividends will depend on the availability of dividends, if any, received from our operating subsidiaries. The calculation of our operating subsidiaries’ profit under applicable accounting standards differs in certain aspects from the calculation under HKFRSs. Accordingly, we may not have sufficient or any profits to enable us to make dividend distributions to our Shareholder in the future, even if our HKFRSs financial statements indicate that our operations have been profitable.

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We cannot guarantee the accuracy of facts, forecasts and other statistics obtained from official governmental sources or other sources contained in this document.

Certain facts, statistics and data contained in this document relating to China, Hong Kong, the comprehensive internet mobility service market and industry have been derived from various official government publications or other third party reports we generally believe to be reliable. We have taken reasonable care in the reproduction or extraction of the official government publications or other third party reports for the purpose of disclosure in this document and have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Joint Sponsors, [REDACTED] or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such statistics, which may not be consistent with other information compiled within or outside China and Hong Kong. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this document may be inaccurate or may not be comparable to statistics produced with respect to other economies. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, you should give due consideration as to how much weight or importance they should attach to or place on such facts.

You should read the entire document carefully, and we strongly caution you not to place any reliance on any information contained in press articles and/or other media regarding us, our business, our industry or the [REDACTED].

There may have been, prior to the publication of this document, and there may be subsequent to the date of this document but prior to the completion of the [REDACTED], press and/or media regarding us, our business, our industries and the [REDACTED]. None of us, the Joint Sponsors, the [REDACTED] or any other person involved in the [REDACTED] has authorized the disclosure of information about the [REDACTED] in any press or media and none of these parties accepts any responsibility for the accuracy or completeness of any such information or the fairness or appropriateness of any forecasts, views or opinions expressed by the press and/or other media regarding our Shares, the [REDACTED], our business, our industry or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, forecasts, views or opinions expressed in any such publications. To the extent that such statements, forecasts, views or opinions are inconsistent or conflict with the information contained in this document, we disclaim them. Accordingly, you are cautioned to make your [REDACTED] decisions on the basis of the information contained in this document only and should not rely on any other information.

WAIVERS AND EXEMPTIONS

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, a new applicant applying for a primary listing on the Stock Exchange must have sufficient management presence in Hong Kong, and this will normally mean that at least two of the new applicant's executive directors must be ordinarily resident in Hong Kong.

Since the headquarters and business operations of our Company are based, managed and conducted outside of Hong Kong, and all of our executive Directors and all of the senior management team do not ordinarily reside in Hong Kong, we consider that it would be practically difficult and commercially unreasonable and undesirable for our Company to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of existing executive Directors or appointment of additional executive Directors. Our Company does not, and will not for the foreseeable future, have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under 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, we have appointed and will continue to maintain two authorized representatives, Mr. Wang Jiang (王江), our executive Director, chairman of the Board and chief executive officer, and Mr. Ng Tung Ching Raphael (吳東澄), our company secretary, to be the principal communication channel at all times between the Stock Exchange and our Company. Each of them has confirmed that he/she can be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matters on short notice. As and when the Stock Exchange wishes to contact the Directors on any matters, each of the authorized representatives will have means to contact all of the Directors promptly at all times. Our Company will also inform the Stock Exchange promptly in respect of any change in the authorized representatives;
- (b) in addition to the appointment of the authorized representatives, to facilitate communication with the Stock Exchange, the contact details of each Director, including his or her mobile phone number, office phone number, facsimile number and email address have been provided to each of the authorized representatives, our company secretary, the Compliance Advisor who have means for contacting all Directors promptly at all times as and when the Stock Exchange wishes to contact

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the Directors on any urgent matters, and the Stock Exchange. Furthermore, 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 as and when required; and

- (c) our Company has appointed CMBC International Capital Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will serve as an additional channel of communication in addition to the authorized representatives of our Company. The Compliance Advisor will provide our Company with professional advice on ongoing compliance with the Listing Rules and will be available to respond to enquiries from the Stock Exchange. Our Company will ensure that the Compliance Advisor has prompt access to the Company's authorized representatives and Directors who will provide to the Compliance Advisor 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. Meetings between the Stock Exchange and the Directors could be arranged through the authorized representatives or the Compliance Advisor, or directly with the Directors within a reasonable time frame. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the Compliance Advisor.

WAIVER AND EXEMPTION IN RELATION TO THE SHARE INCENTIVE PLAN

Rule 17.02(1)(b) of the Listing Rules requires a listing applicant to, inter alia, disclose in the prospectus full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards.

Paragraph 27 of Appendix D1A to the Listing Rules requires a listing applicant to disclose, inter alia, particulars of any capital of any member of the group which 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, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

Under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the prospectus must state the matters specified in Part I of the Third Schedule.

Under paragraph 10 of Part I of the Third Schedule, 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

WAIVERS AND EXEMPTIONS

subscribed for under it; (c) the consideration 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 outstanding options under the Share Incentive Plan to a total of 141 participants (the “Grantees,” each a “Grantee”) to subscribe for an aggregate of 63,310,016 Shares, being the maximum number of awards under the plan, which included options granted to (i) two Directors with respect to 19,818,112 underlying Shares; (ii) three members of senior management with respect to 9,007,536 underlying Shares; (iii) 136 other Grantees of the Group (eligible participants who are not Directors, senior management or connected persons of the Company) with respect to 34,484,368 underlying Shares.

The Joint Sponsors have applied, on behalf of our Company, 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 a certificate of exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule 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] public and strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons, among others:

- (a) since the outstanding options under the Share Incentive Plan were granted to a total of 141 Grantees, strict compliance with the relevant disclosure requirements to disclose names, addresses, and entitlements on an individual basis in this document will require substantial number of pages of additional disclosure that does not provide any material information to the [REDACTED] public and would significantly increase the cost and timing for information compilation and document preparation;
- (b) key information of the outstanding options granted under the Share Incentive Plan to the Director, members of the senior management and a connected person of the Company has already been disclosed under the section headed “Appendix IV — Statutory and General Information — Share Incentive Plan” in this document;
- (c) the key information of the Share Incentive Plan as disclosed in “Appendix IV — Statutory and General Information — Share Incentive Plan” in this document is sufficient to provide potential [REDACTED] with information to make an informed assessment of the potential dilution effect and impact on earnings per share of the options granted under the Share Incentive Plan in their [REDACTED] decision making process;

WAIVERS AND EXEMPTIONS

- (d) the disclosure of the personal details of each Grantee, including the number of options granted and address may require obtaining consent from all 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;
- (e) given the nature of the business of the Company, it is extremely important for the Company to recruit and retain talents, and the success of the Company's long-term development plan will very much depend on the loyalty and contribution of the Grantees, whereas the information relating to the options granted to the Grantees is highly sensitive and confidential, and may adversely affect the Company's cost and ability to recruit and retain talents;
- (f) the grant and exercise of options under the Share Incentive Plan will not cause any material adverse change in the financial position of the Company; and
- (g) the lack of full compliance with such disclosure requirements will not prevent potential [REDACTED] from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Group and will not prejudice the interest of the [REDACTED] public.

The Stock Exchange [has granted] us a waiver from strict compliance with the relevant requirements under the Listing Rules subject to the conditions that the following information will be clearly disclosed in this document:

- (i) on individual basis, full details of all the outstanding options granted by the Company under the Share Incentive Plan to each of the Director, the members of the senior management and a connected person of the Company, including all the particulars required under Rule 17.02(1)(b) of the Listing Rules, paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (ii) in respect of the outstanding options granted by the Company to the Grantees other than those referred to in sub-paragraph (i) above: (x) the aggregate number of the Grantees and the number of Shares subject to the outstanding options; (y) the consideration paid for the grant of the options; and (z) the exercise period and the exercise price for the options;
- (iii) the dilution effect and impact on earnings per Share upon full exercise of the outstanding options granted under the Share Incentive Plan;
- (iv) the aggregate number of Shares subject to the outstanding options granted by the Company under the Share Incentive Plan and the percentage of the Company's issued share capital of which such number represents;

WAIVERS AND EXEMPTIONS

- (v) a summary of the Share Incentive Plan; and
- (vi) the list of all the Grantees (including the persons referred to in paragraph (ii) above), containing all details as required under Rule 17.02(1)(b), paragraph 27 of Appendix D1A to the Listing Rules and paragraph 10 of Part I of the Third Schedule be made available for public inspection in accordance with the section headed "Appendix V — Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection" in this document.

The SFC [has granted] us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting our Company from strict compliance with paragraph 10(d) of Part I of the Third Schedule, subject to the conditions that:

- (i) on an individual basis, full details of all the outstanding options granted under the Share Incentive Plan to the Director, members of the senior management and a connected person of the Company will be disclosed in this document and such details include all the particulars required by paragraph 10 of Part I of the Third Schedule;
- (ii) in respect of the outstanding options granted under the Share Incentive Plan to Grantees other than those referred to in (i) above, disclosure is made in this document on an aggregate basis with the following details, including (i) the aggregate number of such Grantees and the number of Shares subject to the options granted to them under the Share Incentive Plan, (ii) the consideration paid for the grant of the options under the Share Incentive Plan, and (iii) the exercise period and the exercise price for the options granted under each of the Share Incentive Plan;
- (iii) a full list of all the Grantees (including the persons referred to in sub-paragraph (ii) above) who have been granted options to subscribe for Shares under the Share Incentive Plan, containing all the particulars as required under paragraph 10 of Part I of the Third Schedule, be made available for inspection in accordance with the section headed "Appendix V — Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection" in this document; and
- (iv) the particulars of the exemption be set forth in this document and that this document will be issued on or before [REDACTED].

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CONNECTED TRANSACTIONS

We [have] entered into, and expect to continue, certain transactions that will constitute continuing connected transactions of our Company under the Listing Rules upon [REDACTED]. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], waivers from strict compliance with Chapter 14A of the Listing Rules. See “Connected Transactions” for further details.

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

<u>Name</u>	<u>Residential Address</u>	<u>Nationality</u>
Executive Directors		
Mr. Wang Jiang (王江)	Room 102, No. 6, Lane 8 Linyi Road, Pudong New District Shanghai, PRC	Chinese
Mr. Yi Bing (易兵)	Room 105, Unit 3, Building C No. 139 Meilin Road Futian District, Shenzhen Guangdong Province, PRC	Chinese
Mr. Zhang Lin (張林)	Room 601, Unit 3, Building 48 No. 193 Lanjiang Road Hanyang District, Wuhan Hubei Province, PRC	Chinese
Non-Executive Director		
Mr. Li Lijun (李黎軍)	House 10, The Mont Rouge Lung Kui Road Beacon Hill, Kowloon Hong Kong	Chinese (Hong Kong)
Independent Non-Executive Directors		
Ms. Wang Xiaowei (王小薇)	Flat 4-2106 East International Apartment Chaoyang District Beijing, PRC	Chinese
Mr. Yang Jinfang (楊錦方)	Unit 110, Building 138 Dongquan New Building Min Tang Road, Longhua District Shenzhen, Guangdong Province PRC	Chinese
Dr. Lu Haitian (陸海天)	Flat B, Ground Floor Tower 5, Parc Inverness 38 Inverness Road, Kowloon Tong Hong Kong	Chinese (Hong Kong)

For further information of the Directors, see “Directors and Senior Management.”

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

China Merchants Securities (HK) Co., Limited

48/F One Exchange Square

8 Connaught Place

Central

Hong Kong

CMBC International Capital Limited

45/F, One Exchange Square

8 Connaught Place

Central

Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal Advisors to the Company

As to Hong Kong law:

Cooley HK

35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:

Commerce & Finance Law Offices

12-14/F, China World Office 2
No. 1 Jianguomenwai Avenue
Beijing, PRC

As to Cayman Islands law:

Campbells

3002-04, 30/F Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

**Legal Advisors to the Joint Sponsors
and the [REDACTED]**

As to Hong Kong laws:
King & Wood Mallesons
13/F, Gloucester Tower
The Landmark
15 Queen’s Road 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, PRC

Reporting Accountant and Auditor

PricewaterhouseCoopers
*Certified Public Accountants and Registered
Public Interest Entity Auditor*
22/F, Prince’s Building
Central
Hong Kong

Industry Consultant

**Frost & Sullivan (Beijing) Inc., Shanghai
Branch Co.**
Room 2504
Wheelock Square
1717 Nanjing West Road
Shanghai, PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office in the Cayman Islands	Office of Sertus Incorporations (Cayman) Limited Sertus Chambers, Governors Square Suite # 5-204, 23 Lime Tree Bay Avenue P.O. Box 2547, Grand Cayman, KY1-1104 Cayman Islands
Headquarters and Principal Place of Business in the PRC	13/F, Building 10 B Shenzhen Bay Science and Technology Ecological Park Nanshan District, Shenzhen Guangdong Province, PRC
Principal Place of Business in Hong Kong	46/F, Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong
Company Website	<u>www.133.cn</u> <i>(The information contained on this website does not form part of this document)</i>
Company Secretary	Mr. Ng Tung Ching Raphael (吳東澄) 46/F, Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong
Authorized Representatives	Mr. Wang Jiang (王江) 13/F, Building 10 B Shenzhen Bay Science and Technology Ecological Park Nanshan District, Shenzhen Guangdong Province, PRC Mr. Ng Tung Ching Raphael (吳東澄) 46/F, Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong
Audit Committee	Dr. Lu Haitian (陸海天) (<i>Chairperson</i>) Ms. Wang Xiaowei (王小薇) Mr. Yang Jinfang (楊錦方)

CORPORATE INFORMATION

Remuneration Committee

Ms. Wang Xiaowei (王小薇) (*Chairperson*)
Dr. Lu Haitian (陸海天)
Mr. Yi Bing (易兵)

Nomination Committee

Mr. Wang Jiang (王江) (*Chairperson*)
Mr. Yang Jinfang (楊錦方)
Ms. Wang Xiaowei (王小薇)

[REDACTED]

Compliance Advisor

CMBC International Capital Limited
45/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

Principal Banks

China Merchants Bank (Shenzhen Shenfang Building Branch)
G/F, Tower A&B
Shenfang Building
No. 3 Huaqiang North Road
Futian District, Shenzhen
Guangdong Province, PRC

Ping An Bank (Shenzhen Science and Technology Branch)
1/F, Building One
Shenzhen Software Industrial Base
Nanshan District, Shenzhen
Guangdong Province, PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report in connection with the [REDACTED]. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Joint Sponsors, [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

SOURCE AND RELIABILITY OF INFORMATION

In connection with the [REDACTED], we engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and prepare an industry report on the markets we operate in with a commission fee of RMB420,000. Founded in 1961 in New York, Frost & Sullivan provides market research on a variety of industries, among other services. The information from Frost & Sullivan disclosed in this document is extracted from the Frost & Sullivan Report with its consent.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the data and information collected, and cross-check each respondent’s information and views against those of others: (i) secondary research, which involved reviewing published official statistical sources including company reports, independent research reports and data based on Frost & Sullivan’s in-house research database; and (ii) primary research, which involved in-depth interviews with the industry experts and competitors, and in-house analysis using appropriate models and indicators to arrive at an estimate.

Frost & Sullivan adopted the following primary assumptions while making projections for preparing the Frost & Sullivan Report: (i) global social, economic, and political environment is likely to remain stable in the forecast period; (ii) global and China’s economy is likely to maintain steady growth in the next decade; and (iii) related industry key drivers are likely to drive the market in the forecast period.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict, or have an impact on such information.

INDUSTRY OVERVIEW

CHINA’S TRAVEL MARKET

Overview

China’s travel market is a well-diversified market, which includes transportation, accommodation, sightseeing, catering, shopping and other tourism activities. The travel market is an important component of the national economy and plays a role in promoting economic growth. China’s travel market creates a large number of job opportunities.

In the future, driven by supportive policies and the increase in per capita disposable income, China’s travel market is expected to grow rapidly. In 2023, the Ministry of Culture and Tourism issued the “Domestic Tourism Enhancement Plan (2023-2025) (《國內旅遊提升計劃(2023—2025年)》),” which proposes to optimize the structure of tourism products, innovate the tourism product system, and introduce more tourism products that meet market needs. In addition, with the extensive application of mobile internet, artificial intelligence, big data and other technologies, travel experience will become more personalized and immersive. As tourist demand for personalized travel experiences continues to rise, China’s travel market will be driven by market demand for more diverse and flexible services.

CHINA’S COMPREHENSIVE INTERNET MOBILITY SERVICE MARKET

Overview

Comprehensive internet mobility services refer to services based on digital technology and internet platforms that consolidate various modes of transportation and resources to offer users a convenient and efficient mobility solution. Comprehensive mobility platforms can provide services such as information inquiry, booking, and payment for different transportation options, and customize the optimal mobility plan according to user needs and preferences.

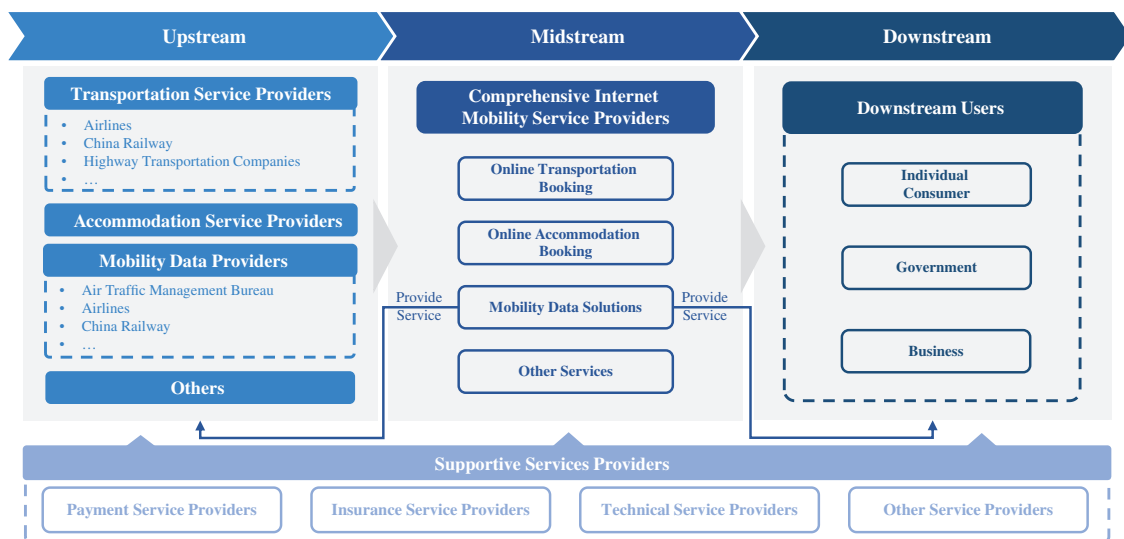
Comprehensive internet mobility services can be categorized into online transportation booking, online accommodation booking, mobility data solutions and other services. Online transportation booking mainly include booking service and value-added service for air, train, and automotive (including coach bus and online car-hailing) transportation. Air and train value-added services for consumers include services such as real-time air and train information enquiry, meals reservation and lounges booking services. Mobility data solutions mainly offer industry solutions for businesses and governments based on air and train data, helping to enhance operational efficiency and improve the convenience of government and business services. Additionally, users can obtain other value-added services from third-party vendors through comprehensive internet mobility platforms such as insurance service.

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Value Chain

The value chain of comprehensive internet mobility service market primarily includes (i) upstream providers, consisting of transportation service providers, accommodation service providers, and mobility data providers, (ii) midstream comprehensive internet mobility service providers, and (iii) downstream users. In the midstream, comprehensive internet mobility service providers are able to provide mobility data solutions to both downstream customers and some upstream suppliers. In the downstream, users can be divided into individual consumers, government and business entities.

Value Chain of Comprehensive Internet Mobility Service Market



Source: Frost & Sullivan

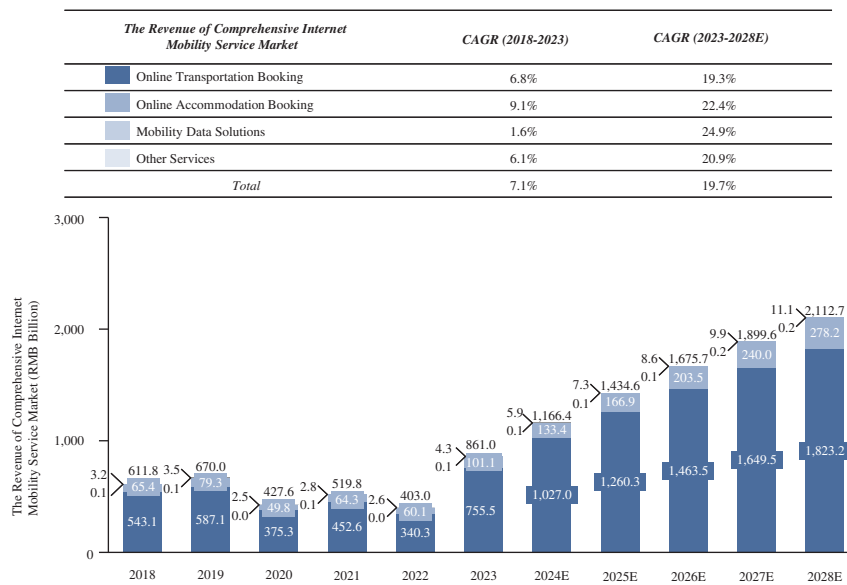
Market Size

The outbreak of the COVID-19 pandemic in 2020 and 2022 led to a significant decline in the demand for mobility services and the revenue of comprehensive internet mobility service market. In 2023, with the effective control of the COVID-19 pandemic, the comprehensive internet mobility service market experienced a rapid rebound. The revenue of comprehensive internet mobility service market in China increased from RMB611.8 billion in 2018 to RMB861.0 billion in 2023, with a CAGR of 7.1%. Specifically, the revenue of online transportation booking market in China increased from RMB543.1 billion in 2018 to RMB755.5 billion in 2023 with a CAGR of 6.8%. The revenue of online accommodation booking market in China increased from RMB65.4 billion in 2018 to RMB101.1 billion in 2023 with a CAGR of 9.1%. The revenue from mobility data solutions reached RMB0.1 billion in 2023.

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The revenue of comprehensive internet mobility service market in China is predicted to reach RMB2,112.7 billion in 2028, with a CAGR of 19.7% from 2023 to 2028. The revenue of online transportation booking market in China is expected to reach RMB1,823.2 billion in 2028, with a CAGR of 19.3% from 2023 to 2028. The revenue of online accommodation booking market in China is expected to reach RMB278.2 billion in 2028, with a CAGR of 22.4% from 2023 to 2028. The revenue of online accommodation booking market in China is expected to reach RMB278.2 billion in 2028, with a CAGR of 22.4% from 2023 to 2028. The revenue from mobility data solutions in China is anticipated to reach RMB0.2 billion in 2028, with a CAGR of 24.9% from 2023 to 2028.

The Revenue of Comprehensive Internet Mobility Service Market (China), 2018-2028E



Note: The market size refers to the sum of revenue of all China’s comprehensive internet mobility service providers.

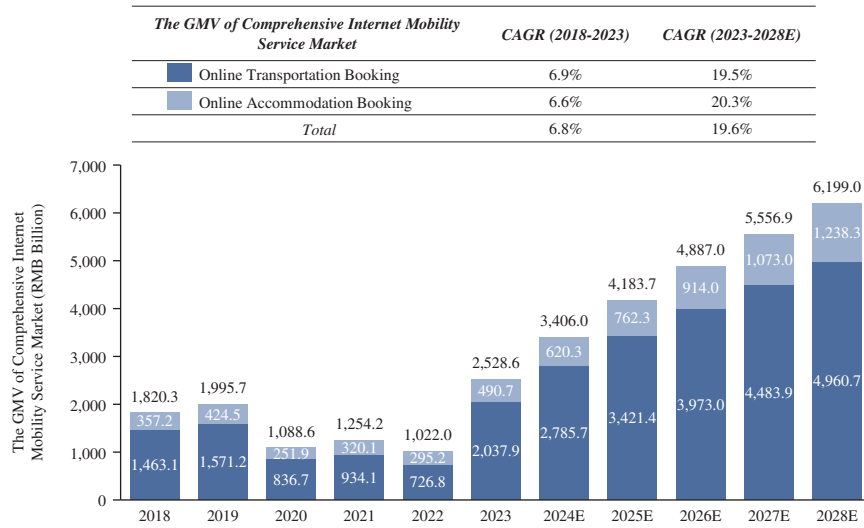
Source: Ministry of Transportation; Ministry of Culture and Tourism; Frost & Sullivan

From 2018 to 2023, the GMV of comprehensive internet mobility service market in China increased from RMB1,820.3 billion to RMB2,528.6 billion, with a CAGR of 6.8%. Among them, the GMV of online transportation booking market in China grew from RMB1,463.1 billion in 2018 to RMB2,037.9 billion in 2023 with a CAGR of 6.9%. The GMV of online accommodation booking market in China grew from RMB357.2 billion in 2018 to RMB490.7 billion in 2023 with a CAGR of 6.6%.

INDUSTRY OVERVIEW

The GMV of comprehensive internet mobility service market in China is predicted to reach RMB6,199.0 billion in 2028, with a CAGR of 19.6% from 2023 to 2028. The GMV of online transportation booking market in China is expected to reach RMB4,960.7 billion in 2028, with a CAGR of 19.5% from 2023 to 2028. The GMV of online accommodation booking market in China is expected to reach RMB1,238.3 billion in 2028, with a CAGR of 20.3% from 2023 to 2028.

The GMV of Comprehensive Internet Mobility Service Market (China), 2018-2028E



Note: The market size refers to the sum of GMV of all China’s comprehensive internet mobility service providers from online transportation and accommodation bookings.

Source: Ministry of Transportation; Ministry of Culture and Tourism; Frost & Sullivan

Market Drivers

Supportive Policies: In recent years, China has introduced policies to promote the comprehensive internet mobility service market. In 2019, the Ministry of Transport issued the “14th Five-Year Development Plan for Comprehensive Transportation Services (《綜合運輸服務“十四五”發展規劃》),” which encouraged the development of one-stop mobility services, aiming to improve the convenience and comfort of people’s mobility, thereby increasing their demand for mobility and stimulating the expansion of the comprehensive internet mobility service market. In 2023, the General Office of the State Council issued the “Several Measures for Unleashing the Potential of Tourism Consumption to Promote High-Quality Development of the Tourism Industry (《關於釋放旅遊消費潛力推動旅遊業高質量發展的若干措施》).” These measures are designed to enhance people’s willingness for mobility, thereby stimulating tourism demand and demand for comprehensive internet mobility services.

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AI Technology Advancement: In recent years, advancement in AI technology in China have improved the intelligence and convenience of comprehensive internet mobility services. For instance, by utilizing intelligent algorithms and big data analysis, comprehensive internet mobility service providers can deliver more accurate route planning and precise service recommendations. This not only enhances user experience but also boosts operational efficiency. Consequently, AI technology advancement stimulates demand among consumers, enterprises, and governments, which in turn promotes the overall development of the comprehensive internet mobility service market.

Increasing Downstream Demand: As the COVID-19 pandemic gradually subsides, China’s economy and tourism industry have been experiencing a rapid resurgence. The number of trips in China has grown from 2.9 billion in 2020 to 5.0 billion in 2023. The swift recovery of the tourism industry has provided robust demand for comprehensive internet mobility services. Additionally, as the COVID-19 pandemic recedes, China’s economy is steadily recovering, and corporate business activities are escalating. This trend is leading to a rapid increase in business travel needs, which further propels the growth of comprehensive internet mobility services.

Future Opportunities and Challenges

Mobility Data Empowers Intelligent Transportation: As transportation modes become increasingly integrated, the demand for accurate and real-time mobility data continues to increase. A data-driven, one-stop mobility platform will become the market mainstream and enhance intelligent transportation. For example, such a platform can determine the optimal departure time for passengers heading to the airport by integrating flight status information with real-time traffic data. Such a data-driven platform will not only meet individual mobility needs but also significantly improve the overall efficiency of transportation systems, thereby driving demand for the comprehensive internet mobility service market.

Deepening Integration of AI Technology: AI technology will increasingly integrate into comprehensive internet mobility services enhancing user experience and operational efficiency of comprehensive internet mobility service providers. Through AI algorithms, comprehensive mobility platforms can better predict user’s needs and provide personalized mobility solutions. For instance, AI can recommend the best transportation modes based on historical mobility data and real-time traffic conditions, reducing waiting times and costs. Additionally, AI technology enables automation of operating processes and intelligent decision-making support.

Global Expansion: The digitalization level in many regions abroad still lags behind China, especially in the field comprehensive internet mobility services presenting significant growth potential in foreign markets. As China’s comprehensive internet mobility service market matures, leading service providers may utilize their capabilities, experience, and supply chain advantages to venture into global markets. Consequently, their customer base and scale may further expand.

INDUSTRY OVERVIEW

Growing Popularity of One-stop Mobility Solutions: In the past, individuals often encountered the issue of information silos when planning their trips, necessitating cumbersome and time-consuming coordination across multiple platforms to arrange various transportation modes and needs. With the deepening of China’s digital transformation, the market has witnessed a shift in mobility preferences. Nowadays, people are increasingly demanding access to accurate travel information and preferring omnibus-channel transportation data to design optimal travel plans. This trend for enhanced efficiency and convenience is expected to further enhance the popularity of one-stop mobility solutions.

Technical and Data Security: Comprehensive internet mobility services rely on big data and intelligent technology, involving the collection, storage, and analysis of large volumes of user data. Therefore, technical and data security have become significant challenges, with potential threats such as data breaches and hacker attacks posing risks to user data and service stability.

Competitive Landscape of China’s Comprehensive internet Mobility Service Market

China’s comprehensive internet mobility service market is relatively fragmented with intense competition. The participants in China’s comprehensive internet mobility service market can be categorized into (i) providers dedicated to providing either one or two services of online transportation booking, online accommodation booking or mobility data solutions; and (ii) one-stop providers that simultaneously provide online transportation booking, online accommodation booking and mobility data solutions. There are over 1,000 providers of the first type in China, while only three players can provide one-stop comprehensive internet mobility services.

The size of comprehensive internet mobility service market in China in terms of GMV reached approximately RMB2,528.6 billion in 2023. In terms of GMV derived from comprehensive internet mobility services in 2023, the top five providers in China accounted for approximately 67.3% of the total market size, and our Group ranked the eleventh, with a GMV of RMB30.8 billion and a market share of approximately 1.2%.

INDUSTRY OVERVIEW

China’s Top Providers by GMV from Comprehensive Internet Mobility Services, 2023

Ranking	Company	Listing Status	Whether Providing One-stop Service	Market Share (%)
1	Company A	Listed	√	31.6%
2	Company B	Not Listed	×	12.7%
3	Company C	Listed	×	8.5%
4	Company D	Not Listed	×	7.6%
5	Company E	Listed	×	6.9%
Top 5				67.3%
...				
11	Our Group	–	√	1.2%

Notes:

- (1) The GMV derived from comprehensive internet mobility services is related to online transportation booking and online accommodation booking.
- (2) Company A, founded in 1999, is a leading one-stop travel platform globally, integrating a comprehensive suite of travel products and services and differentiated travel content, with the total revenue of approximately RMB44.6 billion in 2023.
- (3) Company B, founded in 2011, is China’s leading railroad information system research and development company, offering the research, development, construction and maintenance of railroad information systems, among others.
- (4) Company C, founded in 2016, the company is committed to building a one-stop online travel platform, covering transportation ticketing, accommodation reservation and various ancillary value-added travel products and services designed to meet users’ evolving travel needs throughout their trips, with the total revenue of approximately RMB11.9 billion in 2023.
- (5) Company D, founded in 2015, is the world’s largest mobility technology platform, whose provides consumers with a comprehensive range of safe, affordable and convenient mobility services, including ride hailing, taxi hailing, chauffeur, hitch and other forms of shared mobility, and the total revenue of approximately RMB192.4 billion in 2023.
- (6) Company E, founded in 2007, is a leading, fast-growing multi-brand hotel group in China with international operations, with the total revenue of approximately RMB21.9 billion in 2023.

Source: Annual Reports; Frost & Sullivan

INDUSTRY OVERVIEW

The three one-stop comprehensive mobility platforms in China collectively accounted for approximately 33.0% of the total comprehensive internet mobility services market, with our Group ranking the second.

China’s Top Three Platforms in terms of GMV from One-stop Comprehensive Internet Mobility Services, 2023

Ranking	Company	Listing Status	Market Share (%)
1	Company A	Listed	31.6%
2	Our Group	–	1.2%
3	Company F	Not Listed	0.2%
Top 3			33.0%

Note:

- (1) Company F, founded in 2014, is China’s leading civil aviation information service technology company, whose main business includes the development and operation of the civil aviation travel service software and the research of mobility data information.

Source: Annual Reports; Frost & Sullivan

The size of online air ticket booking market in China in terms of GMV reached approximately RMB1,191.8 billion in 2023. The top five third-party platforms in China accounted for approximately 44.4% of the online air ticket booking market in terms of GMV in 2023, among which our Group ranked the fifth, with a GMV of RMB18.3 billion and a market share of approximately 1.5%.

China’s Top Five Third-party Platforms in terms of GMV from Online Air Ticket Booking, 2023

Ranking	Company	Listing Status	Market Share (%)
1	Company A	Listed	26.8%
2	Company C	Listed	8.7%
3	Company G	Not Listed	5.5%
4	Company H	Listed	1.9%
5	Our Group	–	1.5%
Top 5			44.4%

INDUSTRY OVERVIEW

Notes:

- (1) Company G, founded in 2014, the company is one of the leading online travel platforms in China, offering a wide range of booking and fulfillment services such as air tickets, train tickets, accommodation, car rentals, vacation packages and tickets to local attractions.
- (2) Company H, founded in 2007, is China’s leading life service e-commerce platform company that provides entertainment, dining, delivery, travel and other services, with the total revenue of approximately RMB276.7 billion in 2023.

Source: Annual Reports; Frost & Sullivan

The size of online train ticket booking market in China reached approximately RMB552.8 billion in 2023. The top five third-party platforms in China accounted for approximately 25.6% of the online train ticket booking market in terms of GMV in 2023, among which our Group ranked the third, with a GMV of RMB12.3 billion and a market share of approximately 2.2%.

China’s Top Five Third-party Platforms in terms of GMV from Online Train Ticket Booking, 2023

Ranking	Company	Listing Status	Market Share (%)
1	Company A	Listed	17.8%
2	Company G	Not Listed	2.3%
3	Our Group	–	2.2%
4	Company C	Listed	2.0%
5	Company H	Listed	1.3%
Top 5			25.6%

Source: Annual Reports; Frost & Sullivan

Mobility data solutions mainly offer solutions for businesses and government entities based on air, train and other mobility data. The size of mobility data solutions in China in terms of revenue reached approximately RMB67.0 million in 2023. In terms of revenue derived from mobility data solutions in 2023, the top three mobility data solutions providers in China accounted for approximately 90.1% of the total market size, among which our Group ranked the second, with a revenue of RMB12.8 million and a market share of approximately 19.4%.

INDUSTRY OVERVIEW

China’s Top Three Providers in terms of Revenue from Mobility Data Solutions, 2023

Ranking	Company	Listing Status	Market Share (%)
1	Company F	Not Listed	56.4%
2	Our Group	–	19.1%
3	Company A	Listed	14.9%
Top 3			90.4%

Source: Annual Reports; Frost & Sullivan

China’s online accommodation booking market is relatively fragmented with intense competition. The GMV of online accommodation booking in China reached approximately RMB490.7 billion in 2023.

Entry Barriers

Leading Providers Barrier: The leading service providers in the comprehensive internet mobility services industry have established strong brand recognition and a substantial user base. The reputation and brand image of leading players contribute to their leading position in the industry. Additionally, user stickiness is high, as users are accustomed to familiar platforms, making the switching cost significant. Therefore, the competitive landscape in this industry is relatively stable, and the entry barriers for joining the ranks of top service providers remain high.

Technology Barrier: Established comprehensive internet mobility service providers possess a range of specialized technologies, encompassing areas such as real-time data analytics, predictive modeling and information security. These technologies ensure that users enjoy a seamless one-stop experience while safeguarding their personal information. Additionally, technology is the key to ensuring the accuracy and stability of supply chain management systems, especially in dealing with complex multidimensional real-time data, which is important for enhancing user experience and strengthening market competitiveness. However, for new entrants, it is challenging to possess technologies that matches that of leading companies in a short span of time.

INDUSTRY OVERVIEW

Experience Barrier: To enter into the comprehensive internet mobility service market, it is essential to have a deep understanding of user behavior and preferences, along with a precise command of mobility patterns and regulations. Leading players typically possess extensive experience and are able to optimize their services by analyzing operational data accumulated over a long period. New entrants lack such operational insights, which hinders their ability to swiftly adapt and fulfill market and regulatory requirements.

Data Sourcing Barrier: Considering that comprehensive internet mobility services encompass mobility data resources related to civil aviation, railways and other transportation modes, accessing these resources necessitates authorization from upstream data suppliers. For new entrants, acquiring access to these resources within a short timeframe can be challenging.

CHINA’S CORPORATE TRAVEL MANAGEMENT SERVICE MARKET

Overview

Corporate travel management services primarily include corporate transportation booking, procurement management for travel products, travel plan optimization, and travel process management, all tailored to corporate travel scenarios. As businesses expand nationally and internationally, the need for corporate travel increases. Managing travel costs efficiently while improving processes — such as budgeting, approval, booking, travel, reimbursement, and settlement — is a key challenge for businesses. This growing need has fueled the development of the corporate travel management service market, with corporate travel management services emerging in response. These platforms offer services tailored to the specific business demands. Their professional teams leverage scale, experience, technology, and resource advantages to provide differentiated, services for corporate travel activities. They help businesses analyze travel behaviors to establish corporate travel standards, policies, procedures, budgets, and reimbursement processes, ensuring implementation and effective management of corporate travel activities for meetings, incentive trips, conferences, exhibitions and other corporate travel needs.

In recent years, large domestic enterprises have gained a more mature understanding of corporate travel management services. However, small and medium-sized enterprises (SMEs) still tend to have limited awareness of these services. As corporate travel activities of SMEs become more frequent, their demand for professional corporate travel management services will gradually increase. Their awareness and acceptance of these services will deepen over time, and an increasing number of SMEs will become key target customers for corporate travel management provider.

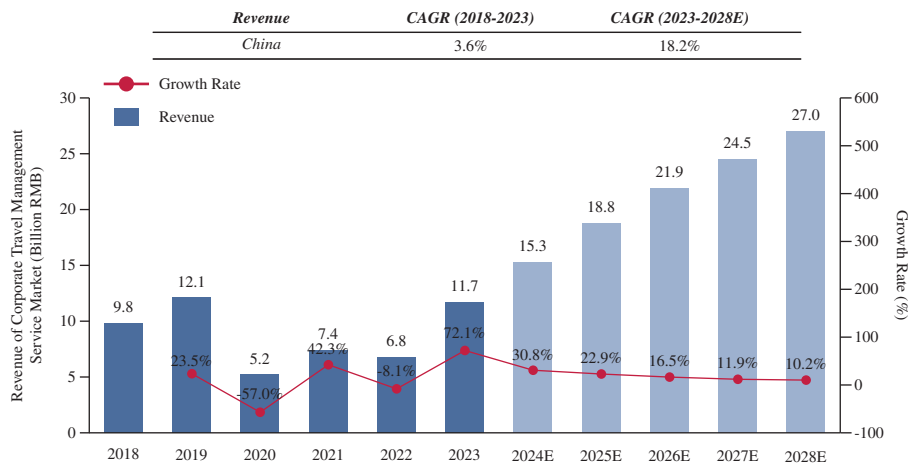
INDUSTRY OVERVIEW

Market Size

In recent years, with the continuous growth of China’s economy, the frequent hosting of business activities has driven up market demand, leading to the stable development of the corporate travel management service market. From 2018 to 2023, the revenue of corporate travel management service market increased from RMB9.8 billion to RMB11.7 billion in 2023, with a CAGR of 3.6%. In 2020, affected by the COVID-19 pandemic, a large number of corporate conferences were canceled or postponed, which resulted in a decline in market demand, and the revenue of corporate travel management service market decreased by 57.0% in 2020. In 2022, since the pandemic recurred and various commercial activities were canceled, the revenue of corporate travel management service market declined by 8.1%.

In the future, with the end of the epidemic and the gradual holding of various business events, the corporate travel management service market will achieve a rapid growth, and the revenue of corporate travel management service market is expected to reach RMB27.0 billion in 2028, with a CAGR of 18.2% from 2023 to 2028.

The Revenue of Corporate Travel Management Service Market (China), 2018-2028E



Source: Frost & Sullivan

Competitive Landscape of China’s Corporate Travel Management Service Market

China’s corporate travel management service market is relatively fragmented with intense competition. There are a large number of providers in China’s corporate travel management service market, with over 1,000 providers.

The revenue of corporate travel management service in China reached approximately RMB11.7 billion in 2023. In terms of revenue derived from corporate travel management service in 2023, the top ten providers in China accounted for approximately 29.4%. In terms of revenue of corporate travel management in 2023, our Group with revenue of RMB83.8 million accounted for approximately 0.7% of revenue of corporate travel management service market.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

We are a renowned comprehensive mobility platform in China, providing a full suite of multimodal travel products and services. Among China’s one-stop comprehensive mobility platforms, we ranked the second with a total GMV of RMB30.8 billion in 2023, according to Frost & Sullivan. We were the fifth largest third-party platform in China in terms of GMV from online air ticket bookings in 2023, and the third largest third-party platform in terms of GMV from online train ticket bookings in 2023, according to the same source.

The history of our Group can be traced back to September 2009, with the launch of our comprehensive mobility platform operated by Huoli Tianhui, the major operating company of our Group, under the management of the co-founders of our Group, Mr. Wang, Mr. Li Lijun and Mr. Yi Bing. For more information of our co-founders, see “Directors and Senior Management” in this document.

In 2009, we launched our first mobile application, Flight Master (航班管家), a groundbreaking product that was the first to provide dynamic real-time flight information to travelers in China. Over the next three years, we experienced rapid growth. To better serve our users, we began to evolve from a pure-play travel information provider into a comprehensive mobility platform that offers users one-stop travel related services before, during, and after their journeys. In 2012, we introduced Train Master (高鐵管家) to the market, the first mobile application in China to provide dynamic train information and train ticket booking services. Thanks to our mobile-first strategy and unwavering commitment to innovation, which drives us to continuously deliver superior user experience, we have built a large user base over the years. As of June 30, 2024, we had accumulated over 174 million registered users across all our platforms.

While our businesses have gone through different stages, our identity as a technology-driven company has remained constant. From the novel products we developed early on to our proprietary supply chain management system and AI-powered solutions, technology has always been the driving force behind our offerings. We proactively embrace technological advancements, being an early leader in mobile internet a decade ago and a pioneer for AI applications today. We believe our strong technological capabilities have been key to successfully navigating through industry-wide challenges.

Since June 2023, we have effected a series of reorganization steps in preparation of the [REDACTED]. Upon completion of the Pre-[REDACTED] Reorganization, the Company became the ultimate holding company of our Group. For details of the Pre-[REDACTED] Reorganization, see “— Pre-[REDACTED] Reorganization” in this section.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

KEY MILESTONES

The following table summarizes the key milestones in our operational history.

Year	Milestone
2009	We launched our first mobile application Flight Master to provide real-time flight information to travelers.
2011	Our accommodation reservation services were officially launched.
2012	Our air ticket booking services became available to our users. We launched Train Master, the first mobile application in China to provide dynamic train information and train ticket booking services.
2015	Our registered users across all platforms surpassed 10 million. We launched Huoli Ride (伙力專車) to provide online ride hailing services seamlessly integrated with our transportation ticketing services, ensuring a smooth and comprehensive travel experience.
2017	We further expanded our transportation ticketing services to our corporate customers.
2018	We launched big data solutions for enterprises.
2019	Our registered users across all platforms surpassed 100 million. We launched our air and rail transport intermodal system.
2021	Flight Master was rated Maturity Level 3 of Capability Maturity Model Integration, certified by the CMMI Institute, a subsidiary of the Information Systems Audit and Control Association. We launched AI-powered solutions and corporate travel management services.
2024	We officially launched our overseas business strategy. Huoli Tianhui was recognized as on the Sixth Batch of National Specialized and Innovative “Little Giant” Enterprises (第六批國家級專精特新“小巨人”企業) by the MIIT.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES

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

<u>Name of company</u>	<u>Place of establishment</u>	<u>Principal business activities</u>	<u>Date of establishment</u>
Huoli Tianhui	PRC	Internet information services and travel related services	September 22, 2005
Shenzhen Huoli Tourism	PRC	Travel related services	March 26, 2013

LISTING AND DELISTING FROM NEEQ AND PREVIOUS A SHARE LISTING ATTEMPT

On September 11, 2017, shares of Huoli Tianhui were listed on the NEEQ under the stock code 871860 (the “**NEEQ Listing**”).

On December 30, 2020, having considered that the trading activity, equity liquidity and brand awareness on the NEEQ may not be able to meet our expectation, the board of Huoli Tianhui resolved to voluntarily delist Huoli Tianhui’s shares from the NEEQ, which was then duly approved by the then shareholders of Huoli Tianhui. On February 18, 2021, Huoli Tianhui was delisted from the NEEQ (the “**NEEQ Delisting**,” together with the NEEQ Listing, the “**NEEQ Listing and Delisting**”) by way of a voluntary application for delisting. Our Directors are of the view that the decision to delist from the NEEQ was a commercial and strategic decision made by Huoli Tianhui’s directors and in line with our development needs and long-term strategic planning in the equity market. There was no monetary or other consideration offered to the then shareholders of Huoli Tianhui in connection with the NEEQ Delisting.

Our Directors have confirmed that during the period when Huoli Tianhui was listed on NEEQ, Huoli Tianhui had been compliant with applicable laws and regulations in all material respects, and had not been subject to any investigations or disciplinary actions by any regulatory authority nor breached the relevant rules governing its listing on NEEQ in any material respects.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Following the continued growth of Huoli Tianhui and with a view to tapping into capital markets with a broader investor base, Huoli Tianhui entered into a tutoring agreement (輔導協議) with Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司) in preparation for the listing application on the Science and Technology Innovation Board of Shanghai Stock Exchange, and made a preliminary filing (上市輔導備案) with the Shenzhen Office of the CSRC (中國證券監督管理委員會深圳監管局) in May 2019 (the “**A Share Listing Attempt**”).

Having taken into account our long-term business development plan and financing needs for our further expansion, and considered that the Stock Exchange, being an internationally recognized and reputable stock exchange, to be a more appropriate listing venue, Huoli Tianhui voluntarily decided not to continue the A Share Listing Attempt in July 2021 and to pursue a [REDACTED] in Hong Kong. As of the Latest Practicable Date, Huoli Tianhui did not submit any formal listing application in relation to the A Share Listing Attempt to any regulatory authority in the PRC nor received any material enquiries or comments from the CSRC or the Shanghai Stock Exchange. Our Directors further confirmed that there is no other material matter in relation to the A Share Listing Attempt or the NEEQ Listing and Delisting that needs to be brought to the attention of the Stock Exchange.

MAJOR CORPORATE DEVELOPMENTS OF OUR GROUP

Background Relating to the Previous VIE Structure

We set up and began to operate our business under the previous VIE structure (“**Previous VIE Structure**”) prior to the commencement of the Track Record Period for the purpose of offshore financing. On November 10, 2010, Huoli Century Technology (Beijing) Co., Ltd. (活力世紀科技(北京)有限公司) (“**Huoli Century**”), a wholly-owned subsidiary of Huoli Investments (as defined below) was established in the PRC as part of the Previous VIE Structure. Our Previous VIE Structure was composed of three sets of contractual arrangements: (i) contractual arrangements among Huoli Century, Huoli Tianhui, Mr. Yi Bing (易兵), Mr. Wang Jiang, Mr. Zhang Binliang (張濱亮) and Mr. Li Lijun; (ii) contractual arrangements between Huoli Century and Beijing Ao Tian Hui Jin Technology Co., Ltd. (北京市傲天匯金科技有限公司) (“**Beijing Ao Tian**”), Mr. Wang Jiang, Mr. Li Lijun, Mr. Xie Bing (謝冰) and Ms. Guan Shuosheng (管朔生); and (iii) contractual arrangements between Huoli Century and Beijing Huo Li Tian Hui Hotel Management Technology Co., Ltd. (北京市活力天匯酒店管理有限公司) (“**Huoli Hotel Management**”), Mr. Li Lijun and Ms. Guan Shuosheng.

We operated our business under the Previous VIE Structure until it was structurally dismantled during the process of the Earlier Corporate Restructuring (as defined below).

During the Earlier Corporate Restructuring, Beijing Ao Tian was de-registered, and Huoli Hotel Management was acquired by Huoli Tianhui and renamed as Beijing Huoli Tourism Co., Ltd. (北京活力旅行社有限公司). Huoli Tianhui became the holding company of our Group following the Earlier Corporate Restructuring. For details on the corporate development of Huoli Tianhui. See “— Major Corporate Developments of our Group — Corporate Development of Huoli Tianhui.”

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Earlier Corporate Development and Financings

(1) Incorporation of Huoli Holdings Limited and Huoli Investments Limited

In August 2010, Huoli Holdings Limited (“**Huoli Holdings**”) was incorporated as an exempted company with limited liability in the Cayman Islands as the offshore financing vehicle of the Group. Subsequent to its incorporation, Huoli Holdings was collectively owned by Award City Limited (“**Award City**”) and Accurate New Investments Limited (“**Accurate New**”). Accurate New was owned by Ms. Guan Shuosheng, Mr. Zhang Binliang and Mr. Xie Bing; and Award City was owned by Mr. Li Lijun, Mr. Wang Jiang and Mr. Yi Bing.

On August 31, 2010, Huoli Investments Limited (“**Huoli Investments**”) was incorporated in Hong Kong as a limited company and was wholly owned by Huoli Holdings.

(2) Financings of Huoli Holdings

From November 2011 to July 2014, we underwent the series A financing, series B financing and series B1 financing at the level of Huoli Holdings. For details, see “—Pre-[REDACTED] Investments.”

Upon the completion of the series A to B1 financings of Huoli Holdings, the shareholding structure of Huoli Holdings was as follows:

No.	Name of Shareholder	Class of Shares	Number	Shareholding (%)
1. . . .	Award City	Ordinary shares	14,230,640	46.12%
2. . . .	Accurate New	Ordinary shares	2,882,046	9.34%
3. . . .	Sequoia Capital China II, L.P. ⁽¹⁾	Series A preferred shares	4,455,722	14.44%
4. . . .	Sequoia Capital China Partners Fund II, L.P. ⁽¹⁾	Series A preferred shares	112,177	0.36%
5. . . .	Sequoia Capital China Principals Fund II, L.P. ⁽¹⁾	Series A preferred shares	748,557	2.43%
6. . . .	Matrix Partners China II Hong Kong Limited ⁽²⁾	Series B preferred shares	3,814,480	12.36%
7. . . .	Greylock China Holdings I Limited ⁽³⁾	Series B preferred shares	1,220,634	3.96%
8. . . .	Sequoia Capital China II, L.P. ⁽¹⁾	Series B1 preferred shares	294,614	0.95%
9. . . .	Sequoia Capital China Partners Fund II, L.P. ⁽¹⁾	Series B1 preferred shares	2,814	0.01%
10. . .	Sequoia Capital China Principals Fund II, L.P. ⁽¹⁾	Series B1 preferred shares	41,637	0.14%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

No.	Name of Shareholder	Class of Shares	Number	Shareholding (%)
11. . .	Matrix Partners China II Hong Kong Limited ⁽²⁾	Series B1 preferred shares	1,017,195	3.30%
12. . .	Smart Cloud Holdings Limited (“ Smart Cloud ”) ⁽⁴⁾	Series B1 preferred shares	2,034,389	6.59%
	Total		30,854,905	100.00%

Notes:

- (1) To the best knowledge of our Directors, Sequoia Capital China II, L.P., Sequoia Capital China Partners Fund II, L.P. and Sequoia Capital China Principals Fund II, L.P. (collectively, “**Sequoia Capital China Funds**”) are limited liability partnerships incorporated in the Cayman Islands, all of which are investment funds principally engaged in making equity investments. Sequoia Capital China Funds exited the Group during the Earlier Corporate Restructuring.
- (2) To the best knowledge of our Directors, Matrix Partners China II Hong Kong Limited is a company incorporated in Hong Kong with limited liability, which is owned by Matrix Partners China II, L.P. and Matrix Partners China II-A, L.P. The general partner of Matrix Partners China II, L.P. and Matrix Partners China II-A, L.P. is Matrix China II GP Ltd. Matrix Partners China II Hong Kong Limited exited the Group during the Earlier Corporate Restructuring, and then invested in Huoli Tianhui through its onshore affiliate Shanghai Chuangji. For the details of Shanghai Chuangji, see “— Information about the Pre-[REDACTED] Investors” in this section.
- (3) To the best knowledge of our Directors, Greylock China Holdings I Limited was a company incorporated in Hong Kong with limited liability, which was deregistered in December 2017. Greylock China Holdings I Limited exited the Group during the Earlier Corporate Restructuring.
- (4) Smart Cloud is indirectly wholly owned by Mr. Wang Jiang and Mr. Li Lijun.

Earlier Corporate Restructuring

Based on our then strategic plan to pursue other financing opportunities in the PRC, we underwent the earlier corporate restructuring (the “**Earlier Corporate Restructuring**”) to shift the holding company of our Group from Huoli Holdings to a PRC entity and dismantled our Previous VIE Structure. The Earlier Corporate Restructuring laid the foundation of our current shareholding structure. Major steps during the Earlier Corporate Restructuring are as follows:

(1) *Shareholding structure adjustment*

Having gone through several rounds of shareholding adjustment, individual beneficiary owners of Award City, Accurate New and Smart Cloud mirrored their ultimate interests in Huoli Holdings to Huoli Tianhui, the major operating entity of our Group in the PRC.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pursuant to a share transfer agreement dated May 1, 2016, Huoli Tianhui acquired all equity interests held by Huoli Investments in Huoli Century at a consideration of approximately RMB534.8 million. The consideration was determined on arm’s length basis, and the acquisition was completed on May 18, 2016. Following the share transfer, contractual arrangements under the Previous VIE Structure were terminated.

(2) Repurchase of shares of Huoli Holdings held by investors

Pursuant to a share repurchase agreement dated August 2, 2016 entered into among Huoli Holdings and the investors of the series A to B1 financings, Huoli Holdings repurchased all preferred shares held by the investors (other than Smart Cloud) at a total consideration of approximately US\$80.8 million.

Upon the completion of the above arrangements, the Previous VIE Structure was dismantled. Huoli Holdings, Huoli Investments, Award City and Accurate New were deregistered accordingly.

Our PRC Legal Advisors have confirmed that relevant approvals or filings have been obtained or made in all material aspects as applicable, for the equity adjustment in the PRC in respect of Huoli Tianhui mentioned above and such adjustments have been completed in accordance with relevant PRC laws and regulations in all material aspects.

Corporate Development of Huoli Tianhui

Early shareholding changes

Huoli Tianhui was established in the PRC under the name of Shenzhen Ao Tian New Information Technology Co., Ltd. (深圳市傲天新信息技術有限公司) (“**Ao Tian New Information**”) on September 22, 2005 with an initial registered capital of RMB6.0 million. Upon establishment, Huoli Tianhui was owned by Mr. Lu Shubin (盧樹彬), Mr. Li Lijun (李黎軍), Mr. Che Rongquan (車榮全), Mr. Yang Liangzhi (楊良志), Mr. Zeng Zhijun (曾之俊) and Mr. Zhang Binliang (張濱亮) as to 6.67%, 6.67%, 6.67%, 6.67%, 6.67% and 66.65%, respectively.

Commencing from 2009, we started to operate our real-time flight information business through our mobile application Flight Master. On April 2, 2010, the board of directors of Ao Tian New Information resolved to change its name to Shenzhen Huoli Tianhui Technology Co., Ltd. (深圳市活力天匯科技有限公同) (“**Huoli Tianhui**”). Following a series of equity changes, as of August 2015, Huoli Tianhui was owned by Mr. Li Lijun, Mr. Wang Jiang, Mr. Wang Qin (王沁), Mr. Yi Bing and Mr. Wang Xing as to approximately 38.9%, 38.9%, 11.0%, 5.5% and 5.5%, respectively.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

To facilitate the dismantlement of the Previous VIE Structure, several shareholding changes occurred among then shareholders of Huoli Tianhui in August 2015. Upon completion of such shareholding changes, the shareholding structure of Huoli Tianhui was as follows:

No.	Name of Shareholder	Subscribed Registered Capital	Shareholding
		RMB	%
1. . .	Mr. Li Lijun	3,891,510	31.6%
2. . .	Mr. Wang Jiang	3,891,510	31.6%
3. . .	Mr. Wang Qin	1,109,210	9.0%
4. . .	Mr. Yi Bing	553,890	4.5%
5. . .	Mr. Wang Xing	553,880	4.5%
6. . .	Shenzhen Huoli Dahai Science Technology Partnership (Limited Partnership) (深圳市活力大海科技合夥企業(有限合夥)) (“ Huoli Dahai ”) ⁽¹⁾	1,750,371	14.2%
7. . .	Shenzhen Huoli Xingchen Technology Partnership (Limited Partnership) (深圳市活力星辰科技合夥企業(有限合夥)) (“ Huoli Xingchen ”) ⁽¹⁾	545,185	4.4%
	Total	<u>12,295,556</u>	<u>100.0%</u>

Note:

(1) Huoli Dahai and Huoli Xingchen are the employee incentive platforms of Huoli Tianhui.

From April 2016 to July 2016, Huoli Tianhui underwent several rounds of financings. For details, see “— Pre-[REDACTED] Investments.”

First Financing in April 2016

On April 8, 2016, a capital increase agreement was entered into among Huoli Tianhui, its then shareholders and several other parties. Pursuant to the agreement, Shanghai Huasheng Lingshi Venture Capital Partnership (Limited Partnership) (上海華晟領勢創業投資合夥企業(有限合夥)) (“**Huasheng Lingshi**”), Shanghai Chuangji Investment Center (Limited Partnership) (上海創稷投資中心(有限合夥)) (“**Shanghai Chuangji**”) and Zhuhai Fuhai Yichuang Information Technology Venture Capital Fund (Limited Partnership) (珠海富海鐸創信息技術創業投資基金(有限合夥)) (“**Zhuhai Fuhai**”) subscribed the increased registered capital of Huoli Tianhui in the aggregate amount of RMB1,743,893, at a total consideration of RMB130,000,000.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Second Financing in April 2016

On April 8, 2016, a capital increase agreement was entered into among Huoli Tianhui, its then shareholders and several other parties. Pursuant to the agreement, Ningbo Caissa Shijia Asset Management Partnership (Limited Partnership) (寧波凱撒世嘉資產管理合夥企業(有限合夥)) (“**Ningbo Caissa**”) and Cheng Youzhen (程友珍), subscribed for the increased registered capital of Huoli Tianhui in the aggregate amount of RMB356,702, at a total consideration of RMB30,000,000.

Third Financing in April 2016

On April 8, 2016, a capital increase agreement was entered into among Huoli Tianhui, its then shareholders and several other parties. Pursuant to the agreement, Civil Aviation Equity Investment Fund (Limited Partnership) (民航股權投資基金(有限合夥)) (“**Civil Aviation Fund**”), Beijing Civil Aviation Heyuan Investment Center (Limited Partnership) (北京民航合源投資中心(有限合夥)) (“**Civil Aviation Heyuan**”), Caissa Tosun Development Co., Ltd. (凱撒同盛發展股份有限公司) (formerly known as Haihang Caissa Travel Group Co., Ltd. (海航凱撒旅遊集團股份有限公司)) (“**Caissa Tosun**”), Dapeng Air Travel Information Co., Ltd. (大鵬航旅信息有限公司) (formerly known as Dapeng Air Travel Service Co., Ltd. (大鵬航空服務有限公司)) (“**Dapeng Air Travel**”), Ningbo Caissa, Beijing Huagai Venture Equity Investment Development Partnership (Limited Partnership) (北京華蓋創業股權投資發展合夥企業(有限合夥)) (“**Beijing Huagai**”), Shandong Hi-Speed Urbanization Fund Management Center (Limited Partnership) (山東高速城鎮化基金管理中心(有限合夥)) (“**Shandong Hi-Speed Urbanization**”), Beijing Bole Ruijin Equity Investment Fund Management Center (Limited Partnership) (北京伯樂銳金股權投資基金管理中心(有限合夥)) (“**Bole Ruijin**”), Zhuhai Huaying Investment Co., Ltd. (珠海鐳盈投資有限公司) (“**Zhuhai Huaying**”), Beijing Yunding Tianyuan Investment Partnership Enterprise (Limited Partnership) (北京雲鼎天元投資合夥企業(有限合夥)) (“**Yunding Tianyuan**”) and Deng Junfeng (鄧俊峰), subscribed for the increased registered capital of Huoli Tianhui in the aggregate amount of RMB8,026,145 at a total consideration of RMB773,000,000.

Financing in June 2016

On June 26, 2016, a capital increase agreement was entered into among Huoli Tianhui and its then shareholders and Tianjin Shuimu Tianxing Information Technology Partnership (Limited Partnership) 天津水木天行信息技術合夥企業(有限合夥) (“**Shuimu Tianxing**”), pursuant to which Shuimu Tianxing subscribed for the increase registered capital of Huoli Tianhui in the amount of RMB152,158 at a consideration of RMB14,650,000.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Upon completion of these registered capital increases, the shareholding structure of Huoli Tianhui was as below:

No.	Name of Shareholder	Subscribed Registered Capital	Shareholding
		RMB	%
1. . . .	Mr. Wang Jiang	3,891,510	17.24%
2. . . .	Mr. Li Lijun	3,891,510	17.24%
3. . . .	Mr. Wang Qin	1,109,210	4.91%
4. . . .	Mr. Yi Bing	553,890	2.45%
5. . . .	Mr. Wang Xing	553,880	2.45%
6. . . .	Caissa Tosun	2,595,778	11.50%
7. . . .	Huoli Dahai	1,750,371	7.75%
8. . . .	Civil Aviation Heyuan	1,661,298	7.36%
9. . . .	Ningbo Caissa	1,060,915	4.70%
10. . .	Civil Aviation Fund	1,038,311	4.60%
11. . .	Huasheng Lingshi	670,728	2.97%
12. . .	Shanghai Chuangji	670,728	2.97%
13. . .	Huoli Xingchen	545,185	2.42%
14. . .	Dapeng Air Travel	519,156	2.30%
15. . .	Beijing Huagai	519,156	2.30%
16. . .	Zhuhai Fuhai	402,437	1.78%
17. . .	Shandong Hi-Speed Urbanization	311,493	1.38%
18. . .	Bole Ruijin	207,662	0.92%
19. . .	Cheng Youzhen (程友珍)	178,351	0.79%
20. . .	Shuimu Tianxing	152,158	0.68%
21. . .	Zhuhai Huaying	103,831	0.46%
22. . .	Yunding Tianyuan	103,831	0.46%
23. . .	Deng Junfeng (鄧俊峰)	83,065	0.37%
	Total	22,574,454	100.00%

Conversion into a Joint Stock Limited Company

On September 12, 2016, resolutions were passed at Huoli Tianhui’s general meeting approving, among other matters, (i) the conversion of Huoli Tianhui from a limited liability company into a joint stock company under the laws of the PRC; and (ii) the conversion of net asset value of Huoli Tianhui as of July 31, 2016 into 22,574,454 shares of Huoli Tianhui, with the remaining RMB336,457,907 in net assets included as capital reserves of Huoli Tianhui.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Upon completion of the conversion, the registered capital of Huoli Tianhui became RMB22,574,454 divided into 22,574,454 shares with a nominal value of RMB1.00 each, which were subscribed by all the then shareholders of Huoli Tianhui in proportion to their respective equity interests in the company before the conversion. The conversion was completed on September 30, 2016 when Huoli Tianhui obtained a new business license.

Financing in May 2017

On May 25, 2017, a share subscription agreement was entered into between Huoli Tianhui and Teamrise Investment Co., Ltd. (庭瑞投資有限公司) (“**Teamrise**”), pursuant to which Teamrise agreed to subscribe a total number of 2,042,901 shares newly issued by Huoli Tianhui at a consideration of RMB200,000,000. The consideration was determined on arm’s length basis, and was fully paid on June 6, 2017.

Following the completion of the abovementioned conversion and share subscription, the shareholding structure of Huoli Tianhui was as below:

No.	Name of Shareholder	Number of shares	Shareholding %
1. . . .	Mr. Wang Jiang	3,891,510	15.81%
2. . . .	Mr. Li Lijun	3,891,510	15.81%
3. . . .	Mr. Wang Qin	1,109,210	4.51%
4. . . .	Mr. Yi Bing	553,890	2.25%
5. . . .	Mr. Wang Xing	553,880	2.25%
6. . . .	Caissa Tosun	2,595,778	10.54%
7. . . .	Huoli Dahai	1,750,371	7.11%
8. . . .	Civil Aviation Heyuan	1,661,298	6.75%
9. . . .	Ningbo Caissa	1,060,915	4.31%
10. . .	Civil Aviation Fund	1,038,311	4.22%
11. . .	Huasheng Lingshi	670,728	2.72%
12. . .	Shanghai Chuangji	670,728	2.72%
13. . .	Huoli Xingchen	545,185	2.21%
14. . .	Dapeng Air Travel	519,156	2.11%
15. . .	Beijing Huagai	519,156	2.11%
16. . .	Zhuhai Fuhai	402,437	1.63%
17. . .	Shandong Hi-Speed Urbanization	311,493	1.27%
18. . .	Bole Ruijin	207,662	0.84%
19. . .	Cheng Youzhen (程友珍)	178,351	0.72%
20. . .	Shuimu Tianxing	152,158	0.62%
21. . .	Zhuhai Huaying	103,831	0.42%
22. . .	Yunding Tianyuan	103,831	0.42%
23. . .	Deng Junfeng (鄧俊峰)	83,065	0.34%
24. . .	Teamrise	2,042,901	8.30%
	Total	24,617,355	100.00%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

In September 2017, Huoli Tianhui was listed on the NEEQ and was later delisted from the NEEQ in February 2021. For details of the listing on and delisting from NEEQ, see “— Listing and Delisting from NEEQ and Previous A Share Listing Attempt” in this section.

On September 10, 2019, the shareholders of Huoli Tianhui resolved on capitalization issue on the basis of 150 capitalization shares for every ten existing shares of Huoli Tianhui by way of capitalization of capital reserve to all shareholders, representing a total increase of 369,260,325 shares based on the total share capital of 24,617,355 shares of Huoli Tianhui. Upon the completion of such capitalization issue, the total issued shares of Huoli Tianhui increased from 24,617,355 shares to 393,877,680 shares.

Financing in February 2021

On February 18, 2021, a share subscription agreement was entered into among Huoli Tianhui, Shenzhen Linghui Cornerstone Equity Investment Fund Partnership Enterprise (Limited Partnership) (深圳市領匯基石股權投資基金合夥企業(有限合夥)) (“**Linghui Cornerstone**”) and Wang Yaohai (王耀海), pursuant to which Linghui Cornerstone subscribed 6,154,339 shares of Huoli Tianhui at a consideration of RMB50,000,000 and Wang Yaohai subscribed 6,154,339 shares of Huoli Tianhui at a consideration of RMB50,000,000, respectively. See “— Pre-[REDACTED] Investments” for further details.

Following the completion of the abovementioned financing, the shareholding structure of Huoli Tianhui was as follows:

No.	Name of Shareholder	Number of shares	Shareholding %
1. . . .	Mr. Wang Jiang	62,264,160	15.33%
2. . . .	Mr. Li Lijun	62,264,160	15.33%
3. . . .	Mr. Wang Qin	17,731,360	4.37%
4. . . .	Mr. Yi Bing	8,862,240	2.18%
5. . . .	Mr. Wang Xing	8,862,080	2.18%
6. . . .	Shaanxi Relief ⁽¹⁾	41,532,448	10.23%
7. . . .	Huoli Dahai	28,005,936	6.89%
8. . . .	Civil Aviation Heyuan	26,580,768	6.54%
9. . . .	Ningbo Caissa	8,487,640	2.09%
10. . .	Civil Aviation Fund	16,612,976	4.09%
11. . .	Huasheng Lingshi	10,731,648	2.64%
12. . .	Shanghai Chuangji	10,731,648	2.64%
13. . .	Huoli Xingchen	8,722,960	2.15%
14. . .	Caissa Shijia ⁽²⁾	16,793,496	4.13%
15. . .	Beijing Huagai	8,306,496	2.05%
16. . .	Zhuhai Fuhai	6,438,992	1.59%
17. . .	Shandong Hi-Speed Urbanization	4,983,888	1.23%
18. . .	Bole Ruijin	3,322,592	0.82%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

No.	Name of Shareholder	Number of shares	Shareholding %
19. . .	Cheng Youzhen (程友珍)	2,853,616	0.70%
20. . .	Shuimu Tianxing	2,434,528	0.60%
21. . .	Huajin No. 4 ⁽³⁾	1,661,296	0.41%
22. . .	Yunding Tianyuan	1,661,296	0.41%
23. . .	Deng Junfeng (鄧俊峰)	1,329,040	0.33%
24. . .	Teamrise	32,702,416	8.05%
25. . .	Linghui Cornerstone	6,154,339	1.52%
26. . .	Wang Yaohai (王耀海)	6,154,339	1.52%
	Total	406,186,358	100.0%

Notes:

- (1) According to the announcement dated November 26, 2020 published by Caissa Tosun Development Co., Ltd. (凱撒同盛發展股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 000796.SZ) and was in the proceeding of bankruptcy reorganization under PRC law), it transferred its equity interests in Huoli Tianhui to Shaanxi Development with High Quality and Relief Fund for Private Economy Partnership (Limited Partnership) (“**Shaanxi Relief**”) in exchange for cash support from Shaanxi Relief.
- (2) In August 2019, Dapeng Air Travel transferred 519,156 shares it held in Huoli Tianhui to Caissa Shijia through on-market sale. In June 2020, Ningbo Caissa transferred 8,487,000 shares it held in Huoli Tianhui to Caissa Shijia. Accordingly, taking into consideration of capitalization issue of Huoli Tianhui in September 2019, Caissa Shijia held a total number of 16,793,496 shares in Huoli Tianhui upon completion of the aforementioned financing in February 2021.
- (3) Zhuhai Huajin Shengying No. 4 Equity Investment Fund Partnership Enterprise (Limited Partnership) (珠海華金盛盈四號股權投資基金合夥企業) (“**Huajin No. 4**”) is an investment entity indirectly wholly owned by Zhuhai Huajin Capital Co., Ltd. (珠海華金資本股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 000532.SZ). Huajin No. 4 and Zhuhai Huaying are under common control of Zhuhai Huajin Capital Co., Ltd.

Corporate Development of our Company

On June 29, 2023, our Company was incorporated in the Cayman Islands as an exempted company with limited liability.

For subsequent shareholding changes of our Company as part of the Pre-[REDACTED] Investments and the Reorganization, see “— Pre-[REDACTED] Investments” and “— Pre-[REDACTED] Reorganization.”

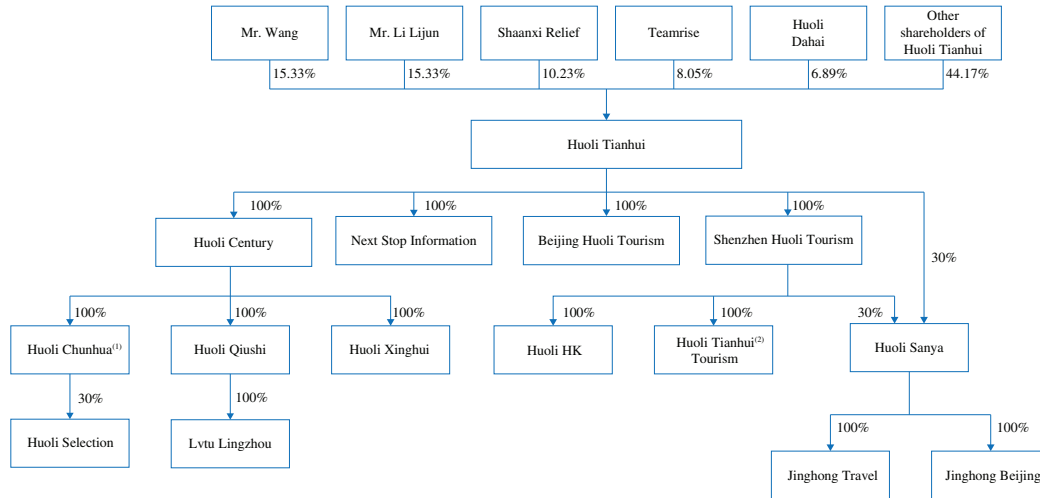
MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, disposals or mergers that we consider to be material to us.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

PRE-[REDACTED] REORGANIZATION

The following chart sets forth our Group’s corporate and shareholding structure immediately prior to the commencement of the Reorganization.



Notes:

- (1) Shenzhen Huoli Chunhua Technology Co., Ltd. (深圳活力春華科技有限公司) (“**Huoli Chunhua**”) is a limited liability company established in the PRC on June 30, 2023.
- (2) Beijing Huoli Tianhui Tourism Co., Ltd. (北京活力天匯旅行社有限公司) (“**Huoli Tianhui Tourism**”) is a limited liability company established in the PRC on April 29, 2004.

We underwent the certain Reorganization steps in preparation for the [REDACTED].

Incorporation of our Company, offshore subsidiaries and our WFOE

Incorporation of our Company

On June 29, 2023, our Company was incorporated in the Cayman Islands as an exempted company with limited liability and the ultimate holding company of our Group, as part of the reorganization. Upon incorporation, the authorized share capital of our Company was US\$50,000 divided into 1,000,000,000 Shares with a par value of US\$0.00005 each. Upon incorporation, one ordinary share was allotted and issued to its initial subscriber, and was then immediately transferred to Non Human Limited, a BVI company wholly owned by Mr. Wang, at nominal value. On the same date, 62,264,159 Shares and 8,862,240 Shares were issued to Non Human Limited and World Discovery Limited (a BVI company wholly owned by Mr. Yi Bing), respectively, each at nominal value.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Incorporation of New Huoli and Huoli Development

On July 13, 2023, New Huoli was incorporated in BVI with limited liability and issued one ordinary share to our Company, being its sole shareholder.

On July 21, 2023, Huoli Development was incorporated as a limited company in Hong Kong. It issued and allotted 10,000 ordinary shares to New Huoli, being its sole shareholder.

Incorporation of Shenzhen WFOE and Beijing WFOE

On December 5, 2023, Beijing WFOE was established as a limited liability company in the PRC with the registered capital of US\$5,000,000.

On January 2, 2024, Shenzhen WFOE was established as a limited liability company in the PRC with the registered capital of US\$25,000,000.

Acquisition of Equity Interests in Huoli Tianhui

Fontus SPC on behalf of CPIC CMBC Equity Opportunity Fund SP (“**Fontus**”) entered into share subscription agreements with the Company on May 23 and August 30, 2024, respectively. Pursuant to the share subscription agreements, a total number of 37,384,671 Shares were issued to Fontus at a total consideration of US\$25,289,913 (equivalent to approximately RMB183 million). For details on the investment by Fontus, see “—Pre-[REDACTED] Investments.” The number of Shares issued to Fontus equals to certain number of shares in Huoli Tianhui held by certain then existing shareholders (“**Existing Shareholders**”), namely Civil Aviation Heyuan, Civil Aviation Fund, Bole Ruijin and Shanghai Chuangji.

On November 28, 2023, Mr. Wang acquired 3,114,941 shares of Huoli Tianhui from Civil Aviation Heyuan at a total consideration of RMB15,000,000. To reflect such shares acquired by Mr. Wang, on August 23, 2024, 3,114,941 Shares were issued to Non Human Limited.

From November 2023 to August 2024, Zhitu Xingzhou Technology, entered into several equity transfer agreements with the Existing Shareholders, pursuant to which Zhitu Xingzhou Technology agreed to acquire a total of 46,620,889 shares of Huoli Tianhui from Existing Shareholders at a total consideration of RMB279 million. From June 2024 to August 2024, Shenzhen Zhitu Xingzhou Technology Co., Ltd. (深圳市智圖星舟科技有限公司, “**Zhitu Xingzhou Technology**”), a company wholly owned by Mr. Wang, entered into certain loan agreements with Shenzhen WFOE, pursuant to which Shenzhen WFOE agreed to grant loans in an aggregate amount of RMB183 million for the sole purpose of acquisition of equity interest in Huoli Tianhui from the Existing Shareholders. Apart from the funds obtained through the aforementioned loan agreements, the remaining payment was funded by Zhitu Xingzhou Technology’s capital resource.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pursuant to the Exclusive Option Agreements, being part of the Contractual Arrangements, on October 27, 2024, Shenzhen WFOE issued an exercise notice to Mr. Li Lijun, a Registered Shareholder (as defined below), requiring Mr. Li Lijun to transfer his entire equity interest in Huoli Tianhui to Zhitu Xingzhou Technology.

Accordingly, on October 27, 2024, Mr. Li Lijun and Zhitu Xingzhou Technology entered into a share transfer agreement. Due to the restriction of share transfer by directors of a joint stock company under the PRC Company Law, the closing could only take place six months after Mr. Li Lijun’s resignation from Huoli Tianhui as a director on September 10, 2024. Pursuant to the share transfer agreement: (i) Mr. Li Lijun agreed that he shall transfer 62,264,160 shares he held in Huoli Tianhui (the “**Relevant Shares**”) to Zhitu Xingzhou Technology, with a closing date on March 11, 2025; and (ii) Zhitu Xingzhou Technology agreed that it shall enter into certain agreements in relation to the Contractual Arrangements with respect to the Relevant Shares no later than March 11, 2025. On October 27, 2024, Zhitu Xingzhou Technology entered into the aforementioned agreements with Shenzhen WFOE and Huoli Tianhui.

As advised by our PRC Legal Advisors, the share transfer agreement has been fully authorized and duly executed, constitute binding obligations on parties to such agreement, and is legal, enforceable and valid; the terms of such agreement are not in conflict with any PRC law or regulation; and there is no substantial legal impediment to complete the transfer of the Relevant Shares pursuant to the share transfer agreement.

Assuming the transfer of Relevant Shares being completed, the shareholding structure of Huoli Tianhui is set out below:

<u>Name of shareholder</u>	<u>Number of shares</u>	<u>Shareholding</u>
Wang Jiang	65,379,101	16.10%
Zhitu Xingzhou Technology	108,885,049	26.81%
Shaanxi Relief	41,532,448	10.22%
Teamrise	32,702,416	8.05%
Huoli Dahai	28,005,936	6.89%
Wang Qin	17,731,360	4.37%
Caissa Shijia	16,793,496	4.13%
Huasheng Lingshi	10,731,648	2.64%
Yi Bing	8,862,240	2.18%
Wang Xing	8,862,080	2.18%
Huoli Xingchen	8,722,960	2.15%
Ningbo Caissa	8,487,640	2.09%
Beijing Huagai	8,306,496	2.04%
Shanghai Chuangji	7,512,154	1.85%
Zhuhai Fuhai	6,438,992	1.59%
Linghui Cornerstone	6,154,339	1.52%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of shareholder	Number of shares	Shareholding
Zhang Feilian (張飛廉)	6,154,339	1.52%
Shandong Hi-Speed	4,983,888	1.23%
Cheng Youzhen (程友珍)	2,853,616	0.70%
Shuimu Tianxing	2,434,528	0.60%
Huajin No.4.	1,661,296	0.41%
Yunding Tianyuan	1,661,296	0.41%
Deng Junfeng (鄧俊峰)	1,329,040	0.33%
Total	406,186,358	100%

Share Issuance by the Company to Individual Shareholders

For the purpose of reflecting the existing individual shareholders’ investments in Huoli Tianhui before the Reorganization, on July 18, 2024, our Company allotted and issued certain Shares at par value to the offshore holding vehicles designated by certain of the then existing individual shareholders of Huoli Tianhui. In addition, Shares were also issued to the corresponding offshore entities of the two domestic employee incentive platforms, being Huoli Dahai and Huoli Xingchen.

ODI Filing and Issuance of Shares to Institutional Shareholders

To reflect the interests of the onshore institutional investors who had invested in Huoli Tianhui, at the level of the Company, on May 10, 2024, Zhitu Xingzhou Technology and Teamrise collectively established Beijing Teamrise Xingzhou Technology Partnership (General Partnership) (北京庭瑞星舟科技合夥企業(普通合夥) (“**Teamrise Xingzhou**”), in which the interest allocation of Zhitu Xingzhou Technology and Teamrise amounts to 9,236,218: 32,702,416.

As the lead investor for the purpose of overseas direct investment filing procedures (“**ODI Registration**”), Teamrise Xingzhou, together with other institutional shareholders, collectively filed for ODI Registration. The relevant institutional shareholders include Shanghai Chuangji, Huasheng Lingshi, Yunding Tianyuan, Shaanxi Relief, Ningbo Caissa, Huajin No. 4, Shuimu Tianxing, Shandong High-speed, Linghui Cornerstone, Zhuhai Fuhai, Beijing Huagai (with Teamrise Xingzhou, collectively, the “**Institutional Shareholders**”).

Following the filing of ODI Registration, Warrants in respect of Shares that corresponded to the Institutional Shareholders’ interest in Huoli Tianhui, were issued by our Company to the Institutional Shareholders in order to enable them to subscribe for the Shares upon completion of ODI Registration.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On October 23, 2024, Teamrise Xingzhou, Linghui Cornerstone, Huasheng Lingshi, Beijing Huagai and Huajin No. 4 fully exercised their Warrants, and our Company allotted and issued certain Shares to their respective offshore designated entity. Our PRC Legal Advisor is of the view that, based on review of the Warrants so far as governed by the laws of PRC, the Warrants do not violate any provision of applicable PRC laws.

These considerations paid or to be paid by the Institutional Investors are determined based on a nominal value as these onshore institutional investors had already fully settled their investments onshore.

Assuming the Warrants are fully exercised, upon completion of the above allotments and issuances to the Institutional Shareholders, the shareholding structure of our Company is set out as follows:

No.	Name of Shareholders	Corresponding onshore entity/individual	Number of Shares	Shareholding Percentage
1 . .	Non Human Limited	Mr. Wang	65,379,101	16.79%
2 . .	Travel Around Holdings Limited	Mr. Li Lijun ⁽¹⁾	62,264,160	15.99%
3 . .	TRXZ Holdings Limited	Teamrise Xingzhou	41,938,634	10.77%
4 . .	Shaanxi Relief	Shaanxi Relief	41,532,448	10.67%
5 . .	Fontus	N/A	37,384,671	9.60%
6 . .	Huoli DH Group Holdings Limited	Huoli Dahai	28,005,936	7.19%
7 . .	Better Trip Holdings Limited	Wang Qin (王沁)	17,731,360	4.55%
8 . .	CR Flight Management Limited	Huasheng Lingshi	10,731,648	2.76%
9 . .	World Discovery Limited	Yi Bing (易兵)	8,862,240	2.28%
10 .	Liuquan Limited	Wang Xing (王興)	8,862,080	2.28%
11 .	Huoli XC Group Holdings Limited	Huoli Xingchen	8,722,960	2.24%
12 .	Ningbo Caissa	Ningbo Caissa	8,487,640	2.18%
13 .	HG Venture Development Limited	Beijing Huagai	8,306,496	2.13%
14 .	Shanghai Chuangji	Shanghai Chuangji	7,512,154	1.93%
15 .	Zhuhai Fuhai	Zhuhai Fuhai	6,438,992	1.65%
16 .	Energetic Costone Limited	Linghui Cornerstone	6,154,339	1.58%
17 .	Nice Flight Holdings Limited	Zhang Feilian (張 飛廉) ⁽²⁾	6,154,339	1.58%
18 .	Shandong Hi-Speed	Shandong Hi-Speed ⁽³⁾	4,983,888	1.28%
19 .	Brilliant Prospect Holdings Limited	Cheng Youzhen (程友珍)	2,853,616	0.73%
20 .	SMTX Limited	Shuimu Tianxing	2,434,528	0.63%
21 .	Huajin Oriental Huoli Limited	Huajin No. 4	1,661,296	0.43%
22 .	YunDing TianYuan Investment Limited	Yunding Tianyuan	1,661,296	0.43%
23 .	Splendid Future Holdings Limited	Deng Junfeng (鄧 俊峰)	1,329,040	0.34%
	Total		389,392,862	100.00%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

- (1) On October 27, 2024, Mr. Li Lijun and Zhitu Xingzhou Technology entered into a share transfer agreement with a deferred closing date, pursuant to which Mr. Li Lijun agreed that he shall transfer 62,264,160 shares he held in Huoli Tianhui to Zhitu Xingzhou Technology, with a closing date on March 11, 2025. Following the completion of the transfer of the Relevant Shares by Mr. Li Lijun to Zhitu Xingzhou Technology, Mr. Li Lijun would cease to be a Registered Shareholder. For details, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Reorganization — Acquisition of Equity Interests in Huoli Tianhui.”
- (2) In June 2024, a share transfer agreement was entered into between Wang Yaohai and Zhang Feilian (張飛廉), pursuant to which Wang Yaohai transferred all his equity interest in Huoli Tianhui to Zhang Feilian at a total consideration of RMB50 million. For details of Zhang Feilian, see “— Information about the Pre-[REDACTED] Investors” in this section.
- (3) On July 22, 2024, Shandong Hi-Speed Urbanization transferred the interests it held in Huoli Tianhui to Shandong Hi-Speed Investment Fund Management Center (Limited Partnership) (山東高速投資基金管理中心(有限合夥)) (“**Shandong Hi-Speed**”), which are under common control of the same ultimate beneficial owner. For details, see “— Information about the Pre-[REDACTED] Investors” in this section.

Business Reorganization

To ensure that the Contractual Arrangements are narrowly tailored in accordance with the requirements of the Stock Exchange, we restructured our onshore entities so that entities operating businesses that are not subject to foreign ownership restrictions or prohibitions can be held through our WFOEs. During the period from September to October, 2024, through a series of equity transfers, Huoli Tianhui transferred its direct/indirect equity interests in the following onshore entities to Beijing WFOE, namely Beijing Huoli Tourism, Huoli Century, Lvtu Lingzhou, Shenzhen Huoli Tourism, Huoli Selection, Huoli HK Limited (活力香港科技有限公司), Huoli Chunhua, Huoli Qiushi and Huoli Xinghui. The consideration for the above share transfers were determined with reference to the value of the relevant companies as set out in the appraisal reports prepared by third-party valuers. All the above-mentioned share transfers were fully settled on October 23, 2024.

Contractual Arrangements

On October 11, October 26 and October 27, 2024, Shenzhen WFOE entered into various agreements that constitute the Contractual Arrangements with, among others, Huoli Tianhui and the Registered Shareholders of Huoli Tianhui, pursuant to which our Group is able to gain effective control over, and to receive 95.87% of the economic benefits generated by the Consolidated Affiliated Entities. As of the Latest Practicable Date, the Registered Shareholders included Mr. Wang Jiang, Mr. Li Lijun, Zhitu Xingzhou Technology, Shaanxi Relief, Teamrise, Huoli Dahai, Wang Qin, Shanghai Huasheng, Yi Bing, Wang Xing, Huoli Xingchen, Ningbo Caissa, Beijing Huagai, Shanghai Chuangji, Zhuhai Fuhai, Linghui Cornerstone, Zhang Feilian, Shandong Hi-Speed, Cheng Youzhen, Shuimu Tianxing, Huajin No. 4, Yunding Tianyuan and Deng Junfeng, collectively, the “**Registered Shareholders**”, and each, a “**Registered Shareholder**”. Following the completion of the transfer of the Relevant Shares by Mr. Li Lijun to Zhitu Xingzhou Technology, Mr. Li Lijun would cease to be a Registered Shareholder.

See “Contractual Arrangements” for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

As advised by our PRC Legal Advisor, all required regulatory approvals or filings in relation to the Reorganization in the PRC described above have been obtained in accordance with the PRC laws and regulations.

The shareholding and corporate structure of our Group immediately after the Reorganization is set forth in “— Our Structure Immediately Prior to the [REDACTED]” below.

SHARE INCENTIVE PLAN

On October 17, 2024, our Company adopted the Share Incentive Plan to motivate, attract and encourage certain officers, managers, employees, directors and other eligible persons. The principal terms of the Incentive Plans are set out in the section headed “Appendix IV. Statutory and General Information — D. Share Incentive Plan.”

PRE-[REDACTED] INVESTMENT

Overview

Our Group has conducted multiple rounds of Pre-[REDACTED] Investments at the level of Huoli Holdings (under the Previous VIE Structure), Huoli Tianhui and the Company, which are summarized below:

Huoli Tianhui

Relevant Pre-[REDACTED] Investors ⁽¹⁾	Registered capital/shares of Huoli Tianhui subscribed for ⁽²⁾	Date of the capital increase agreement ⁽²⁾	Consideration paid	Settlement date	Post-money valuation ⁽³⁾ (approx.)	Cost per Share ⁽⁴⁾ (approx.)	Discount to the [REDACTED] ⁽⁴⁾
			RMB		RMB in million	HK\$	
<i>First Financing in April 2016</i>							
Huasheng Lingshi	670,728	April 8, 2016	50,000,000	May 3, 2016	1,046.6	5.1	[REDACTED]%
Shanghai Chuangji ⁽⁵⁾	670,728	April 8, 2016	50,000,000	May 3, 2016	1,046.6	5.1	[REDACTED]%
Zhuhai Fuhai	402,437	April 8, 2016	30,000,000	May 3, 2016	1,046.6	5.1	[REDACTED]%
<i>Second Financing in April 2016</i>							
Ningbo Caissa	178,351	April 8, 2016	15,000,000	May 3, 2016	1,210.8	5.7	[REDACTED]%
Cheng Youzhen	178,351	April 8, 2016	15,000,000	May 3, 2016	1,210.8	5.7	[REDACTED]%
<i>Third Financing in April 2016</i>							
Shaanxi Relief (acquired shares from Caissa Tosun)	2,595,778	April 8, 2016	250,000,000	May 3, 2016	2,159.5	6.6	[REDACTED]%
Caissa Shijia (acquired shares from Dapeng Air Travel)	519,156	April 8, 2016	50,000,000	May 3, 2016	2,159.5	6.6	[REDACTED]%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Relevant Pre-[REDACTED] Investors ⁽¹⁾	Registered capital/shares of Huoli Tianhui subscribed for ⁽²⁾	Date of the capital increase agreement ⁽²⁾	Consideration paid	Settlement date	Post-money valuation ⁽³⁾ (approx.)	Cost per Share ⁽⁴⁾ (approx.)	Discount to the [REDACTED] ⁽⁴⁾
			RMB		RMB in million	HK\$	
Ningbo Caissa	882,564	April 8, 2016	85,000,000	May 3, 2016	2,159.5	6.6	[REDACTED]%
Beijing Huagai	519,156	April 8, 2016	50,000,000	May 3, 2016	2,159.5	6.6	[REDACTED]%
Shandong Hi-Speed ⁽⁶⁾	311,493	April 8, 2016	30,000,000	May 3, 2016	2,159.5	6.6	[REDACTED]%
Zhuhai Huaying	103,831	April 8, 2016	10,000,000	May 3, 2016	2,159.5	6.6	[REDACTED]%
Yunding Tianyuan	103,831	April 8, 2016	10,000,000	May 3, 2016	2,159.5	6.6	[REDACTED]%
Deng Junfeng	83,065	April 8, 2016	8,000,000	May 3, 2016	2,159.5	6.6	[REDACTED]%
Financing in June 2016							
Shuimu Tianxing	152,158	June 26, 2016	14,650,000	July 26, 2016	2,173.6	6.6	[REDACTED]%
Financing in May 2017							
Teamrise	2,042,901	May 25, 2017	200,000,000	June 6, 2017	2,410.0	6.7	[REDACTED]%
Financing in February 2021							
Linghui Cornerstone	6,154,339	February 18, 2021	50,000,000	February 19, 2021	3,299.9	8.9	[REDACTED]%
Zhang Feilian (acquired shares from Wang Yaohai) ⁽⁷⁾	6,154,339	February 18, 2021	50,000,000	February 19, 2021	3,299.9	8.9	[REDACTED]%

The Company

Relevant Pre-[REDACTED] Investors ⁽¹⁾	Method of acquisition of the Shares of the Company	Shares of the Company subscribed	Date of the subscription agreement	Consideration paid	Settlement date	Post-money valuation ⁽³⁾ (approx.)	Cost per Share ⁽⁴⁾ (approx.)	Discount to the [REDACTED] ⁽⁵⁾
				RMB		RMB in million	HK\$	
Fontus	Subscription of Shares	37,384,671	May 23, 2024 and August 30, 2024	183,000,000	August 30, 2024	2,086.7	5.4	[REDACTED]%

Notes:

(1) For the details of the Pre-[REDACTED] Investors, see “— Information about the Pre-[REDACTED] Investors” in this section.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (2) References to the registered capital or number of shares are made to the registered capital/shares of Huoli Tianhui originally subscribed by relevant Pre-[REDACTED] Investors.

References to the date of the capital increase agreement are made to the relevant agreement entered into with Huoli Tianhui and its shareholders.

- (3) The post-valuation of Huoli Tianhui or our Company equals the total consideration paid by the Pre-[REDACTED] Investors in each round of the Pre-[REDACTED] Investments, divided by the ownership or shareholding percentage of the Pre-[REDACTED] Investors immediately after the Pre-[REDACTED] Investment,
- (4) The discount to the [REDACTED] is calculated based on the assumption that (i) the [REDACTED] is HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]; (ii) for investment at the level of Huoli Tianhui, the cost per Share paid is calculated based on the share subscription price paid by the relevant Pre-[REDACTED] Investors, and the number of Shares they receive pursuant to the Reorganization; and (iii) the exchange rate as set out in “Information about this document and the [REDACTED].”
- (5) Reference is made to the original registered share capital subscribed by Shanghai Chuangji. Shanghai Chuangji transferred part of its equity interest in Huoli Tianhui to Zhitu Xingzhou Technology during the Pre-[REDACTED] Reorganization. For details, see “— Pre-[REDACTED] Reorganization — Acquisition of Equity Interests in Huoli Tianhui” in this section.
- (6) On July 22, 2024, Shandong Hi-Speed Urbanization transferred the interests it held in Huoli Tianhui to Shandong Hi-Speed Investment Fund Management Center (Limited Partnership) (山東高速投資基金管理中心(有限合夥)) (“**Shandong Hi-Speed**”), which are under common control of the same ultimate beneficial owner. For details, see “— Information about the Pre-[REDACTED] Investors” in this section.
- (7) In June 2024, a share transfer agreement was entered into between Wang Yaohai and Zhang Feilian (張飛廉), pursuant to which Wang Yaohai transferred all his equity interest in Huoli Tianhui to Zhang Feilian at a total consideration of RMB50 million. For details of Zhang Feilian, see “— Information about the Pre-[REDACTED] Investors” in this section.

Other Principal Terms of the Pre-[REDACTED] Investments

Use of proceeds from the Pre-[REDACTED] Investments	We utilized the proceeds from the Pre-[REDACTED] Investments for daily operations. As of the Latest Practicable Date, the net proceeds from the Pre-[REDACTED] Investments has been fully utilized.
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Strategic benefits brought by the Pre-[REDACTED] Investors	At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company would benefit from the additional capital to be provided by the Pre-[REDACTED] Investors and some Pre-[REDACTED] Investors’ knowledge and experience. The Pre-[REDACTED] Investments also demonstrated the Pre-[REDACTED] Investors’ confidence in the operation and development of our Group.
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HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Basis of consideration The consideration for the Pre-[REDACTED] Investments were determined based on arm’s length negotiations between our Company or the existing Shareholders (as the case may be) with reference to business scale and financial performance of the Group at the relevant times. Other factors were also taken into account in the determination of the consideration including but not limited to (i) the investment risk assumed by the relevant Pre-[REDACTED] Investors under the capital market conditions at the time of the relevant investments and (ii) the strategic benefits which would be brought by the Pre-[REDACTED] Investors to our Group (where applicable).

Special Rights and Lock Up of Pre-[REDACTED] Investors

Pursuant to the second amended and restated memorandum of association of the Company (“**Second M&A**”), Fontus was entitled to information rights and the right to appoint a non-voting observer to participate in the Board meetings. Such right will terminate upon [REDACTED].

The Pre-[REDACTED] Investors are not subject to lock-up obligations pursuant to the Second M&A.

Compliance with the Guide

The Joint Sponsors have confirmed that the Pre-[REDACTED] Investments as disclosed herein are in compliance with Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange in December 2023

Information about the Pre-[REDACTED] Investors

Teamrise

Teamrise is a limited liability company established in the PRC principally engaged in project investment and asset management. Teamrise is wholly owned by Teamrise Group Co., Ltd. (庭瑞集團有限公司), a company established in the PRC with limited liability and ultimately controlled by Zhang Hua (張華), an Independent Third Party.

Shaanxi Relief

Shaanxi Relief is a limited partnership established in the PRC, principally engaged in investment management, project investment and investment consulting. The general partner of Shaanxi Relief is Shaanxi Investment Fund Management Co., Ltd. (陝西投資基金管理有限公 司), a limited liability company established in the PRC and wholly owned by Shaanxi Financial

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Holding Group Co., Ltd. (陝西金融控股集團有限公司). Shaanxi Financial Holding Group Co., Ltd. is wholly owned by the Department of Finance of Shaanxi Province (陝西省財政廳), an Independent Third Party. As of the Latest Practicable Date, Shaanxi Relief had three limited partners, with its largest limited partner, Shaanxi Financial Holding Group Co., Ltd., holding approximately 55.67% of partnership interest. No other limited partner of Shaanxi Relief held more than one third of the partnership interest in Shaanxi Relief.

Fontus

Fontus SPC is a segregated portfolio company established in the Cayman Islands in July 2019. CPIC CMBC Equity Opportunity Fund SP (“**CPIC CMBC SP**”) is a segregated portfolio under Fontus SPC.

CPIC CMBC SP is co-managed by CPIC Investment Management (H.K.) (“**CPIC Investment HK**”) and CMBC Asset Management Company Limited (“**CMBC Asset Management**”). CPIC Investment HK is ultimately controlled by China Pacific Insurance (Group) Co., Ltd. (中國太平洋保險(集團)股份有限公司), a company listed on the Stock Exchange (stock code: 02601.HK), Shanghai Stock Exchange (stock code: 601601.SH) and London Stock Exchange (symbol: CPIC). CMBC Asset Management is wholly owned by CMBC Capital Holdings Limited, a company listed on the Stock Exchange (stock code: 01141.HK).

CPIC CMBC SP is owned as to Abundant Chance Investment Limited and CMBC International Investment (HK) Limited, its participating shareholders, as to 50% and 50%, respectively. Abundant Chance Investment Limited is ultimately beneficially owned by an Independent Third Party. CMBC International Investment (HK) Limited is an indirectly wholly-owned subsidiary of China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司), a company listed on the Stock Exchange (stock code: 01988.HK) and Shanghai Stock Exchange (stock code: 600016.SH).

CR Flight Management Limited

CR Flight Management Limited is incorporated in the BVI with limited liability, which is wholly owned by Huasheng Lingshi.

Huasheng Lingshi is a limited partnership established in the PRC, principally engaged in asset management. The general partner of Huasheng Lingshi is Shanghai Huasheng Xinxuan Entrepreneurship Investment Management Center (Limited Partnership) (上海華晟信選創業投資管理中心(有限合夥)), of which the general partner is Shanghai Quanyuan Investment Co., Ltd. (上海全源投資有限公司) and is ultimately controlled by CHINA RENAISSANCE HOLDINGS LIMITED (華興資本控股有限公司), a company listed on the Stock Exchange (stock code: 01911). As of the Latest Practicable Date, Huasheng Lingshi had 24 limited partners, none of which held more than one third of partnership interest.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Ningbo Caissa

Ningbo Caissa is a limited partnership established in the PRC, principally engaged in asset management, investment management and investment consulting. The general partner of Ningbo Caissa is Caissa Capital Management, Co., Ltd. (凱撒世嘉股權投資管理股份有限公司) (“**Caissa Capital Management**”), holding 50% interests in Ningbo Caissa. Caissa Capital Management is ultimately controlled by an Independent Third Party. The rest of the economic interests in Ningbo Caissa are held by two limited partners, both of which are Independent Third Parties.

HG Venture Development Limited

HG Venture Development Limited is incorporated in the BVI with limited liability, which is wholly owned by Beijing Huagai.

Beijing Huagai is a limited partnership established in the PRC, principally engaged in asset management, investment management and investment consulting. The general partners of Beijing Huagai are Ningbo Huagai Changqing Equity Investment Management Center (Limited Partnership) (寧波華蓋長青股權投資管理中心(有限合夥)) (“**Ningbo Huagai**”) and Huagai Venture Capital Management (Beijing) Co., Ltd. (華蓋創業投資管理(北京)有限公司) (“**Huagai Venture Capital**”). The general partner of Ningbo Huagai is Huagai Venture Capital, which is ultimately controlled by Xu Xiaolin (許小林) and Lu Binghui (鹿炳輝), both of whom are Independent Third Parties. As of the Latest Practicable Date, Beijing Huagai had two limited partners, with the largest limited partner, Hangzhou Lutou Rilang Investment Management Partnership Enterprise (Limited Partnership) (杭州陸投日朗投資管理合夥企業(有限合夥)) (“**Hangzhou Lutou**”), holding approximately 91.70% partnership interests. The general partner of Hangzhou Lutou is Hangzhou Lutong Investment Management Co., Ltd. (杭州陸同投資管理有限公司), which is ultimately controlled by He Qun (何群), an Independent Third Party.

Shanghai Chuangji

Shanghai Chuangji is a limited partnership established in the PRC, principally engaged in asset management, investment management and investment consulting. The general partner of Shanghai Chuangji is Shanghai Changchuang Investment Management Partnership Enterprise (Limited Partnership) (上海昶創投資管理合夥企業(有限合夥)), of which the general partner is Shanghai Jingsheng Investment Management Co., Ltd. (上海經勝投資管理有限公司), ultimately controlled by Zuo Lingye (左凌燁). As of the Latest Practicable Date, Shanghai Chuangji had 42 limited partners, none of which held more than one third of partnership interest.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Zhuhai Fuhai

Zhuhai Fuhai is a private equity investment fund established and registered in the PRC. The general partner of Zhuhai Fuhai is Zhuhai Fuhai Huachuang Venture Capital Fund Management Enterprise (Limited Partnership) (珠海富海鐮創創業投資基金管理企業(有限合夥)), of which the general partner is Zhuhai Fuhai Huachuang Investment Co., Ltd. (珠海市富海鐮創投資有限公司), ultimately controlled by Chen Wei (陳瑋) through Shenzhen Oriental Fortune Capital Co., Ltd. (深圳市東方富海投資管理股份有限公司). As of the Latest Practicable Date, Zhuhai Fuhai had 29 limited partners, none of which held more than one third of partnership interest.

Energetic Costone Limited

Energetic Costone Limited is incorporated in the BVI with limited liability, which is wholly owned by Linghui Cornerstone.

Linghui Cornerstone is a limited partnership established in the PRC, principally engaged in investment management and equity investment. The general partner of Linghui Cornerstone is Shenzhen Lingxin Cornerstone Equity Investment Fund Management Partnership Enterprise (深圳市領信基石股權投資基金管理合夥企業(有限合夥)), of which the general partner is Urumqi Kunlun Cornerstone Venture Capital Co., Ltd. (烏魯木齊昆侖基石投資創業投資有限公司), ultimately controlled by Zhang Wei (張維) through Cornerstone Asset Management Co., Ltd. (基石資產管理股份有限公司) (a company with limited liability established in the PRC). As of the Latest Practicable Date, Linghui Cornerstone had 21 limited partners, none of which held more than one third of partnership interest.

Nice Flight Holdings Limited

Nice Flight Holdings Limited is incorporated in the BVI with limited liability, which is wholly owned by Zhang Feilian.

Zhang Feilian is an individual pre-[REDACTED] investor and an Independent Third Party who from time to time participates in various investment opportunities with a primary focus on equity investment.

Shandong Hi-Speed

Shandong Hi-Speed is a limited partnership established in the PRC, principally engaged in fund management, enterprise management consulting and equity investment. The general partner of Shandong Hi-Speed is Shangao Wangyue (Yantai) Private Equity Fund Co., Ltd. (山高望岳(煙臺)私募基金有限公司) (previously known as Shandong Hi-Speed Urbanization Investment Fund Management Co., Ltd. (山東高速投資基金管理有限公司)), which is ultimately beneficially owned by the State-owned Assets Supervision and Administration Commission of Shandong Provincial People’s Government (山東省人民政府國有資產監督管理委員會), Cui Liyuan (崔礪元), an Independent Third Party, through Ningxia Yellow River

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Delta Investment Management Co., Ltd. (寧夏黃三角投資管理有限公司) and Yang Yufen (楊玉芬), an Independent Third Party, through Dongying Bingcheng Network Technology Co., Ltd. (東營市冰城網絡科技有限公司), collectively. The sole limited partner of Shandong Hi-Speed is Shangdong Hi-Speed Investment Holdings Co., Ltd. (山東高速投資控股有限公司), which is ultimately controlled by State-owned Assets Supervision and Administration Commission of Shandong Provincial People’s Government (山東省人民政府國有資產監督管理委員會).

Brilliant Prospect Holdings Limited

Brilliant Prospect Holdings Limited is incorporated in the BVI with limited liability, which is wholly owned by Cheng Youzhen.

Cheng Youzhen is an individual pre-[REDACTED] investor and an Independent Third Party who from time to time participates in various investment opportunities in capital markets.

SMTX Limited

SMTX Limited is incorporated in the BVI with limited liability, which is wholly owned by Shuimu Tianxing.

Shuimu Tianxing is a limited partnership established in the PRC, principally engaged in technology consulting and services. The general partner of Shuimu Tianxing is Song Ming (宋明), an Independent Third Party. As of the Latest Practicable Date, Shuimu Tianxing had three limited partners, with the largest limited partner, Wang Qin (王沁), an Independent Third Party, holding approximately 53.74% partnership interest. No other limited partner of Shuimu Tianxing held more than one third of the partnership interest.

Huajin Oriental Huoli Limited

Huajin Oriental Huoli Limited is incorporated in the BVI with limited liability, which is wholly owned by Huajin No.4.

Huajin No. 4 is a limited partnership established in the PRC, principally engaged in private equity investment, investment management and asset management. The general partner of Huajin No. 4 is Zhuhai Huajin Lingchuang Fund Management Co., Ltd. (珠海華金領創基金管理有限公司), an Independent Third Party, which is indirectly wholly owned by Zhuhai Huajin Capital Co., Ltd. (珠海華金資本股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000532.SZ). As of the Latest Practicable Date, Huajin No. 4 had one limited partner, being Zhuhai Huashi Zhiyuan Investment Co., Ltd. (珠海華實智遠投資有限公司), an Independent Third Party, holding approximately 99.75% partnership interest.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

YunDing Tian Yuan Investment Limited

YunDing Tian Yuan Investment Limited is incorporated in the BVI with limited liability, which is wholly owned by Yunding Tianyuan.

Yunding Tianyuan is a limited partnership established in the PRC, principally engaged in investment management, asset management and investment consulting. The general partner of Yunding Tianyuan is Dongfang Yunding Investment Management Co., Ltd. (北京東方雲鼎投資管理有限公司), which is ultimately controlled by Liu Jian (劉健), an Independent Third Party. As of the Latest Practicable Date, Yunding Tianyuan had 18 limited partners, none of which held more than one third partnership interest.

Splendid Future Holdings Limited

Splendid Future Holdings Limited is incorporated in the BVI with limited liability, which is wholly owned by Deng Junfeng.

Deng Junfeng is an individual pre-[REDACTED] investor and an Independent Third Party who from time to time participates in various investment opportunities in capital markets.

PUBLIC FLOAT

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Shares held by certain of our Shareholders who are, or directly or indirectly controlled by our core connected persons, will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. Details of these Shareholders and their respective shareholding upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) are set out below:

- Non Human Limited, which is indirectly wholly owned by Mr. Wang, our executive Director, holding approximately [REDACTED]% of the total issued share capital of the Company;
- World Discovery Limited, which is indirectly wholly owned by Mr. Yi Bing, our executive Director, holding approximately [REDACTED]% of the total issued share capital of the Company;
- Huoli XC Group Holdings Limited, which is controlled by and owned as to approximately 32.51% by Mr. Zhang Lin, being our executive Director, indirectly holding approximately [REDACTED]% of the total issued share capital of the Company;
- Travel Around Holdings Limited, which is indirectly wholly owned by Mr. Li Lijun, being our non-executive Director, holding approximately [REDACTED]% of the total issued share capital of the Company; and
- TRXZ Holdings Limited, by virtue of Mr. Wang’s interest held in it, holding approximately [REDACTED]% of the total issued share capital of the Company.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Except as stated above, the Shares held by the other Shareholders of the Company will constitute part of the public float.

Accordingly, it is expected that immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no new Shares are issued under the Share Incentive Plan), a total of [REDACTED] Shares, representing [REDACTED]% of our total share capital upon the completion of the [REDACTED], will be counted as part of the public float. As a result, over 25% of our Company’s total issued Shares will be held by the public upon completion of the [REDACTED] as required under Rule 8.08(1)(a) of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

The following table sets out our shareholding structure upon the completion of the [REDACTED], assuming the [REDACTED] is not exercised and no new Shares are issued under the Share Incentive Plan:

	Shareholder	Number	Shareholding
1. . . .	Non Human Limited	65,379,101	[REDACTED]%
2. . . .	World Discovery Limited	8,862,240	[REDACTED]%
3. . . .	Shaanxi Relief	41,532,448	[REDACTED]%
4. . . .	Fontus	37,384,671	[REDACTED]%
5. . . .	Better Trip Holdings Limited	17,731,360	[REDACTED]%
6. . . .	CR Flight Management Limited	10,731,648	[REDACTED]%
7. . . .	Shanghai Chuangji	7,512,154	[REDACTED]%
8. . . .	Huoli XC Group Holdings Limited	8,722,960	[REDACTED]%
9. . . .	Huoli DH Group Holdings Limited	28,005,936	[REDACTED]%
10. . .	Liuquan Limited	8,862,080	[REDACTED]%
11. . .	Ningbo Caissa	8,487,640	[REDACTED]%
12. . .	HG Venture Development Limited	8,306,496	[REDACTED]%
13. . .	Zhuhai Fuhai	6,438,992	[REDACTED]%
14. . .	Nice Flight Holdings Limited	6,154,339	[REDACTED]%
15. . .	Energetic Costone Limited	6,154,339	[REDACTED]%
16. . .	Shandong Hi-Speed	4,983,888	[REDACTED]%
17. . .	Brilliant Prospect Holdings Limited	2,853,616	[REDACTED]%
18. . .	TRXZ Holdings Limited	41,938,634	[REDACTED]%
19. . .	SMTX Limited	2,434,528	[REDACTED]%
20. . .	Huajin Oriental Huoli Limited	1,661,296	[REDACTED]%
21. . .	YunDing TianYuan Investment Limited	1,661,296	[REDACTED]%
22. . .	Splendid Future Holdings Limited	1,329,040	[REDACTED]%
23. . .	Travel Around Holdings Limited	62,264,160	[REDACTED]%
24. . .	Other Public Shareholders	[REDACTED]	[REDACTED]%
	Total	[REDACTED]	100.00%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Voting Proxy Agreements

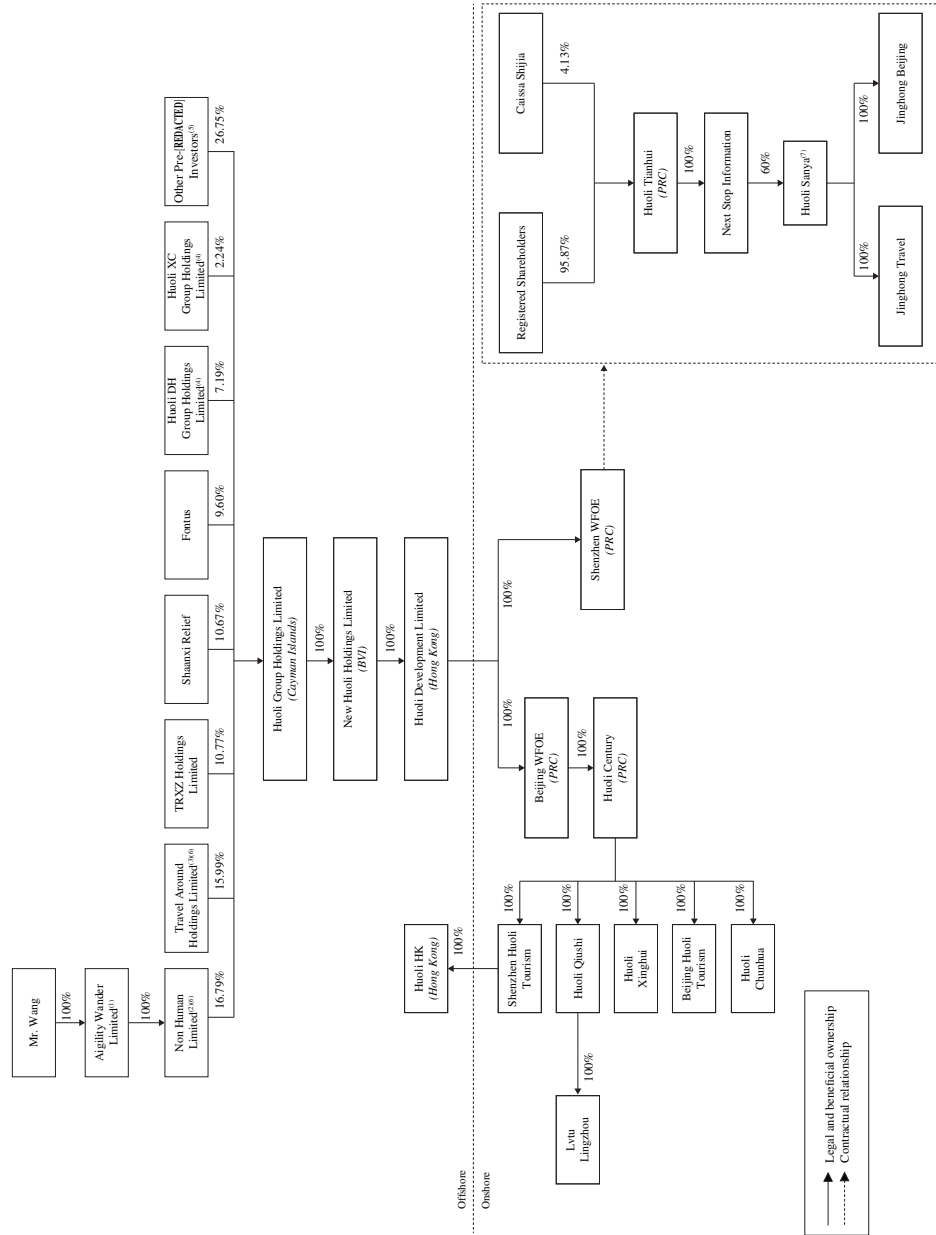
To streamline and optimize the shareholding structure and to ensure the stable ownership and business development of our Group, Mr. Li Lijun entered into a voting proxy agreement with Mr. Wang on March 1, 2021 (“**Onshore Proxy Agreement**”), pursuant to which, Mr. Lijun granted Mr. Wang, as his true and lawful attorney, a voting proxy over all the shares he held in Huoli Tianhui.

Following completion of the Reorganization, to reflect the arrangement under the Onshore Proxy Agreement, Travel Around Holdings Limited (an entity wholly owned by Mr. Li Lijun) and Non Human Limited (an entity wholly owned by Mr. Wang Jiang) entered into an amended and restated offshore voting proxy agreement on August 23, 2024 (the “**Offshore Proxy Agreement**”), pursuant to which Travel Around Holdings Limited granted Non Human Limited, as its true and lawful attorney, a voting proxy over all the Shares it held in Company.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth our Group’s corporate and shareholding structure immediately after completion of the Reorganization but prior to the [REDACTED].



HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

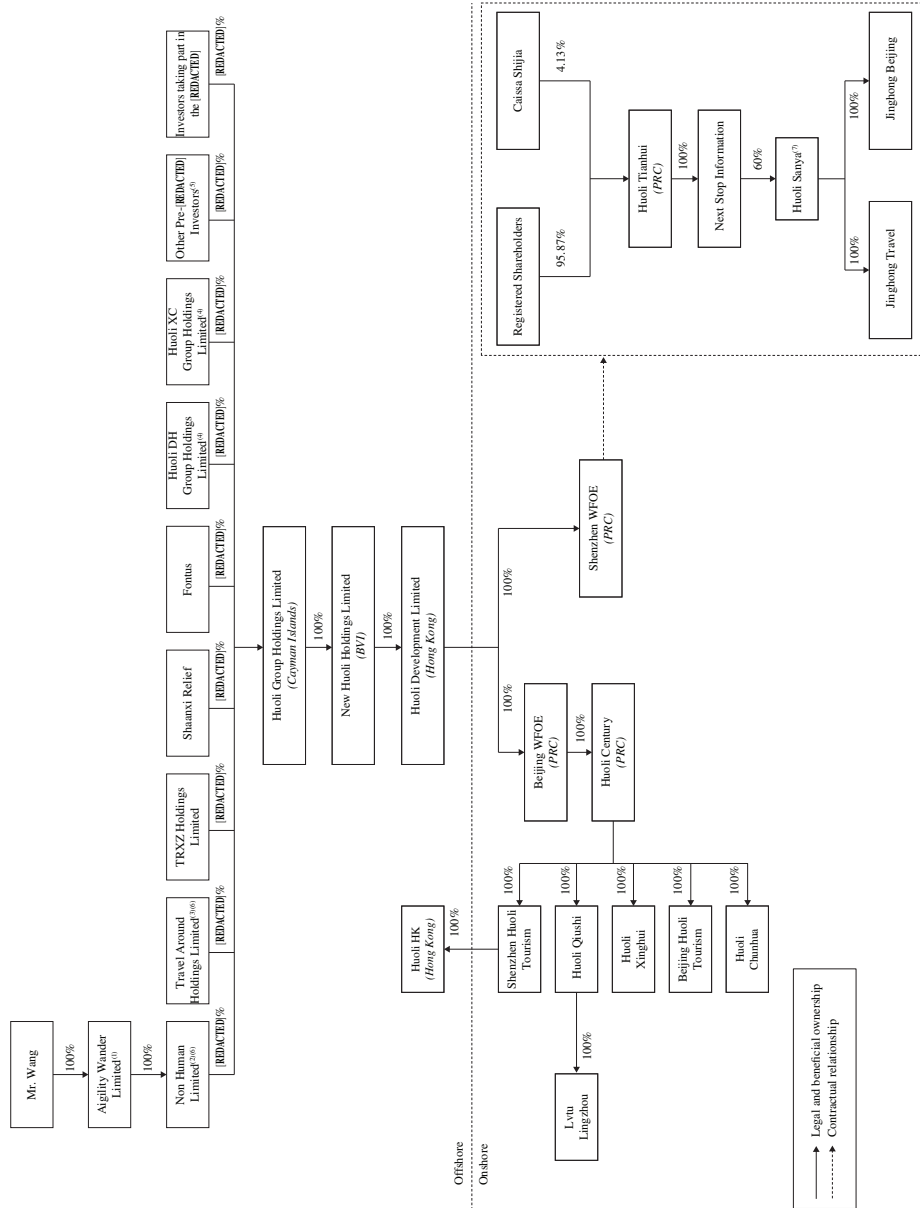
Notes:

- (1) Aigility Wander Limited is incorporated in the BVI with limited liability and is wholly owned by Mr. Wang, our executive Director.
- (2) Non Human Limited is incorporated in the BVI with limited liability and is wholly owned by Aigility Wander Limited.
- (3) Travel Around Holdings Limited is incorporated in the BVI with limited liability and is wholly owned by Excellent Trip Limited, which is incorporated in the BVI with limited liability. Excellent Trip Limited is wholly owned by Mr. Li Lijun, our non-executive Director.
- (4) Huoli DH Group Holdings Limited and Huoli XC Group Holdings Limited are the offshore vehicles of Huoli Dahai and Huoli Xingchen, both of which are the employee incentive platforms of Huoli Tianhui.
- (5) This includes all our other Pre-**[REDACTED]** Investors, who are Independent Third Parties. For additional information, see “Major Corporate Developments of Our Group” and “Pre-**[REDACTED]** Investment” in this section above.
- (6) Pursuant to the Offshore Proxy Agreement entered into between Travel Around Holdings Limited and Non Human Limited on August 23, 2024, Travel Around Holdings Limited granted Non Human Limited, as its true and lawful attorney, a voting proxy over all the Shares it held in Company. For details, see “ — Capitalization of Our Company — Voting Proxy Agreements” in this section.
- (7) As of the date of this document, Huoli Sanya is owned as to 60% by Next Stop Information and 40% by Caissa Tongsheng Tourism (Group) Co., Ltd. (凯撒同盛旅行社(集團)有限公司) (an Independent Third Party), respectively.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following chart sets forth our Group’s corporate and shareholding structure immediately after completion of the [REDACTED], assuming the [REDACTED] is not exercised.



Note: for notes (1) to (7), please refer to the notes under the sub-section headed “Our Structure Immediately Prior to the [REDACTED]” in this section.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

PRC LEGAL COMPLIANCE

Corporate Structure and Reorganization

Our PRC Legal Advisor has confirmed that the equity transfers of our PRC subsidiaries and the Consolidated Affiliated Entities involved at the current stage as described in “—Pre-[REDACTED] Reorganization” in this section above had been properly and legally completed or settled and all necessary government approvals and permits and the government procedures have been obtained in accordance with the applicable PRC laws and regulations.

CSRC Filing

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures, which has come into effect on March 31, 2023. As advised by our PRC Legal Advisor, based on the Overseas Listing Trial Measures and relevant notices, our Directors are of the view that we are required to submit the filings with CSRC in accordance with the Overseas Listing Trial Measures and relevant notices. On [●], the CSRC issued a notification on our completion of the PRC filing procedures for the [REDACTED] of our Shares on the Stock Exchange and the [REDACTED]. As advised by our PRC Legal Advisor, no other approvals from the CSRC are required to be obtained for the [REDACTED] of our Shares on the Stock Exchange. For details, see “Regulations — Regulations on Mergers and Acquisitions and Overseas Listings.”

SAFE Registration

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (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”) on July 14, 2014. SAFE Circular 37 requires a PRC resident to register with local branches of SAFE in connection with his direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC resident’s legally owned assets or equity interest in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a “special purpose vehicle.” SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or swap, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle maybe restricted in its ability to contribute additional capital into its PRC subsidiaries. Furthermore, failure to comply with the SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On February 13, 2015, SAFE released the Notice on Further Simplifying the Improving Policies for the Foreign Exchange Administration of 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”), which became effective from June 1, 2015. According to SAFE Circular 13, local banks shall examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration under SAFE Circular 37. However, there exists uncertainties with respect to its interpretation and implementation by governmental authorities and banks.

Our PRC Legal Advisor has confirmed that, individual Shareholders who we are aware of as being subject to Circular 37 have completed the required registration under Circular 37. Our PRC Legal Advisor has also confirmed that, (i) the Institutional Shareholders have completed their filings with the (a) the National Development and Reform Commission of the PRC or its local counterparts; and (b) the Ministry of Commerce of the PRC or its local counterparts, (ii) certain Institutional Shareholders have acquire the business registration for foreign exchange and complete their ODI registration, and (iii) for the remaining Institutional Shareholders, there is no substantial legal impediment for them to acquire the business registration for foreign exchange and complete their ODI registration.

M&A Rules

Pursuant to the M&A Rules, where a domestic enterprise, or a domestic natural person, through an overseas company established or controlled by it/him/her, acquires a domestic enterprise which is related to or connected with it/him/her, approval from the MOFCOM is required. The M&A Rules, among others, also require that an offshore special purpose vehicle, or a SPV, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the [REDACTED] of such SPV’s securities on an overseas stock exchange, especially in the event that the SPV acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Advisor is of the view that unless new laws and regulations are enacted or MOFCOM and CSRC publish new provisions or interpretations on the M&A Rules to the contrary in the future, the proposed [REDACTED] is not subject to approval from the MOFCOM and the CSRC under the M&A Rules. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented, and whether the relevant PRC government authorities, including CSRC, will reach the same conclusion as our PRC Legal Advisor.

CONTRACTUAL ARRANGEMENTS

PRC REGULATORY BACKGROUND

Background

Investment activities in the PRC by foreign investors are principally governed by the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the “**Catalog**”), and the Special Administrative Measures for Access of Foreign Investment (2021 Version) (《外商投資准入特別管理措施(負面清單)(2021年版)》) as amended by Special Administrative Measures for 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)》) on September 6, 2024 and shall come into effect since November 1, 2024 (the “**Negative List**”). Both of the Catalog and the Negative List were promulgated and are amended from time to time by the MOFCOM and the NDRC. The Catalog and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: “encouraged,” “restricted” and “prohibited.” Industries not listed in the Catalog and the Negative List are generally deemed as falling into a fourth category “permitted” unless specifically restricted by other PRC laws.

We offer (i) one-stop mobility services, which mainly comprise transportation ticketing services, corporate travel management services, online ride hailing services and accommodation reservation services, (ii) marketing services, and (iii) data and technology services. As advised by our PRC Legal Advisor, a summary of our businesses/operations that are subject to foreign investment restriction or prohibition in accordance with the Catalog and the Negative List (collectively, the “**Relevant Businesses**”) is set out below:

<u>Categories</u>	<u>Our business/operation</u>
Internet map services. . .	<p>The provision of travel related services through our apps involves the display of internet maps, which falls in the scope of internet map services.</p> <p>According to the Administrative Measures of Surveying Qualification Certificate (《測繪資質管理辦法》) issues by the Ministry of Natural Resources with the latest amendments becoming effective on July 1, 2021, the provision of internet map services by any non-surveying and mapping enterprise is subject to the approval of the local competent natural resources department and requires a Surveying and Mapping Qualification Certificate.</p>

CONTRACTUAL ARRANGEMENTS

Categories	Our business/operation
	<p>On January 19, 2007, the Ministry of Natural Resources promulgated the Interim Measures for the Administration of the Surveying and Mapping Conducted by Foreign Organizations or Individuals in China (外國的組織或者個人來華測繪管理暫行辦法), which were amended on April 27, 2011 and July 16, 2019 respectively. According to the Interim Measures for the Administration of the Surveying and Mapping Conducted by Foreign Organizations or Individuals in China, foreign entities shall cooperate or set up a joint venture with the relevant departments or entities of the PRC to conduct surveying and mapping activities in the PRC.</p> <p>Huoli Tianhui currently holds a Class B certificate of surveying and mapping (the “Class B Certificate”). In view of the aforementioned PRC regulatory background, Huoli Tianhui consulted with the Ministry of Natural Resources of the PRC (the “MNR”) on September 13, 2024, and the MNR confirmed that no foreign investment is allowed in an entity holding Class B Certificate.</p> <p>Our PRC Legal Advisor is of the view that the MNR is the competent authority and its officer who attended the consultation was the competent person to provide the foregoing confirmations.</p>
Outbound travel business	<p>Jinghong Travel currently holds an Outbound Travel Business License for the operation of outbound travel business.</p> <p>Regulations on Travel Agencies (《旅行社條例》) was promulgated by the State Council of the PRC on February 20, 2009, and amended on February 6, 2016 and March 1, 2017 (the “Regulations on Travel Agencies”).</p> <p>According to the Regulations on Travel Agencies, for the purpose of operating outbound travel business, a travel agency shall obtain an outbound travel business license (the “Outbound Travel Business License”). Foreign-invested travel agencies shall not engage in Chinese mainland residential travel business abroad and Chinese mainland residential travel business in Hong Kong, Macau and Taiwan, unless stated otherwise by the State Council of the PRC, in any free trade agreements or in the Mainland and Hong Kong and Macau Closer Economic Partnership Arrangements signed by China. Jinghong Travel is located in Beijing, a pilot area, which allows qualified foreign-invested travel agencies to engage in outbound tourism business except for Taiwan.</p>

CONTRACTUAL ARRANGEMENTS

Categories	Our business/operation
Value-added telecommunication services business	<p>In view of the aforementioned PRC regulatory background, a consultation was conducted with the Ministry of Culture and Tourism of the PRC (the “MCT”) on September 13, 2024, and the MCT confirmed that no foreign-invested travel agencies shall be allowed to engage in outbound travel business.</p> <p>Our PRC Legal Advisor is of the view that the MCT is the competent authority and its officer who attended the consultation was the competent person to provide the foregoing confirmations.</p>
	<p>Huoli Tianhui engages in transportation ticketing sales, hotel accommodation reservation and ancillary value-added travel related products and services through our mobile apps.</p>
	<p>As advised by our PRC Legal Advisor, such business falls within the scope of “value-added telecommunication services business including Internet content provision services” under the Telecommunications Regulations of the People’s Republic of China (“Telecommunications Regulations”) and Regulations for the Administration of Foreign-Invested Telecommunications Enterprises promulgated by the State Council on December 11, 2001. Therefore, we are required to hold a Value-added Telecommunication Services Business Operation License (增值電信業務經營許可證) (the “ICP License”) under the applicable PRC laws and regulations. Huoli Tianhui currently holds an ICP License.</p>
	<p>According to the Catalog, the Negative List and other applicable PRC laws, foreign investors are not allowed to hold more than 50% of the equity interests in an enterprise conducting value-added telecommunications services business. Such restriction was confirmed during the consultation with Shenzhen Communication Administration (深圳市通信管理局).</p>
	<p>Our PRC Legal Advisor is of the view that Shenzhen Communication Administration is the competent authority and its officer who attended the consultation was the competent person to provide the foregoing confirmation.</p>

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We will closely monitor any future development relating to the laws and regulations relating to foreign investment restriction and will take all necessary actions to comply with applicable laws, regulations and specific requirements or guidance, including reorganizing our corporate structure, if required in the future. See section paragraph “— The Contractual Arrangements — Circumstances under which We will Unwind our Contractual Arrangements” in this section for details.

Apart from the Relevant Businesses mentioned above, as advised by our PRC Legal Advisor, none of other businesses operated by our Group is subject to any foreign investment restrictions.

The Relevant Business

Huoli Tianhui, one of our Consolidated Affiliated Entities, engages in the provision of one-stop mobility services, which primarily comprise transportation ticketing services (including air and train tickets), corporate travel management services, online ride hailing services, accommodation reservation services and other value-added travel related services to users through our online platforms.

Our Company believes that the provision of internet map services is supplemental to our intelligent mobility services and is crucial to the operations of our Group, and that our internet map services provided on our platforms are inseparable and inextricably linked to our intelligent mobility services for the following reasons:

- Our intelligent mobility services, including our internet map services, are provided through our mobile applications and mini programs, using the same back-end management system and having the same user group.
- In particular, the internet map services are crucial to our provision of transportation ticketing services. In our air ticketing services, we display maps to, among others, (i) clearly present various options of domestic and international flights, and allow the users to select their preferred routes; (ii) suggest alternative routes and/or transportation modes where there are no direct flights between two given cities; (iii) show the lowest ticket prices in different cities on a given date, which facilitate users to decide on their destinations and travel dates; and (iv) present the real-time status of airports and airplanes around the globe. In our train ticketing services, we display maps to, among others, (i) show the status and location of trains; (ii) suggest the routes and estimated time for users to travel from their current location to the train station; and (iii) recommend nearby tourist destinations for users. The internet map services play a key role in our provision of intelligent mobility services. They enhance our user experience, attract users to our platforms, and differentiate our intelligent mobility services from competing platforms.

CONTRACTUAL ARRANGEMENTS

- Internet map is necessary in the provision of our online ride hailing services, which seamlessly integrate with our transportation ticketing services, ensuring a smooth and comprehensive travel experience. When a user books an air or train ticket through our platforms, they are given the option to add a ride hailing service to their itinerary. We offer airport and railway station transfers, hotel pickups, and other transportation between locations designated by our users. Through internet map services, we (i) suggest pickup points and destinations based on users’ existing itinerary information on our platforms; (ii) accurately identify the locations of users and drivers, and (iii) allow users to input their locations and destinations, and track their routes. For rides to or from airports or railway stations, we also keep drivers informed of latest transportation information of the riders’ flights or trains, to avoid missing the flights or trains and reduce unnecessary waiting time for both riders and drivers.
- In our accommodation reservation services, internet map also visibly shows the availability of hotels around the users’ destinations, which helps travelers streamline the trip planning process and enhance user convenience. When users book their flights or train tickets through our platforms, they can seamlessly reserve hotels at their destination for the same trip. Users can search, compare, and book accommodations on our platforms based on their destination and detailed stay preferences, and may further filter and sort search results by price range, star category, location, brand, and amenities.
- For the reasons above, we believe it is commercially unreasonable to request the users to view the internet maps and book tickets or car services on different platforms, which would significantly affect the efficiency of travel planning and affect the quality of our service offerings.
- Further, our intelligent mobility services, including the internet map services, depend on the same portfolio of technologies, intellectual property rights, human resources and know-how. Splitting the internet map services from our other services and businesses would not be conducive to the maintenance and management of our technology and resources and would incur substantial cost.

Our Company is of the view that the internet map services and other services falling within the scope of “value-added telecommunication service business” are operated on the same platforms, forming an integral part of the Company’s business. Further, as confirmed by Frost & Sullivan, it is a industry practice for companies providing transportation ticketing sales services to also engage in Internet map services. As such, the splitting of internet map services would affect the Group’s competitiveness as compared to other platforms. As advised by our PRC Legal Advisor, given the fact that Huoli Tianhui holds a Class B Certificate for which a sino-foreign equity joint venture is impractical to obtain, our Company is not able to directly hold equity interests in Huoli Tianhui.

CONTRACTUAL ARRANGEMENTS

Jinghong Travel, engages in the outbound travel business and currently holds an Outbound Travel Business License. Jinghong Travel was wholly owned by Huoli Caissa Business Travel (Sanya) Co., Ltd. (活力凱撒商務旅行(三亞)有限公司) (“**Huoli Sanya**”), which is in turn owned as to 60% by Next Stop Information (a wholly-owned subsidiary of Huoli Tianhui) and 40% by Caissa Tongsheng Tourism (Group) Co., Ltd. (凱撒同盛旅行社(集團)有限公司), respectively. Huoli Sanya, through its wholly owned subsidiaries, Jinghong Travel and Jinghong Beijing (collectively, the “**Jinghong Group**”), engages in outbound and inbound travel businesses. According to our PRC Legal Advisor, the operation of inbound travel business is not subject to foreign investment restrictions.

As of the Latest Practicable Date, we do not consider to separate inbound travel business and have it operated through our WFOEs. Such operations would disrupt the Jinghong Group’s normal business operations, as currently both the outbound and inbound travel businesses are managed by the same group of personnel. In addition, our customers for corporate travel managements services typically require suppliers to be capable and licensed to provide both inbound and outbound travel services as a package. As confirmed by Frost & Sullivan, it is not uncommon in industry for clients to prefer having these services under one contract. Considering that separating them would affect our competitiveness and disrupt our operations, our Directors consider that that we have compelling reasons to continue operate the Jinghong Group through Contractual Arrangements.

As advised by our PRC Legal Advisor, we cannot hold or acquire any equity interest in our Consolidated Affiliated Entities under the Negative List and other applicable PRC laws and regulations for the following reasons:

- as compared to domestic companies, there are substantial uncertainties for a sino-foreign equity joint venture to obtain the Class B Certificate for the purpose of providing internet map services or the Outbound Travel Business License; and
- foreign investors are restricted from holding more than 50% of the equity interest in a PRC enterprise providing commercial internet information services requiring the ICP License, which are categorized as “value-added telecommunication service business.”

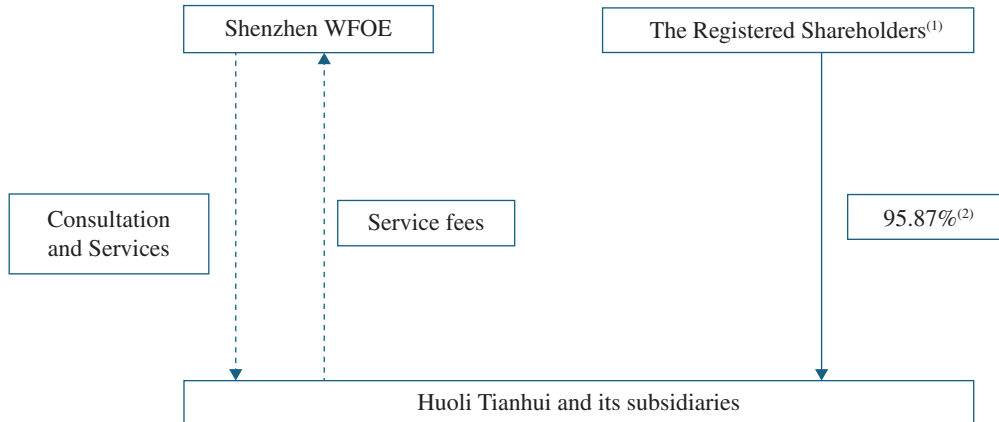
As illustrated above, in order to maintain our business operations in compliance with the applicable PRC laws and regulations, our Company, as a foreign investor under the current regulatory regime, has adopted the Contractual Arrangements, which allow our Company to exercise control over the business operations of our Consolidated Affiliated Entities and enjoy a substantial portion of the economic interests derived therefrom. Based on the above and the advice of our PRC Legal Advisor, we are of the view that the Contractual Arrangements, which are narrowly tailored, are necessary to enable us to conduct business that is subject to foreign investment restrictions in the PRC.

CONTRACTUAL ARRANGEMENTS

OUR CONTRACTUAL ARRANGEMENTS

Overview

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group stipulated under the Contractual Arrangements, details of which are set out in the sub-section headed “— Our Contractual Arrangements — Summary of the Material Terms under the Contractual Arrangements” in this section:



Notes:

→ denotes direct legal and beneficial ownership in the equity interest.

---→ denotes contractual relationship.

- (1) As of the Latest Practicable Date, Mr. Li Lijun remained as a Registered Shareholder of Huoli Tianhui, and therefore was a party to the Contractual Arrangements.

On October 27, 2024, Mr. Li Lijun and Zhitu Xingzhou Technology entered into a share transfer agreement with a deferred closing date, pursuant to which Mr. Li Lijun agreed that he shall transfer 62,264,160 shares he held in Huoli Tianhui to Zhitu Xingzhou Technology, with a closing date on March 11, 2025. Following the completion of the transfer of the Relevant Shares by Mr. Li Lijun to Zhitu Xingzhou Technology, Mr. Li Lijun would cease to be a Registered Shareholder. For details, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Reorganization — Acquisition of Equity Interests in Huoli Tianhui.”

- (2) The remaining approximately 4.13% interest in Huoli Tianhui is held by Caissa Shijia. Due to (i) a previous pledge and (ii) the court injunction over its interest in Huoli Tianhui, Caissa Shijia is not able to transfer nor to create pledge over its shares in Huoli Tianhui and therefore is not a party to the contractual arrangements.

Our Directors believe that the Contractual Arrangements are fair and reasonable because (i) the Contractual Arrangements were freely negotiated and entered into among Shenzhen WFOE, Huoli Tianhui and the Registered Shareholders; (ii) by entering into the Exclusive Consultation and Service Agreement with Shenzhen WFOE, which is our indirect subsidiary incorporated in the PRC, our Consolidated Affiliated Entities will enjoy better economic and technical support from us, as well as a better market reputation after the [REDACTED]; and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

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As a result of these Contractual Arrangements (including the historical contractual arrangements), we are the primary beneficiary of the Consolidated Affiliated Entities. We have combined their financial results into our combined financial statements. During the three years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2024, taking into account all of their respective businesses with or without foreign investment restrictions under PRC laws, we derived 34.21%, 43.30%, 34.60% and 33.70% of our revenues from the Consolidated Affiliated Entities, respectively.

Summary of the Material Terms under the Contractual Arrangements

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

Exclusive Consultation and Service Agreement

Pursuant to the amended and restated exclusive consultation and service agreement dated October 26, 2024 between Huoli Tianhui and Shenzhen WFOE (the “**Exclusive Consultation and Service Agreement**”), Huoli Tianhui agreed to engage Shenzhen WFOE as its exclusive provider of technical support, consultation and other services, including the following services:

- providing information consultation services in respect of the Consolidated Affiliated Entities’ business;
- providing business management consultation;
- providing technical support and professional training services to relevant staff of the Consolidated Affiliated Entities;
- providing order management and customer services;
- providing marketing and promotion services;
- assisting Consolidated Affiliated Entities in consultancy, collection and research of technology and market information (excluding market research business that wholly foreign owned enterprises are prohibited from conducting under PRC laws);
- design, development, maintenance and updating of software in respect of the Consolidated Affiliated Entities’ business;
- license and authorization of use of the software, trademarks, domain names and various other types of intellectual properties owned by Shenzhen WFOE;
- design, installation, daily management, maintenance and updating of network systems, hardware and database;

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- maintenance of the local area network of the Consolidated Affiliated Entities' business and anti-virus and security management of the network of the Consolidated Affiliated Entities' business;
- assisting Consolidated Affiliated Entities for transfer, leasing and disposal of equipment and properties;
- providing on-site services upon request from the Consolidated Affiliated Entities, arranging engineers to provide on-site assistance for conferences and other relevant technical support and consultation services; and
- other relevant services requested by the Consolidated Affiliated Entities from time to time to the extent permitted under PRC laws.

Under the Exclusive Consultation and Service Agreement, the service fee shall consist of 95.87% of the total consolidated profit of the Consolidated Affiliated Entities, after deduction of any accumulated deficit of the Consolidated Affiliated Entities in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions. Notwithstanding the foregoing, Shenzhen WFOE may adjust the scope and amount of service fees as well as the payment time and method according to PRC tax law and tax practices, and Huoli Tianhui will accept such adjustments. Shenzhen WFOE shall calculate the service fees on a monthly basis and issue a corresponding invoice to Huoli Tianhui. Huoli Tianhui shall make payment to the bank account designated by Shenzhen WFOE within 10 days upon receipt of the invoice and send payment certificates to Shenzhen WFOE.

In addition, absent the prior written consent of Shenzhen WFOE, during the term of the Exclusive Consultation and Service Agreement, with respect to the services subject to the Exclusive Consultation and Service Agreement and other matters, the Consolidated Affiliated Entities shall not directly or indirectly accept the same or any similar services provided by any third party, establish cooperation relationships similar to that formed by the Exclusive Consultation and Service Agreement with any third party, or in its own initiative perform any acts which might affect the confidentiality of the technology and secrets involved in the service provided by Shenzhen WFOE or the effectiveness and efficiency of the technical supports or allow any third party to do the same. Shenzhen WFOE may appoint other parties, who may enter into certain agreements with the Consolidated Affiliated Entities, to provide the Consolidated Affiliated Entities with the services under the Exclusive Consultation and Service Agreement.

The Exclusive Consultation and Service Agreement also provide that Shenzhen WFOE has the exclusive proprietary rights to and interests in any and all intellectual property rights developed or created by the Consolidated Affiliated Entities during the performance of the Exclusive Consultation and Service Agreement.

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The validity period of the Exclusive Consultation and Service Agreement shall start from the execution date and it shall remain effective indefinitely unless terminated (a) by agreement between Shenzhen WFOE and Huoli Tianhui; or (b) by a written notice from Shenzhen WFOE at least 30 days before termination. Huoli Tianhui is not entitled to unilaterally terminate the agreement. Upon expiration of the agreement and if Shenzhen WFOE intends to extend it, Huoli Tianhui shall accept the extension without conditions.

Exclusive Option Agreements

Pursuant to the exclusive equity transfer option agreements dated October 11, October 26 and October 27, 2024 among Shenzhen WFOE, Huoli Tianhui and each of the Registered Shareholders (the “**Exclusive Option Agreements**”), Shenzhen WFOE has been granted an irrevocable, unconditional and exclusive right to require the Registered Shareholders to transfer any or all their equity interests in Huoli Tianhui to Shenzhen WFOE and/or a third party designated by it, in whole or in part at any time and from time to time. The purchase price should be at the registered share capital, unless the PRC laws require that another amount be used as the purchase price, in which case the purchase price shall be the lowest permissible amount. Subject to relevant PRC laws and regulations, the Registered Shareholders shall return any amount of purchase price they have received to the Shenzhen WFOE or its designee. Huoli Tianhui and the Registered Shareholders, among other things, have covenanted that:

- without the prior written consent of Shenzhen WFOE, they shall not in any manner supplement, change or amend the constitutional documents of the Consolidated Affiliated Entities, increase or decrease their registered capital, or change the structure of their registered capital in other manner;
- they shall maintain the Consolidated Affiliated Entities’ corporate existence in accordance with good financial and business standards and practices, obtain and maintain all necessary government licenses and permits by prudently and effectively operating their business and handling their affairs;
- without the prior written consent of Shenzhen WFOE, they shall not and shall procure its subsidiaries not, at any time following the date when the Exclusive Option Agreement came into effect sell, transfer, pledge or dispose of in any manner any assets of more than RMB5,000,000, business, operation rights or legitimate interest in the income of Huoli Tianhui;
- without the prior written consent of Shenzhen WFOE, the Consolidated Affiliated Entities shall not incur, inherit, guarantee or assume any debt, except for payables incurred in the ordinary course of business not generated from loans;
- the Consolidated Affiliated Entities shall always operate all of their businesses during the ordinary course of business to maintain their asset value and refrain from any action/omission that may adversely affect their operating status and asset value;

CONTRACTUAL ARRANGEMENTS

- without the prior written consent of Shenzhen WFOE, they shall not cause the Consolidated Affiliated Entities to execute any material contract with a value of more than RMB5,000,000, except the contracts executed in the ordinary course of business;
- without the prior written consent of Shenzhen WFOE, they shall not cause the Consolidated Affiliated Entities to provide any person with any loan or credit, or guarantee for any third-party debt;
- they shall provide Shenzhen WFOE with information on the Consolidated Affiliated Entities' business operations and financial condition at the request of Shenzhen WFOE;
- if requested by Shenzhen WFOE, they shall procure and maintain insurance in respect of the Consolidated Affiliated Entities' assets and business from an insurance carrier acceptable to Shenzhen WFOE, at an amount and type of coverage typical for companies that operate similar businesses;
- without the prior written consent of Shenzhen WFOE, they shall not cause or permit the Consolidated Affiliated Entities to merge, consolidate with, acquire or invest in any person;
- they shall immediately notify Shenzhen WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Consolidated Affiliated Entities' assets, business or revenue, as well as any circumstances which may adversely affect the Consolidated Affiliated Entities' existence, business operation, financial situation, assets or goodwill;
- to maintain the ownership by the Consolidated Affiliated Entities of all of their assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints or raise necessary and appropriate defences against all claims;
- without the prior written consent of Shenzhen WFOE, the Consolidated Affiliated Entities shall not in any manner distribute profits or dividends to their shareholders, provided that upon the request of Shenzhen WFOE, the Consolidated Affiliated Entities shall immediately distribute all distributable profits to their shareholders;
- at the request of Shenzhen WFOE, they shall appoint any persons designated by Shenzhen WFOE as the directors, supervisors and senior management of the Consolidated Affiliated Entities, replace or remove the directors, supervisors and senior management of the Consolidated Affiliated Entities, and go through all relevant resolution procedures and filings;

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- without the written consent of Shenzhen WFOE, the Consolidated Affiliated Entities shall not engage in any business in competition with Shenzhen WFOE or its affiliates;
- unless otherwise mandatorily required by PRC laws, the Consolidated Affiliated Entities shall not be dissolved or liquidated without prior written consent by Shenzhen WFOE;
- if the exercise of the rights by Shenzhen WFOE is obstructed due to the Consolidated Affiliated Entities' or any of their shareholders' non-compliance of their tax duties under applicable laws, Shenzhen WFOE shall have the right to require them to fulfill such tax duties;
- in the event of bankruptcy, dissolution, liquidation, death or loss of legal capacity (if applicable) of any of Consolidated Affiliated Entities' shareholders, or other circumstances that may affect the Consolidated Affiliated Entities' equity interests, any successor of an existing shareholder shall be deemed to be a party to the Exclusive Option Agreement. The Consolidated Affiliated Entities shall, on or before the day of signing this agreement to make everything properly arranged and signed in order to ensure the documentations, in the event of bankruptcy, dissolution, liquidation, death, incapacity or divorce (if applicable) and any circumstance of their shareholders, will not affect or hinder the fulfillment of the Exclusive Option Agreement. The Exclusive Option Agreement and other contractual arrangements shall prevail any form of agreements relating to disposition of interests in the Consolidated Affiliated Entity unless prior written consent from Shenzhen WFOE is obtained;
- without the prior written consent of Shenzhen WFOE, the Consolidated Affiliated Entities will not and shall not assist or permit their shareholders to transfer or otherwise dispose of any option equity or to establish any security interest or other third-party rights on any option equity; and
- if signing and performance of the Exclusive Option Agreement and the stock transfer options granted under the Exclusive Option Agreement shall require any third party's consent, permission, waiver, authorization or any governmental agency's approval, license, immunity, registration or filing in accordance with the law, the Consolidated Affiliated Entities shall make every endeavor to help satisfy the above conditions.

In addition, the Registered Shareholders, among other things, have covenanted that:

- without the written consent of Shenzhen WFOE, they shall not sell, transfer, pledge or dispose of in any other manner the legal or beneficial interest in Huoli Tianhui, or allow the encumbrance thereon of any security interest, except for the Equity Pledge Agreement and the interests prescribed in the Proxy Agreement;

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- for each exercise of the equity purchase option, they shall cause the shareholders’ meeting and/or the board of directors of Huoli Tianhui to vote on the approval of the transfer of equity interests and any other action requested by Shenzhen WFOE;
- Registered Shareholders whose equity interest has not been transferred shall relinquish the pre-emptive right (if any) it is entitled to in relation to the transfer of equity interest by any other shareholders to Shenzhen WFOE and/or any entity or individual appointed by Shenzhen WFOE pursuant to Exclusive Option Agreement;
- without the written consent of Shenzhen WFOE, each of the Registered Shareholders shall not request Huoli Tianhui to distribute dividends or profits in any form, propose resolutions in relation to this at a general meeting, or vote to pass such resolutions. In any event, unless decided otherwise by Shenzhen WFOE, if any Registered Shareholder receives corporate income, profits or dividends from Huoli Tianhui, they shall pay or transfer the received income, profits, dividends to Shenzhen WFOE or any party designated by Shenzhen WFOE to the extent allowed by the PRC laws; and
- Registered Shareholders shall also strictly comply with the provisions of the Exclusive Option Agreement between Registered Shareholders, the Consolidated Affiliated Entity and Shenzhen WFOE, and shall faithfully perform the obligations under such agreements and shall not conduct any act and/or omission which shall affect the validity and enforceability of such agreements. If any Registered Shareholder retains any rights on the equities as in the Equity Pledge Agreement or the Proxy Agreement, it shall not exercise such rights unless instructed in writing by Shenzhen WFOE.

The validity period of the Exclusive Option Agreements shall start from the execution date and it shall remain effective unless terminated if the entire equity interests held by the Registered Shareholders or their successors or the transferees in Huoli Tianhui have been transferred to Shenzhen WFOE or their appointee(s).

Equity Pledge Agreements

Pursuant to the equity pledge agreements dated October 11, October 26 and October 27, 2024 entered into among Shenzhen WFOE, Huoli Tianhui and each of the Registered Shareholders (the “**Equity Pledge Agreements**”), the Registered Shareholders agreed to pledge all their respective equity interests in Huoli Tianhui that they own, including any interest or dividend paid for the shares, to Shenzhen WFOE as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts.

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The pledge in respect of Huoli Tianhui takes effect upon the completion of change of registration with the relevant administration for industry and commerce and shall remain valid until after all the contractual obligations of the Registered Shareholders and Huoli Tianhui under the relevant Contractual Arrangements have been fully performed and all the outstanding debts of the Registered Shareholders and Huoli Tianhui under the relevant Contractual Arrangements have been fully paid.

Upon the occurrence and during the continuance of an event of default (as defined in the Equity Pledge Agreements), unless such default is cured within twenty days following the Registered Shareholders or Huoli Tianhui’s receipt of the written notice which requests for the cure of such default, Shenzhen WFOE shall have the right to exercise all such rights as a secured party under any applicable PRC law and the Equity Pledge Agreements, including without limitations, being paid in priority with the equity interests based on the monetary valuation that such equity interests are converted into or from the proceeds from auction or sale of the equity interest upon written notice to the Registered Shareholders.

The equity pledge registrations under the Equity Pledge Agreements as required by the relevant laws and regulations have been completed in accordance with the Equity Pledge Agreements and PRC laws and regulations.

Loan Agreements

Pursuant to the loan agreements dated June 11, 2024 and August 20, 2024 between Shenzhen WFOE and Zhitu Xingzhou Technology, one of the Registered Shareholders (the “**Loan Agreements**”), Shenzhen WFOE made loans in an aggregate amount of RMB183 million to Zhitu Xingzhou Technology solely for acquisition of equity interest in Huoli Tianhui from certain then existing shareholders. See “History, Reorganization and Corporate Structure — Pre-[REDACTED] Reorganization — Acquisition of Equity Interests in Huoli Tianhui” for details.

Pursuant to the Loan Agreements, if Zhitu Xingzhou Technology is no longer a shareholder of Huoli Tianhui for any reason, or the loan is used for any purpose other than the capitalization of Huoli Tianhui, Shenzhen WFOE shall be entitled (but not obligated) to request the full payment of the loan. To the extent permitted under applicable PRC laws, if Shenzhen WFOE obtains all the equity interests held by Zhitu Xingzhou Technology in Huoli Tianhui, the loan shall be deemed as fully repaid by the borrower under the each of Loan Agreements.

The term of the loans will be effective from the date of each of the Loan Agreements, until the full repayment of the loan.

Shareholder Voting Rights Entrustment Agreements

Pursuant to the shareholder voting rights entrustment agreement dated October 11, October 26 and October 27, 2024 entered into among Shenzhen WFOE, Huoli Tianhui and each of the Registered Shareholders (collectively, the “**Shareholder Voting Rights Entrustment Agreements**”), pursuant to which, each of the Registered Shareholders irrevocably and

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exclusively appointed the persons designated by Shenzhen WFOE (including but not limited to Directors of Shenzhen WFOE’s parent company, our Company, and their successors and liquidators replacing the Directors but excluding those who are non-independent or who may give rise to conflict of interests) as its attorneys-in-fact to exercise on its behalf, any and all right that it has in respect of its equity interests in Huoli Tianhui, including without limitation:

- to propose to convene and to attend shareholders’ meetings of Huoli Tianhui and to execute any and all written resolutions and meeting minutes in the name and on behalf of such shareholder;
- to exercise all shareholder’s rights and shareholder’s voting rights in accordance with law and the constitutional documents of Huoli Tianhui, including but not limited to the sale, transfer, pledge or disposal of any or all of the equity interests in Huoli Tianhui;
- to nominate, elect, appoint or remove the legal representatives, directors, supervisors, general manager, chief financial officer and other senior management of Huoli Tianhui;
- to supervise business performance, approve annual budget, declare dividends, and consult financial information of Huoli Tianhui;
- to permit Huoli Tianhui to submit any registration documents to relevant governmental authorities and to file documents with company registry;
- to exercise voting rights on behalf of the shareholders on liquidation of Huoli Tianhui;
- if the act of directors and/or senior management harms the interests of Huoli Tianhui or its shareholders, to file a shareholder action against such directors and/or senior management or to take other legal actions;
- to approve amendments on the articles of association; and
- to exercise any other rights granted to shareholders pursuant to Huoli Tianhui’s articles of association or relevant laws and regulations.

Spouse Undertakings

The spouse of each of the individual Registered Shareholders (where applicable), has signed an undertaking (the “**Spouse Undertakings**”) to the effect that: (i) the shares of Huoli Tianhui held by the Individual Registered Shareholder and any other interests therefrom do not fall within the scope of communal properties; (ii) the spouse waives any rights or interests that may be granted to him in respect of equity interests in or assets of Huoli Tianhui, and the spouse undertakes not to claim such rights or interests; (iii) no authorization or consent of him

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is required for the performance, modification or termination of the Contractual Arrangements or execution of other documents in place of any agreements under the Contractual Arrangements; (iv) the spouse will execute all necessary documents and take all necessary actions to ensure the appropriate performance of the Contractual Arrangements; and (v) the spouse will be bound by the Contractual Arrangements and will perform the obligations as the Individual Registered Shareholder thereunder if the spouse, for any reason, acquires any equity interest in Huoli Tianhui, and will enter into relevant written documents in the same form and substance as the Contractual Arrangements.

Other key terms thereunder

Dispute resolution

Each of the agreements under the Contractual Arrangements contains a dispute resolution provision. Pursuant to such provision, in the event of any dispute arising from the performance of or relating to the Contractual Arrangements, any party has the right to submit the relevant dispute to the China International Economic and Trade Arbitration Commission (“CIETAC”) for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be conducted in Beijing and the language used during arbitration shall be Chinese. The arbitration award shall be final and binding on all parties. The dispute resolution provisions also provide that subject to the requirements under PRC laws, the arbitral tribunal may award remedies over the shares or assets of our Consolidated Affiliated Entities or injunctive relief (e.g. limiting the conduct of business, limiting or restricting transfer or sale of shares or assets) or order the winding up of our Consolidated Affiliated Entities; any party may apply to the courts of the PRC, Hong Kong, the Cayman Islands (being the place of incorporation of our Company), and the places where the principal assets of our Consolidated Affiliated Entities are located for interim remedies or injunctive relief.

However, our PRC Legal Advisor has advised that the above provisions may not be enforceable under the PRC laws. For instance, the arbitral tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of our Consolidated Affiliated Entities pursuant to the current PRC laws. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC. Even if the abovementioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid and binding on the parties to the agreement under the Contractual Arrangements.

As a result of the above, in the event that the Consolidated Affiliated Entities or the Registered Shareholders or the other individuals stated above breach any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over our Consolidated Affiliated Entities and conduct our business could be materially and adversely affected. See “Risk Factors — Risks Relating to our Contractual Arrangements.”

CONTRACTUAL ARRANGEMENTS

Potential conflict of interest

To ensure our effective control over the Consolidated Affiliated Entities, we have implemented measures to protect against the potential conflicts of interest between our Company and the Registered Shareholders. Pursuant to the Exclusive Option Agreements, Shenzhen WFOE has the right to require the Registered Shareholders to transfer any or all their equity interests in Huoli Tianhui to Shenzhen WFOE or its designated third party. Under the Shareholder Voting Rights Entrustment Agreements, each of the Registered Shareholders appointed the persons designated by Shenzhen WFOE (excluding non-independent persons or persons who may give rise to conflicts of interests) as their attorney-in-fact to exercise its rights in respect of its equity interests in Huoli Tianhui.

Loss sharing

Under the relevant PRC laws and regulations, none of our Group and Shenzhen WFOE is expressly legally required to share the losses of, or provide financial support to, our Consolidated Affiliated Entities. Further, each of our Consolidated Affiliated Entities is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. Shenzhen WFOE intends to continuously provide to or assist our Consolidated Affiliated Entities in obtaining financial support when deemed necessary. In addition, given that our Group mainly conducts its business operations in the PRC through the Consolidated Affiliated Entities, and that a substantial portion of 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.

However, as provided in the Exclusive Option Agreements, without the prior written consent of Shenzhen WFOE, Huoli Tianhui shall not, among others, (i) sell, transfer, pledge or dispose of in any manner any of their material assets of more than RMB5,000,000; (ii) execute any material contract with a value of more than RMB5,000,000, except those entered into in the ordinary course of business; (iii) provide any loan, credit or guarantees in any form to any third party, or allow any third party create any other security interests on its assets or equity; (iv) incur, inherit, guarantee or allow any debt that is not incurred in the ordinary course of business; (v) enter into any consolidation or merger with any third party, or being acquired by or invest in any third party; (vi) increase or reduce its respective registered capital, or alter the structure of its registered capital in any other way, or amend its articles of association, (vii) conduct any act or act of omission that may adversely affect its operation condition or value of assets, (viii) distribute any dividends to the Registered Shareholders, (ix) conduct any business that competes with the business of Shenzhen WFOE or its affiliates, or (x) liquidate or dissolve. Therefore, due to the relevant restrictive provisions in the agreements, the potential adverse effect on Shenzhen WFOE and our Company in the event of any loss suffered from the Consolidated Affiliated Entities can be limited to a certain extent.

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Liquidation

Pursuant to the Exclusive Option Agreements, in the event of a mandatory liquidation required by the PRC laws, the Registered Shareholders shall give the proceeds they received from liquidation as a gift to Shenzhen WFOE or its designee(s) to the extent permitted by the PRC laws.

Insurance

The Company does not maintain an insurance policy to cover the risks relating to the Contractual Arrangements.

Company's confirmation

As of the Latest Practicable Date, the Company had not encountered any interference or encumbrance from any PRC governmental authorities in operating its businesses through the Consolidated Affiliated Entities under the Contractual Arrangements.

Circumstances under which we will adjust or unwind the Contractual Arrangements

We will adjust or unwind (as the case maybe) the Contractual Arrangements as soon as practicable in respect of the operation of the Relevant Business to the extent permissible and we will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations if the relevant government authority accepts applications for the Relevant Licenses made by sino-foreign equity joint ventures or wholly-owned foreign investment entities under relevant PRC laws and regulations.

LEGALITY OF THE CONTRACTUAL ARRANGEMENTS

Based on the above and the advice of our PRC Legal Advisor in relation to the PRC regulatory regime with respect to the Contractual Arrangements mentioned in this document, we believe that the Contractual Arrangements are designed to achieve our business purpose and minimize the potential conflict with relevant PRC laws and regulations. Our PRC Legal Advisor has advised that upon the execution of the Contractual Arrangements:

- a. each of Huoli Tianhui and Shenzhen WFOE is a duly incorporated and validly existing company and their respective establishment is valid, effective and complies with the relevant PRC laws;
- b. each of the parties to each of the agreements under the Contractual Arrangements has obtained all necessary approvals and authorizations to execute the agreements under the Contractual Arrangements and perform their respective obligations thereunder;

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- c. each of the agreements under the Contractual Arrangements is binding on the parties thereto and none of them is void or may become invalid pursuant to the Civil Code of the PRC (《中華人民共和國民法典》);
- d. none of the Contractual Arrangements violates any provisions of the articles of association of Huoli Tianhui or Shenzhen WFOE;
- e. the parties to each of the Contractual Arrangements are not required to obtain any approvals or authorizations from the PRC governmental authorities, except that:
 - (1) the exercise of the option by Shenzhen WFOE or its designee of its rights under the Exclusive Option Agreement to acquire all or part of the equity interests in Huoli Tianhui is subject to the approvals of, consent of, filing with and/or registrations with the PRC governmental authorities;
 - (2) the equity pledges contemplated under the Equity Interest Pledge Agreement are subject to their registration with the relevant state or local administration bureau for market regulation; and
 - (3) the arbitration awards/interim remedies provided under the dispute resolution provision of our Contractual Arrangements shall be recognized by the PRC courts before compulsory enforcement; and
- f. the Contractual Arrangement as a whole and each of the Contractual Arrangements is valid, legal and binding under PRC laws except that the Contractual Arrangements provide that the arbitral body may award remedies over the shares and/or assets of Huoli Tianhui, injunctive relief and/or winding up of Huoli Tianhui, and that courts of competent jurisdiction are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal. However, our PRC Legal Advisor has advised that the interim remedies or enforcement order granted by overseas courts such as those of Hong Kong and the Cayman Islands may not be recognizable or enforceable in the PRC. For further details, see “— Other key terms under the Contractual Arrangements — Dispute Resolution.”

However, we have been advised by our PRC Legal Advisor that we may face uncertainties regarding the interpretation and application of the Foreign Investment Law and its implementation regulations, as well as other current and future PRC laws and regulations in relation to the Contractual Arrangements. Accordingly, there can be no assurance that the PRC regulatory authorities will not in the future take a view that is contrary to or otherwise different from the above opinion of our PRC Legal Advisor.

Based on the above analysis and 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 the applicable PRC laws and regulations. For further details, see the section headed “Risk Factors — Risks relating to our Corporate Structure” and “Risk Factors — Risks relating to Doing Business in the Jurisdiction Where We Operate” of this document.

CONTRACTUAL ARRANGEMENTS

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

Consolidation of financial results of Consolidated Affiliated Entities

Under the Exclusive Consultation and Service Agreement, it was agreed that, in consideration of the services provided by Shenzhen WFOE, Huoli Tianhui shall pay service fees to Shenzhen WFOE. The service fees shall equal to approximately 95.87% of the total consolidated profit of the Consolidated Affiliated Entities, after deduction of any accumulated deficit of the Consolidated Affiliated Entities in respect of the preceding financial year(s), operating costs, expenses, taxes and other statutory contributions. Shenzhen WFOE has the right to periodically receive or inspect the accounts of the Consolidated Affiliated Entities.

In addition, under the Exclusive Option Agreement, Shenzhen WFOE has absolute contractual control over the distribution of dividends or any other amounts to the Registered Shareholders as Shenzhen WFOE’s prior written consent is required before any distribution can be made. If the Registered Shareholders receive any income, profit distribution or dividend, they shall promptly transfer or pay, as part of the service fees under the Exclusive Consultation and Service Agreement, such income, profit distribution or dividend to Shenzhen WFOE or any other person designated by Shenzhen WFOE to the extent permitted under applicable PRC laws.

As a result of the Contractual Arrangements among our Shenzhen WFOE, Huoli Tianhui, the Registered Shareholders and the individuals stated above, our Shenzhen WFOE is able to effectively control, recognize and receive approximately 95.87% of the economic benefit of the business and operations of the Consolidated Affiliated Entities. Accordingly, the Consolidated Affiliated Entities are treated as controlled structured entities of our Company and consolidated by our Company. The basis of consolidating the results of the Consolidated Affiliated Entities is disclosed in Note 1.3 to the Accountant’s Report set out in Appendix IA.

OUR DIRECTORS’ VIEW

Based on the above, our Directors are of the view that the Contractual Arrangements are narrowly tailored, as they are used to enable our Group to conduct business in industries that are subject to foreign investment restrictions in the PRC and minimize the potential conflict with relevant PRC laws and regulations to the maximum extent. Our Directors further believe that the Contractual Arrangements are fair and reasonable, taking into account (i) the Contractual Arrangements are negotiated on an arm’s-length basis and entered into between Shenzhen WFOE, Huoli Tianhui and the Registered Shareholders; (ii) by entering into the Exclusive Consultation and Service Agreement with Shenzhen WFOE, which is a PRC subsidiary of our Company, our Consolidated Affiliated Entities will enjoy better economic and technical support from us, as well as a better market reputation after the [REDACTED]; and (iii) a number of other companies use similar contractual arrangements to achieve the same purpose.

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DEVELOPMENT IN THE PRC LEGISLATION ON FOREIGN INVESTMENT

The Foreign Investment Law

On March 15, 2019, the National People’s Congress approved the Foreign Investment Law (《外商投資法》) (the “**Foreign Investment Law**”) which became effective on January 1, 2020. The Foreign Investment Law replaced the Sino-Foreign Equity Joint Venture Enterprise Law (《中外合資經營企業法》), the Sino-Foreign Cooperative Joint Ventures Enterprise Law (《中外合作經營企業法》) and the Wholly Foreign-Invested Enterprises Law (《外資企業法》) to become the legal foundation for foreign investment in the PRC. It is formulated to further expand opening-up, vigorously promote foreign investment and protect the legitimate interests and rights of foreign investors. According to the Foreign Investment Law, China adopts a system of national treatment together with the Negative List with respect to foreign investment administration, and the Negative List will be issued by, amended or released upon approval 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 investment 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 Regulations on the Implementation of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》) (the “**Implementation Regulations**”), which came into effect on January 1, 2020.

As advised by our PRC Legal Advisor, the Foreign Investment Law stipulates certain forms of foreign investment, but does not explicitly stipulate contractual arrangements as a form of foreign investment, and the Implementation Regulations are also silent on whether foreign investment includes contractual arrangements.

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 Shenzhen WFOE, through which we operate our business in the PRC.

As advised by our PRC Legal Advisor, since contractual arrangements are not explicitly specified as a form of foreign investment under the Foreign Investment Law and if future laws, regulations and provisions prescribed by the State Council do not incorporate contractual arrangements as a form of foreign investment, the Contractual Arrangements as a whole and each of the agreements comprising the Contractual Arrangements will not be affected and will continue to be legal, valid and binding on the parties, except that the Foreign Investment Law 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

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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 will not be materially and adversely affected in the future due to changes in PRC laws and regulations. For further details, see “— Legality of the Contractual Arrangements” above.

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- (1) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;
- (2) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (3) our Company will disclose the overall performance and compliance with the Contractual Arrangements in our annual reports; and
- (4) our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements and review the legal compliance of our Shenzhen WFOE and Consolidated Affiliated Entities to deal with specific issues or matters arising from the Contractual Arrangements.

BUSINESS

OVERVIEW

Who We Are

We are a renowned comprehensive mobility platform in China, providing a full suite of multimodal travel products and services. Among China’s one-stop comprehensive mobility platforms, we ranked the second with a total GMV of RMB30.8 billion in 2023, according to Frost & Sullivan. We were the fifth largest third-party platform in China in terms of GMV from online air ticket bookings in 2023, and the third largest third-party platform in terms of GMV from online train ticket bookings in 2023, according to the same source.

Where We Come From

Our co-founder and Chairman, Mr. Wang Jiang (王江), is a veteran entrepreneur in China’s internet sector and a faithful believer in the power of technology. Since our early stage, Mr. Wang has envisioned us as a technology-driven company that brings exceptional travel experiences to users through innovation.

In 2009, we launched our first mobile application, Flight Master (航班管家), a groundbreaking product that was the first to provide dynamic real-time flight information to travelers in China. Over the next three years, we experienced rapid growth. To better serve our users, we began to evolve from a pure-play travel information provider into a comprehensive mobility platform that offers users one-stop travel related services before, during, and after their journeys. In 2012, we introduced Train Master (高鐵管家) to the market, the first mobile application in China to provide dynamic train information and train ticket booking services. Thanks to our mobile-first strategy and unwavering commitment to innovation, which drives us to continuously deliver superior user experience, we have built a large user base over the years. As of June 30, 2024, we had accumulated over 174 million registered users across all our platforms.

After more than a decade of serving millions of travelers through technology-enabled solutions, we have amassed extensive travel related data, sophisticated data analytics and robust AI capabilities. This enables us to further extend our footprint as a solution provider for corporate clients. With an inclusive approach, we empower ecosystem partners and other businesses to upgrade their operations, fostering an overall industry improvement as well as reinforcing our leadership position.

While our businesses have gone through different stages, our identity as a technology-driven company has remained constant. From the novel products we developed early on to our proprietary supply chain management system and AI-powered solutions, technology has always been the driving force behind our offerings. We proactively embrace technological advancements, being an early leader in mobile internet a decade ago and a pioneer for AI applications today. We believe our strong technological capabilities have been key to successfully navigating through industry-wide challenges.

BUSINESS

Our Technologies

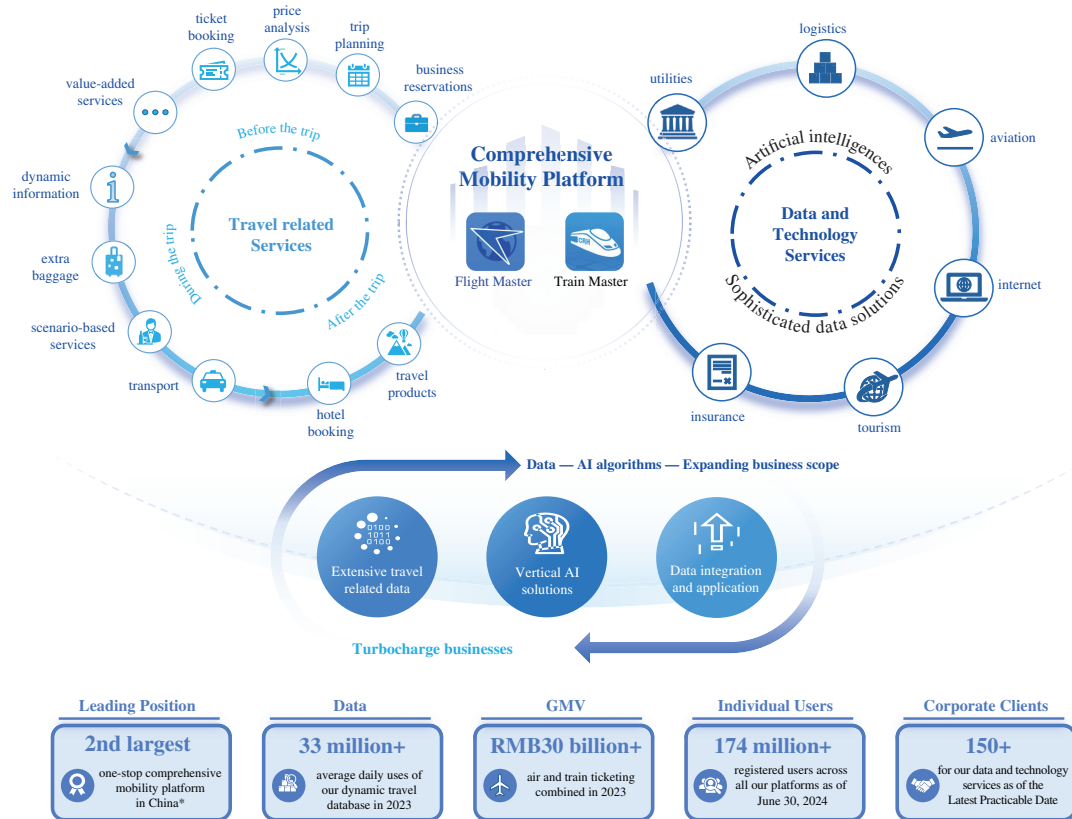
Technology is the backbone of our Company, intricately woven into the very essence of who we are. We have developed a widely-recognized supply chain management system in-house that, combined with our extensive TSP network, makes us one of the few players in our industry capable of intelligently recommending diverse multimodal travel options. By seamlessly integrating multiple modes of transport from various suppliers, we empower users to find cost-effective travel solutions quickly, which we believe is a key factor in why users return to our platforms.

In addition, we have cultivated robust vertical AI capabilities nurtured by extensive travel industry data. With over a decade of experience serving millions of travelers through technology-enabled solutions, we have amassed, among other things, two invaluable assets: abundant data and proven algorithms. These are cornerstones enabling us to harness the power of AI in an era where travel and technology are converging at an extraordinary pace. Our database encompasses air travel data across more than 40 dimensions, including flight schedules, flight dynamics, aircraft parameters, airport passenger flow, and airport infrastructure, to name a few. We have obtained official data authorization from upstream data suppliers, ensuring the legitimacy and authority of our data sources. According to Frost & Sullivan, we were the first mobility platform to obtain official authorization from an authoritative data source in China’s aviation industry. Through our ongoing commitment to technology advancements, we have leveraged our vast database to develop core algorithms that have been proven effective in meeting diverse travel needs. This ability enables us to become a pioneer in our industry with deep vertical AI application capabilities.

BUSINESS

Our Offerings

Leveraging our technological capabilities, we provide comprehensive services to travelers and innovative solutions to businesses.



* In terms of GMV in 2023

For travelers, we offer one-stop services through our flagship apps, Flight Master and Train Master. We enhance travel planning by integrating various transportation modes, including flights, trains and ride hailing services, into a seamless experience. We distinguish ourselves from traditional mobility platforms, which primarily serve as transaction intermediaries between travelers and businesses. Our platforms cover all key aspects of a user’s journey, from planning and booking to real-time travel updates and post-trip support. We offer a suite of complementary services, such as flight and train seat selection, flight delay checks, airport information navigation, and hotel bookings, to address the intricate details travelers encounter throughout their journeys, ensuring a hassle-free and enjoyable experience. As of June 30, 2024, our services spanned across over 5,000 airports located in over 220 countries and regions, covered over 3,000 domestic railway stations, and provided booking options for over 400,000 hotels.

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For businesses, we leverage travel data and technological expertise accumulated over a decade to offer data and technology services that empower businesses in various scenarios, accelerating their digital transformation and driving efficiency and cost reduction. Operating under a data-as-a-service model, we provide companies with comprehensive air, rail and air cargo data, along with a rich toolkit. These resources empower businesses to optimize their services, manage costs, enhance efficiency, and make informed decisions. As of the Latest Practicable Date, our data and technology services reached over 150 companies spanning various industries, including travel, tourism, hospitality, insurance and logistics. Rather than merely a service provider, we position ourselves as an ecosystem enabler as we believe the industry-wide innovations will benefit all participants, especially those at the forefront of technological advancements. To this end, we provide a suite of AI-powered solutions to ecosystem partners helping them streamline service process, enhance customer experience, and improve operational efficiency. Our services to consumers and solutions to businesses form unique synergies, creating a virtuous cycle with powerful flywheel effects. As we expand our data solutions, we continuously enrich our database with multidimensional data and expand our TSP network, which, in turn, optimizes our AI algorithm and enhance overall service quality for consumers.

What We Have Achieved

Our comprehensive service offerings and compelling value propositions to travelers have garnered us a large and growing group of loyal users. As of June 30, 2024, our registered user base across all our platforms had surpassed 174 million, increased by 37.6% since January 1, 2021. The percentage of our paying users in 2022 who paid for our services again in 2023 was over 60%, the highest among major platforms in China according to Frost & Sullivan. A significant portion of our paying user base in 2023, over 40%, are frequent travelers who on average make at least one ticket booking each quarter on our platforms. This type of travelers tends to prioritize efficiency when booking. We believe our smart recommendations engine and streamlined searching and booking procedures are among the key factors that drive users to return to us for their future travel needs. In 2023, an average of 22.7% of our MAUs were paying users — outperforming most of our peers, according to Frost & Sullivan. While still in the early stages, our AI-powered solutions have won us a number of renowned corporate clients in telecommunication, airport management, hospitality and e-commerce industries since the launch in 2021.

Despite the decline we experienced in 2022 due to the impact of the COVID-19 pandemic, we achieved impressive growth during the Track Record Period. Our revenue increased at a CAGR of 20.8% from RMB343.6 million in 2021 to RMB501.6 million in 2023. We recorded a net loss of RMB357.5 million and RMB0.8 million in 2021 and in 2022, respectively, and a net profit of RMB59.3 million in 2023. From the six months ended June 30, 2023 to the six months ended June 30, 2024, our revenue grew by 22.6% from RMB229.6 million to RMB281.4 million and our net profit decreased slightly from RMB32.0 million to RMB31.7 million. We recorded an adjusted net profit/(loss) (non-HKFRS measure) of RMB13.5 million, RMB(0.7) million, RMB61.6 million, RMB32.1 million and RMB39.0 million in 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024, respectively, which is defined as our profit/loss for the year/period adjusted for (i) share-based compensation expenses and (ii) [REDACTED].

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OUR MARKET OPPORTUNITIES

We operate in China’s comprehensive internet mobility service market, offering one-stop products and services for travelers integrating various modes of transportation as well as data and technology services for businesses. Among China’s one-stop comprehensive mobility platforms, we ranked the second in terms of GMV in 2023, according to Frost & Sullivan. With the effective control of the COVID-19 and lifting of mobility restrictions, the comprehensive internet mobility service market witnessed a rapid resurgence in 2023 and is projected to reach a GMV of RMB6.2 trillion in 2028, at a CAGR of 19.6% from 2023 to 2028.

As modes of transportation become more integrated, the demand for accuracy and real-time availability of mobility data will increase. A data-driven comprehensive mobility platform like us is expected to become the market mainstream and empower intelligent transportation. Technological advancements, such as AI and big data, have been and are expected to continue to be the key drivers for the comprehensive internet mobility services. We believe our early-mover advantage in vertical AI applications, vast and multi-dimensional travel database, and our strong data analytics capabilities position us well to capture the exciting growth opportunities of the comprehensive internet mobility service market in China.

In addition to our growth in the China market, we seek to capture attractive opportunities worldwide by leveraging our robust technological capabilities and extensive industry expertise. According to Frost & Sullivan, the worldwide comprehensive internet mobility service market is projected to reach US\$4.3 trillion in 2028 as measured by GMV, growing at a CAGR of 14.6% from 2023 to 2028. As AI technology becomes increasingly integrated into the internet mobility service market, it is enhancing the user experience and the overall travel efficiency. Market players that possess strong AI capabilities and extensive data are expected to gain a competitive advantage in the future.

OUR STRENGTHS

China’s Leading One-Stop Comprehensive Mobility Platform

We are a renowned comprehensive mobility platform in China, providing a full suite of multimodal travel products and services. With technology at the core of our Company, we are focused on leveraging data-driven solutions to make travel more convenient, efficient and personalized — delivering a pleasant journey for all. Powered by a robust portfolio of integrated solutions, our platforms provide users with a streamlined experience and centralized access to the numerous supports that travelers may need before, during and after their journeys. Each of our Flight Master and Train Master apps allows users to explore optimal transport options, plan multimodal trips, secure air and train tickets, and seamlessly book with various TSPs. As of June 30, 2024, our services spanned across over 5,000 airports located in over 220 countries and regions, covered over 3,000 domestic railway stations, provided booking options for over 400,000 hotels. After a travel plan is set in motion, travelers may utilize the functionalities designed to address their diverse needs throughout the journey. Using air travel as an example, we allow travelers to check in and select seats online, track real-time flight

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status, receive timely updates on flight changes, review details about their departure and arrival airports, as well as view and share reviews of their flights and airports. This enables travelers to manage their entire journey seamlessly, without the need to switch between multiple systems.

Over our more than a decade-long history, we have consistently pushed the boundaries of our offerings — evolving from a pure-play travel information provider to a comprehensive mobility platform today. We have also expanded our services, going from serving ordinary consumers to facilitating corporate events with packaged tour services, and further to providing technology-driven solutions for sophisticated corporate clients. Throughout this journey, technology has always been the driving force, powering our innovative service offerings and delivering compelling value propositions to both users and customers.

We have built a large and growing group of loyal users. As of June 30, 2024, our registered user base across all our platforms had surpassed 174 million, increased by 37.6% from January 1, 2021. According to Frost & Sullivan, we were the second largest one-stop comprehensive mobility platform in China as measured by both the total GMV in 2023 and the number of registered users as of December 31, 2023. We were the fifth largest third-party platform in China with a GMV of RMB18.3 billion from online air ticket transactions in 2023, and the third largest third-party platform with a GMV of RMB12.3 billion from online train ticket bookings in 2023, according to the same source.

Exceptional Services Driving High User and Customer Loyalty

Since our inception, we have been dedicated to developing products and services that cater to diverse needs of users throughout their journeys. Our unwavering focus on user experience has inspired numerous technological innovations, bringing us to the unique position where we enjoy loyalty from a vast number of travelers as well as a broad range of corporate customers.

We believe users are drawn to our platforms for convenient, efficient and personalized services. The percentage of our paying users in 2022 who paid for our services again in 2023 was over 60%, the highest among major platforms in China according to Frost & Sullivan. A significant portion of our paying user base in 2023, over 40%, are frequent travelers who on average make at least one ticket booking each quarter on our platforms. This type of travelers tends to prioritize efficiency when booking. We believe our smart recommendation engine, combined with our streamlined searching and booking procedures are among the key factors that drive users to return to us for their future travel needs. In 2023, an average of 22.7% of our MAUs were paying users — outperforming most of our peers, according to Frost & Sullivan.

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We believe corporate customers come to us for our exceptional technological solutions. Many companies in e-commerce, telecommunication, aviation, airport management, hospitality and other industries rely on us to build or enhance their travel related service systems. For example, we provided a supply chain management system and a suite of AI-embedded tools to a travel company with a rising boutique hotel brand popular among China’s younger generation, empowering the company to transform its traditional hotel operations into a technology-and-AI-enabled hotel chain. Additionally, our air, rail and air cargo data services offer insights that support business decision-making.

Cutting-edge Technologies Empowering Innovation

Technology is the backbone of our Company, intricately woven into the very essence of who we are. Behind the seamless and reliable experience of our users lies a highly sophisticated supply chain management system, whose complexity is often underappreciated. Using air ticket reservations as an example — to quickly recommend the best routes at the most competitive prices, the system must run calculations in just a few seconds, processing a large amount of multidimensional data, including flights availability, schedules, connection times, remaining seat counts and their corresponding classes, and more. Given that air ticket classes have different fares, cancelation and change policies, and that airlines dynamically adjust these classes based on real-time demand and supply, the supply chain management system not only requires timely visibility into inventory and delivery status but must also be able to run predictive models for demand forecasting. This level of optimization can only be achieved through robust data analytics and AI capabilities. We are one of the few players in our industry possessing these strong technological capabilities. In addition to air ticket suppliers, our proprietary supply chain management system connects with an extensive network of service providers across different transportation modes. This allows us to intelligently recommend diverse multimodal travel options to our users and empower users to find cost-effective travel solutions quickly, which we believe is a key factor in why users return to our platforms.

Beyond our core technological capabilities, we have invested significantly in developing new functions and introducing new features that directly address travelers’ pain points, continuously enhancing their experience. These innovations have led to numerous industry firsts, echoing our leadership position. For instance, we were the first to introduce dynamic flight information services through Flight Master, providing real-time, historical and predictive flight tracking data. Another example is our groundbreaking service of enabling users to have real-time mobile accesses to flight information displays at major airports worldwide. We have also revolutionized rail travel by launching onboard train ticket purchases, flexible ticketing options, real-time train updates, and virtual reality station navigation.

While many of the groundbreaking functions we pioneered have now become standard industry practices, our innovation continues. As of June 30, 2024, our research and development department had 249 members. We are committed to investing in cutting-edge technologies and actively creating novel solutions to enhance the travel experience.

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Robust Vertical AI Capabilities Nurtured by Extensive Travel Industry Data

After more than a decade of serving millions of travelers through technology-enabled solutions, we have amassed, among other things, two invaluable assets: abundant, diverse data and a proven methodology for training AI models tailored to the travel industry. These are cornerstones enabling us to harness the power of AI in an era where travel and technology are converging at an extraordinary pace.

Our database encompasses comprehensive data related to various modes of travel, accommodation and customer services. Specifically, for air travel, our data spans over 40 dimensions, including flight schedules, flight dynamics, aircraft parameters, airport passenger flow, and airport infrastructure, to name a few. We were the first mobility platform to obtain official authorization from an authoritative data source in China’s aviation industry, according to Frost & Sullivan. By integrating this with other officially authorized data sources, such as local air traffic control and airports, we ensure the authenticity and integrity of the data at its source. Additionally, as our business grows, we continue to accumulate data related to railways, ticket transactions, customer feedback, logistics and other aspects of travel. These data collectively lay a strong foundation for analytics.

Through ongoing commitment to technology advancements, we have combined our extensive data assets with advanced AI technologies to develop a suite of core algorithms that have been proven effective in meeting diverse travel needs. The AI-powered customer service chatbots we developed based on large language models are as knowledgeable about our TSP policies as a well-trained human customer service manager, if not more so. For the six months ended June 30, 2024, over 70% of our user inquiries were resolved by chatbots without human intervention. Since we started to leverage AIGC to ideate advertising concepts, streamline copywriting and produce graphic design, we have seen encouraging results with significant enhancement in efficiency and quality. Beginning in 2021, we have also started to provide AI-powered solutions to a handful of corporate clients, such as airlines, airports and hospitality providers, helping them digitalize and intelligize their operations. We will continue integrating the latest AI technologies across various aspects of our business to upgrade service offerings, enhances operating efficiency, and uncover new business opportunities.

Industry-Empowering Approach Unleashing Prominent Flywheel Effects

We have adopted an inclusive approach to help ecosystem partners and other enterprises achieve success by leveraging our travel data and technological capabilities. We launched data services for corporate clients in 2018. Operating under a data-as-a-service model, we provide companies in need of travel data with comprehensive air, rail and air cargo data, along with a rich toolkit including big data reports, data analytics, geographic data visualization, customizable itinerary planner templates and more. These resources empower businesses to optimize their services, manage costs, enhance efficiency, and make informed decisions. Additionally, we provide a suite of AI-powered solutions to ecosystem partners helping them streamline service process, enhance customer experience, and improve operational efficiency. As of the Latest Practicable Date, our data and technology services reached over 150 companies spanning various industries, including travel, tourism, hospitality, insurance and logistics.

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In 2021, we launched corporate-facing AI-powered solutions distilled from our technological capabilities, taking our industry-empowering initiative to the next level. These modularized solutions are designed to help ecosystem partners streamline service process, enhance customer experience, and improve operational efficiency. As our value propositions have gained recognition, our cooperations with ecosystem partners have deepened and expanded. Our services have grown from single-use case solutions to covering multiple operational aspects, and further to comprehensive travel service systems. Today, many companies in e-commerce, telecommunication, airport management, hospitality and other industries rely on us to build or enhance their travel related service systems.

We believe our industry-empowering approach not only fosters an overall industry improvement but also solidifies our leadership position as we have seen unique synergies between our services to consumers and solutions to businesses, which have created a virtuous cycle with powerful flywheel effects. As we expand our services to corporate clients, we continuously enrich our database with multidimensional data, which, in turn, optimizes our AI algorithm and enhance overall service quality for consumers. Our provision of services to businesses in the broader travel, tourism and hospitality sectors also brings us closer to these industry players. This proximity enables us to better understand them, and, ultimately, expand our resource network, contributing to greater services diversity. Serving businesses in non-travel related industries, such as logistics, requires us to remain at the forefront of technological innovation to address their unique needs while also allowing us to gain valuable cross-industry insights that inspire further innovation. This virtuous cycle ultimately enhances our technological capabilities and competitive edge.

Visionary Management Team and Innovation Inspiring Culture

Our co-founder and Chairman, Mr. Wang Jiang (王江), is a veteran entrepreneur in China’s internet sector with over 20 years of industry experience and a faithful believer in the power of technology. Under his leadership, we proactively embrace technological advancements and invest significantly in continuous innovation and development of exceptional products since our inception. We stay agile in product planning, development and iteration to ensure rapid delivery and continuous improvement in user experience, keeping pace with evolving market demand.

Complementing our founder’s vision, we benefit from an insightful management team who has collaborated at our company for over a decade, with each member bringing on average over 15 years of experience in internet and mobile communications. Our senior management brings us a wealth of expertise in technology, operations and finance, contributing to our long-term success. Together, our founder and senior management have built a proven track record of steady growth and sustainable profitability.

Underpinning our achievements is a corporate culture that encourages innovation. We have purposefully maintained a flat corporate structure to facilitate simple, expedient decision making. We believe this innovation-centric culture will create lasting value for our users, customers, business partners and shareholders.

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OUR STRATEGIES

To further enhance our leadership position and capitalize on the significant opportunity before us, we are focused on pursuing the following strategies:

Strengthen Advantages in AI Applications and Continue to Invest in Innovation

Over the past decade, we have accumulated a wealth of diverse travel data and developed sophisticated algorithms through operating a comprehensive mobility platform. Building on this strong foundation, we have now embarked on applying AI within the travel and mobility sectors. Going forward, we plan to ramp up our efforts in the areas of big data analytics and AI applications, and implement strategies in the following aspects:

- ***Further integrate AI into business operations.*** We have developed a road map to gain strategic advantage through the use of AI. By combining deep industry expertise with advanced AI capabilities, we have created highly efficient customer service robots and assistive tools. We have also leverage generative AI to optimize the production of marketing materials, such as automatically generating campaign posters tailored to various cities. While still very early innings, we have seen encouraging results — significant improvement in both efficiency and quality. Building on our early-mover advantage, we will continue to deepen AI integration to drive further operational optimization.
- ***Strengthen AI-powered solutions to corporate clients.*** Building upon the AI capabilities we have developed in our business operations, we plan to continue refining our travel related technological solutions for corporate clients. We have modularized our technological capabilities based on application scenarios. This approach allows us to efficiently tailor solutions to varying needs of clients. Going forward, we intend to further enrich our AI-powered solution matrix and leverage our advantages in AI application to expand our corporate client base.
- ***Continue to develop AI-powered products, functionalities and features.*** We will further integrate AI technology into our product research and development efforts, introducing new offerings and enhancing existing capabilities that are automated and optimized through the application of AI. For instance, we plan to enhance our intelligent travel recommendations, improve our smart trip management tools, and develop novel functionalities like in-destination restaurant reservation tools — all with the aim of elevating the user experience to new heights. We believe this will also increase our appeal to overseas players, helping us form valuable partnerships and lay a solid foundation for implementing our global strategy. See “— Expand Global Footprints Through Cooperation with Overseas Partners.”

To implement these strategies, we intend to expand our research and development team, upgrade our data service infrastructure, and explore potential collaborations with third-party research institutes in the foreseeable future.

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Expand Global Footprints Through Cooperation with Overseas Partners

To seize opportunities in global markets, we intend to expand our overseas business by leveraging our strong technological capabilities. In the foreseeable future, we plan to implement our global strategy in the following aspects:

- ***Global strategy of our travel related services.*** To expand the coverage of our travel related services beyond China, we aim to explore partnerships with local businesses, particularly large overseas players and mobile application platforms seeking new ways for expansion. By leveraging our technological expertise, we can equip them with advanced technologies and AI tools to digitize and automate their operations. In return, we intend to tap into our partners’ existing user bases and insights on local culture, policies, market dynamics, and user needs to break into new markets and grow our market share without significantly investing in building local service team at an early stage. In addition, our current products and services are primarily catered to the Chinese market. We intend to enhance our offerings by introducing multi-language models powered by AI. This will enable us to serve a broader user base from different countries and regions around the world and strengthen our ability to support corporate clients’ international expansion.
- ***Offer data solutions to overseas corporations.*** Additionally, we will seek opportunities to expand our international corporate customer base by offering our robust data analytical capabilities and comprehensive toolkit to businesses that rely on global or regional transportation networks for their operations.
- ***Develop AI-powered products for the global travel market.*** We believe advancements in AI technologies will help bridge language and culture barriers across different countries and regions, enabling smoother communication. As a pioneer in AI applications for the travel industry, we plan to leverage our expertise to develop new AI-powered products and tools that better facilitate international travelers’ in-destination activities, such as restaurants reservation.

As the first step of our international expansion, we established a regional headquarters in Hong Kong in December 2023. We will initially focus on the Asian market and then gradually expand our footprints to other regions around the globe.

Continuously Enrich and Enhance Our Products and Services

To strengthen our competitive position, we will continue to develop and introduce more niche and competitive products and services. We plan to further expand our TSP network, particularly the network of quality air ticket suppliers, diversifying the sources of air tickets available on our platforms air ticket supply. We will enrich accommodation options available on our platforms by collaborating with a wider variety of hospitality providers, including budget, mid-range, boutique and luxury hotels. Leveraging our large and highly engaged user

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base, we plan to negotiate better prices with hospitality providers to offer our users more competitive rates. We will also continue to refine the display of information on our apps, making it faster and more intuitive for users to search and book accommodation.

Additionally, we will further enrich our AI-powered solutions to corporate clients. We plan to leverage our reputation and extensive network in travel industry to expand our corporate customer base, provide our technological solutions to an increasing number of ecosystem partners. To this end, we may invest in sales and marketing efforts and recruit additional talents.

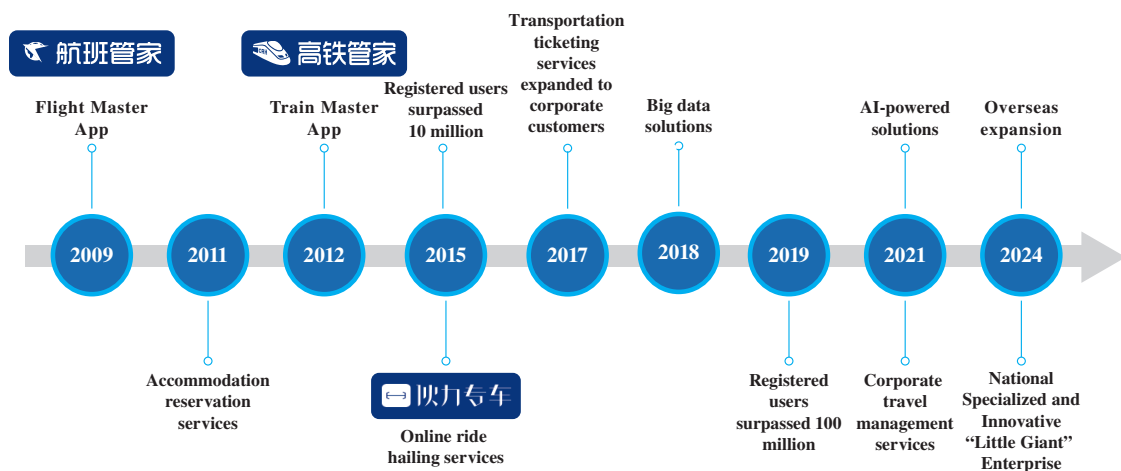
Selectively Pursue Strategic Partnerships, Investments and Acquisition Opportunities

We have established strategic partnerships in the past to support our business growth. Looking ahead, we are actively seeking new quality local partners to help expand our reach into overseas markets. To drive further growth, our plans include pursuing a combination of strategic partnerships, investments and acquisitions both in China and internationally that can broaden our overall product and service offerings, boost our technological capabilities, and ultimately strengthen our competitive market position. As of the Latest Practicable Date, we have not identified any specific acquisition targets and are currently not engaged in any negotiations for potential acquisitions.

OUR KEY BUSINESS MILESTONES

Over our decade-long history, we have continually expanded our offerings, evolving from a pure-play travel information provider in the early stage to a comprehensive mobility platform today. We now offer technology-driven solutions not only to individual consumers but also to sophisticated corporate clients.

The following diagram illustrates our key business milestones since our inception:



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During the Track Record Period, we generated revenue primarily from (i) travel related services, (ii) online marketing services and (iii) data and technology services. For travel related services, we generate revenue primarily from commissions or service fees associated with transportation ticketing services, corporate travel management services, online ride hailing services and accommodation reservation services. For online marketing services, we generate revenue by charging fees from clients based on the display or performance data of marketing campaigns on our platforms. For data and technology services, we generate revenue primarily by (i) charging fees from data service customers on a subscription or consumption basis, and (ii) charging service fees from system development service customers on a project basis. The table below sets forth a breakdown of our revenue by segment during the Track Record Period.

	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Travel related services	285,999	83.2	240,501	85.9	442,142	88.1	206,473	89.9	251,836	89.5
Online marketing services	40,110	11.7	21,266	7.6	40,998	8.2	16,988	7.4	19,712	7.0
Data and technology services	17,531	5.1	18,350	6.6	18,482	3.7	6,129	2.7	9,868	3.5
Total revenue	<u>343,640</u>	<u>100.0</u>	<u>280,117</u>	<u>100.0</u>	<u>501,622</u>	<u>100.0</u>	<u>229,590</u>	<u>100.0</u>	<u>281,416</u>	<u>100.0</u>

OUR INTELLIGENT MOBILITY PLATFORM

We offer a full suite of products and services catering to travelers’ needs throughout their trips. Through our flagship products, Flight Master and Train Master, we enhance travel planning by integrating various transportation modes, including flights, trains and rides, into a one-stop platform. Our comprehensive search engine aggregates schedules, prices, and availability across these modes, allowing travelers to compare and select the most cost-effective and time-efficient routes. Using advanced algorithms, we suggest optimal routes and connections, considering factors such as layover times, transfer distances, and real-time traffic conditions. Travelers can build personalized itineraries that combine flights, trains, and ride hailing services, ensuring efficient transitions between different transport modes.

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Our Services

The table below sets forth the details for our major intelligent mobility services:

Service Offerings	Description
Transportation Ticketing Services	We distinguish ourselves from traditional mobility platforms, which primarily serve as transaction intermediaries between travelers and businesses. Our platforms cover all key aspects of a user’s travel journey, from planning and booking to real-time travel updates and post-trip support. We offer complementary services such as flight and train seat selection, flight delay checks, airport information navigation and flight price predictions, addressing the intricate details travelers encounter throughout their journeys, ensuring a hassle-free and enjoyable experience.
Corporate Travel Management Services	In addition to serving individual users, we provide corporate clients with end-to-end management services for meetings, incentive trips, conferences, exhibitions and other corporate travel needs, ranging from strategic planning, venue selection, travel arrangements, on-site coordination, to post-event analysis.
Online Ride Hailing Services	Our online ride hailing services specialize in transportation to and from airports and railway stations, seamlessly integrating with our transportation ticketing services to provide a smooth and comprehensive travel experience. When a user books an air or train ticket through our platforms, they are given the option to add a ride hailing service to their itinerary. Users can choose from various vehicle types to suit their needs, whether they require a solo ride, a family van, or a luxury car.
Accommodation Reservation Services	We provide accommodation reservation services to help travelers streamline the trip planning process and enhance user convenience. When users book their flights or train tickets through our platforms, they are seamlessly prompted to reserve hotels at their destination. We collaborate with a vast network of hotel partners, offering a wide range of accommodations from budget to luxury options.

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Transportation Ticketing Services

We provide reservations for air and train tickets, as well as other ancillary value-added travel products to users through our online platforms. In 2021, 2022 and 2023 and the six months ended June 30, 2024, the number of air and train tickets sold by us was approximately 92.9 million, 50.4 million, 111.4 million and 61.5 million, respectively, and we generated a total GMV from transportation ticketing of approximately RMB19.4 billion, RMB13.8 billion, RMB30.6 billion and RMB17.0 billion, respectively.

Air Tickets

We offer vast flight options to users on our platforms. According to Frost & Sullivan, we were the fifth largest third-party platform in China in terms of GMV generated from online air ticket bookings in 2023. As of June 30, 2024, our air ticket suppliers comprised over 440 domestic and international airlines and over 190 air tickets agents, covering over 7,400 domestic routes and over 250 airports in China and over 57,000 air routes and over 4,500 airports outside China. According to Frost & Sullivan, we lead the market in terms of the number of domestic flight routes available to users. In 2021, 2022 and 2023 and the six months ended June 30, 2024, the number of air tickets sold by us was approximately 14.4 million, 11.8 million, 22.1 million and 14.2 million, respectively. In 2021, 2022 and 2023 and the six months ended June 30, 2024, our air ticketing GMV was approximately RMB9.8 billion, RMB8.9 billion, RMB18.3 billion and RMB11.0 billion, respectively.

To ensure users’ access to a wide range of flight options with competitive prices while maintaining high standards of service and reliability, we strive to optimize our air ticket supply chain through strategic partnerships with airlines and ticket agencies and advanced technology and data analytics. Our ability to source air tickets from a wide array of suppliers and manage these relationships through a sophisticated system sets us apart. Strategic partnerships with airlines play a crucial role in securing competitive pricing. As an important agent for multiple airlines, we negotiate bulk purchasing agreements and promotional offers. These partnerships enable us to access competitive pricing, thereby offering users significant cost savings.

Moreover, we have developed in-house an advanced system for sourcing and managing air tickets. This system, which supports combinations of multiple suppliers, is the result of over a decade of substantial investment in technology and resources. To further enhance the selection process, we employ algorithms and machine learning models that analyze historical data and real-time market trends. These technologies predict price fluctuations, identify optimal booking times, and recommend the most cost-effective routes based on user inputs such as travel dates and multi-leg destinations. By leveraging predictive analytics, we can advise users on when to book to secure competitive prices, securing cost savings for travelers.

We generally receive commissions as (i) a percentage of ticket price, or (ii) the difference between the actual price paid by users and a base price, subject to a certain range set by airlines and ticketing agents.

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Train Tickets

We offer train ticketing services that source tickets from www.12306.cn, the official online booking platform of China Railway Corporation, or CRC, as well as from offline ticket sales agencies. We do not receive commissions for providing train ticketing services, and generally we generate revenue from providing value-added services and membership fees. According to Frost & Sullivan, we were the third largest third-party platform in terms of GMV from online train ticket bookings in 2023.

Through our platforms, users can access a range of functionalities such as viewing train timetables and checking ticket availability. Our search capabilities allow users to find railway routes based on various parameters, including departure times, destinations, budgets, and class of travel. In 2021, 2022 and 2023 and the six months ended June 30, 2024, the number of train tickets sold by us was approximately 78.5 million, 38.5 million, 89.3 million and 47.4 million, respectively, and we generated a total train ticketing GMV of approximately RMB9.5 billion, RMB4.9 billion, RMB12.3 billion and RMB6.0 billion, respectively.

Other Travel Products and Services

We offer various value-added service packages that users can purchase in conjunction with their air or train tickets. By bundling these ancillary services with air or train tickets, we not only provide added convenience and value to our users but also create additional revenue streams. For example:

- *Flight seat selection.* Our flight seat selection service enhances the comfort and convenience of our users by allowing them to choose preferred seating arrangements in advance.
- *Flight delay compensation.* We compensate travelers with travel vouchers in the event of flight delays. These vouchers can be applied to future bookings, including flights, hotels, and other travel related services available on our platforms. This service is designed to alleviate the inconvenience caused by unexpected disruptions in travel plans.
- *Train ticket availability monitoring.* We provide users with a service that monitors ticket availability and automatically purchases tickets at the specified time slots and price ranges as soon as they become available.
- *Priority boarding and VIP lounge.* Users may pay additional fees for accesses to priority boarding and VIP lounges through our platforms to help them travel with ease.
- *Access to insurance services.* On our platforms, we offer access to insurance services provided by our partnering insurance companies, allowing users to conveniently purchase travel insurance from insurance companies alongside their transportation ticket bookings.

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We generate revenue from these value-added travel products and services by receiving service fees directly from the users purchasing such services. We also sell a membership program that offers bundled value-added services and charge a membership fee.

Corporate Travel Management Services

In addition to serving individual users, we provide corporate clients with end-to-end management services for meetings, incentive trips, conferences, exhibitions and other corporate travel needs, ranging from strategic planning, venue selection, travel arrangements, on-site coordination, to post-event analysis. We leverage our extensive network of partners to secure the best venues and travel options, ensuring cost-effectiveness and convenience. We typically charge a packaged fee from our corporate clients and generate revenue from corporate travel management services from such packaged fee after deducting our costs.

Online Ride Hailing Services

Our online ride hailing services specialize in transportation to and from airports and railway stations, seamlessly integrating with our transportation ticketing services to provide a smooth and comprehensive travel experience. When a user books an air or train ticket through our platforms, they are given the option to add a ride hailing service to their itinerary. Users may also use our online ride hailing services without transportation ticketing orders placed with us.

Our ride hailing services are aimed at travelers who value comfort and quality of service from professionally trained drivers. They can choose from various vehicle types with different amenities to suit their needs, whether they require a solo ride, a family van, or a luxury car. In 2021, 2022 and 2023 and the six months ended June 30, 2024, there were approximately 163.9 thousand, 59.9 thousand, 115.2 thousand and 55.9 thousand ride hailing orders on our platforms, respectively.

We suggest pickup points or destinations based on the users’ existing itinerary information on our platforms. For rides to or from airports or railway stations, we also keep drivers informed of latest information of the riders’ flights or trains, to avoid missing the flights or trains and reduce unnecessary waiting time for both riders and drivers.

We generate revenue from online ride hailing services by (i) charging service fees for the rides and relevant services we provide to riders where we act as the principal and (ii) receiving commissions as a percentage of the value of each ride hailing order where we act as an agent to arrange other ride hailing operators to serve riders.

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Accommodation Reservation Services

We provide accommodation reservation services to help travelers streamline the trip planning process and enhance user convenience. When users book their flights or train tickets through our platforms, they are seamlessly prompted to reserve hotels at their destination. Users may also make accommodation reservations without any booked air or train tickets on our platforms. Users can search, compare, and book accommodations on our platforms based on their destination and detailed stay preferences, and may further filter and sort search results by price range, star category, location, brand, and amenities. We also augment our accommodation reservation offerings with a wide library of traveler ratings, reviews, recommendations, and tour guides.

We collaborate with a vast network of hotel partners, offering a wide range of accommodations from budget to luxury options. We act as an agent in our hotel-related transactions. We generate our accommodation reservation revenue through commissions from our hotel partners for facilitating accommodation reservation through our platforms. We recognize revenue when the reservation becomes non-cancellable.

Our Products

Our online platforms consist of our mobile applications and mini programs, with similar search and display interfaces. Users can explore, search, reserve and purchase intelligent mobility products and services through our one-stop platforms.

We distinguish ourselves from traditional mobility platforms, which primarily serve as transaction intermediaries between travelers and businesses. Our platforms cover all key aspects of a user’s travel journey, from planning and booking to real-time travel updates and post-trip support. In addition to transportation ticketing services and accommodation services catering to users’ varying travel needs, we also deliver accurate real-time flight and train information to our users and inform them of potential changes in their travel schedules in a timely manner, which enable users to make timely adjustments to their travel plans. We encourage users to provide their ratings and reviews of the products and services on our platforms so that we can closely monitor user feedback and assess user willingness to recommend our platforms as well as products and services on our platforms to others. By offering elevated travel experience, we have cultivated a large and active user base, with over 174 million registered users across all our platforms as of June 30, 2024, and approximately 6.2 million paying users in the six months ended June 30, 2024.

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Our Mobile Applications

Users can access our products and services through our two flagship mobile applications, Flight Master (航班管家) and Train Master (高铁管家). The two mobile applications are built on the same technology infrastructure so users can access our full intelligent mobility services in either application.



Home page of Flight Master

Home page of Train Master

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With users’ consent, we offer personalized home pages within our mobile applications based on user profiles or past transactions and display travel products and services based on geolocation and other travel insights. While placing an order, users are prompted with options to customize their trips with packaged deals or additional value-added services for their convenience, such as ride hailing services and hotel deals. All products and services are shown with full price transparency. Our itinerary management tools enable users to review and manage their orders and itineraries.



Flight Master

We enhance users’ flight experience by providing the following functionalities in Flight Master:

Pricing prediction. We use advanced algorithms and historical data to forecast future ticket prices. By analyzing past trends, seasonality and various other factors, our system identifies patterns and predicts price fluctuations. The function also incorporates real-time data from airlines and booking websites to refine its predictions. Users can input their travel details, and we provide insights on whether ticket prices are likely to rise or fall. This helps users decide the optimal time to purchase tickets, potentially saving money. We also provide alerts and notifications, informing users when prices are expected to drop or when a good deal is available.

Flight details. Users may dig into more details of a selected flight, such as the airplane model, seat map, onboard amenities, air route map and boarding gate, within the detail page of a selected flight. Users can access the analysis of historical delay statistics of the flight on the same page, as reference to the flight’s overall on-time performance.

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Flight tracking and alerts. Users may get instant in-app alerts when boarding starts, the boarding gate is closing and the flight departure time is coming, diminishing the likelihood of missing flights. We also provide users with real-time and predictive flight information, allowing users to check current flight statuses and receive forecasts about potential delays, enabling better travel planning and reducing uncertainty.

Airport navigation. We integrate airport information navigation, offering detailed guidance on amenities, services, and transit options within airports. This helps travelers navigate complex airport environments efficiently. We also provide boarding gate information which help users choose flights that minimize the need for long shuttle bus rides within airports, enhancing convenience and efficiency.

Destination recommendation. On the home page of Flight Master, we recommend trending destinations, flights, accommodations and combo deals that we believe our users may be interested in as well as useful travel advice to facilitate their potential journeys. Users may also book a ride in advance from the airport to another address in the destination city.



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Train Master

Similarly, we offer certain featured functionalities in Train Master to facilitate users’ train ticket booking and train journeys.

Booking assistance. We have developed a tool to help users secure train tickets, especially during holidays and for popular routes where tickets can be sold out within seconds. Users can specify the railway stations, travel dates, train numbers and seating preferences in advance. The tool monitors ticket availability and alerts users to purchase tickets as soon as available.

Train details. For a selected train, users have access to its detailed information, including departure station and final destination, intermediate stops, scheduled arrival time at each stop, travel time, real-time travel speed, seat map and onboard amenities. Users can also check the train’s on-time performance over the past 30 days.

Train tracking and alerts. Users can track train status and receive departure alerts from Train Master when approaching the scheduled train departure time. We provide timely notifications about users’ itineraries, including potential delays, unexpected suspension or cancelation, and other emergencies.



Train ticket booking assistance tool

Train details and tracking

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Monetization Through Online Marketing Services

The vast user base and high user engagement make us an attractive platform for customers seeking to amplify their visibility and brand recognition. We offer marketing services to a diverse range of brand owners through our online platforms. Customers can place marketing campaigns on our online platforms in various formats, displayed as text or images with different exposure times.

The marketing campaigns can be display-based or performance-based. The fees charged for display-based marketing campaigns are primarily determined by cost-per-time, where the fees are determined on the basis of time and duration of the placed campaigns. The fees charged for performance-based marketing campaigns are primarily determined by (i) cost-per-mille, where the fees are determined on the basis of thousand impressions, (ii) cost-per-action, where the fees are determined on the basis of each action of users as a result of marketing campaigns, such as a download, installation or registration, (iii) cost-per-click, where the fees are determined on the basis of each click of the marketing campaigns, or (iv) cost-per-sale, where the fees are determined on the basis of increased sale amount as the result of marketing campaigns.

OUR DATA AND TECHNOLOGY SERVICES

Leveraging our deep expertise in intelligent mobility services, we have developed sophisticated data and technology solutions tailored to the specific needs of corporate customers. With more than ten years of experience in processing and applying travel data, we have established effective algorithms and predictive models to provide industry-vertical big travel data information solutions for businesses. As of the Latest Practicable Date, our data and technology services have serviced over 150 businesses across various industries, such as travel, tourism, hospitality, insurance and logistics.

Data Services

We maintain written agreements with official flight data suppliers, ensuring the legitimacy of our data sources and our data processing, transmitting and sharing practices. We offer corporate clients from a wide range of industries our rich travel datasets and customized data solutions that drive strategic decision-making. The integration of advanced analytics and predictive models derived from these datasets not only enhances operational efficiency but also unlocks new opportunities for growth and innovation across global markets.

Online travel platforms. We collaborate with several online travel platforms in China, sharing our flight data based on written cooperation agreements, which define our respective rights and obligations regarding data security protection. With the flight data we provide, these online travel platforms can improve the accuracy of flight information displayed on their own online platforms and deliver superior experience to their users.

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Logistics service providers. Logistics service providers in China demand accurate and up-to-date flight data for efficient air cargo operations. We supply leading logistics service providers in China with essential flight data, including schedules, real-time updates, and route information. By leveraging such information, these providers can optimize flight schedules, adjust routes dynamically, and make informed decisions regarding capacity purchases. This contributes to a more robust and agile logistics network, ensuring timely and reliable logistics services for their customers.

Others. Combining our analysis of flight volume data and flight status information with airport passenger flow forecasts, we are able to help businesses in the aviation industry, such as airlines and airport service providers, optimize their planning and ensure efficient resource allocation.

We generate revenue from data services primarily by (i) charging subscription fees based on the services customers subscribed to; and (ii) charging service fees based on the amount of data used by customers during the contract period.

Technology Services

Leveraging our data analytics capabilities, we develop systems related to travel or mobility services that advance digital transformation for businesses in the travel industry.

A prominent example is our extensive cooperation with a travel company with a rising boutique hotel brand popular among China’s younger generation, empowering it to transform its traditional hotel operations into a hotel chain installed with a technology-and-AI-enabled management system. We have developed a supply chain management system for this travel company that integrates supply information of air and train tickets, accommodations, local transportation and in-destination activities. Travel consultants at this travel company can easily track such supply information in the system in real time to promptly respond to user queries. If users change their travel plans, the system can automatically generate new itineraries based on users’ preferences, which significantly reduces their waiting time for travel consultants to manual search and design new travel plan.

To better serve the expanding user base of our cooperating travel company we also developed an AI-powered customer service robot to deal with users’ basic inquiries about their itineraries. In 2024, we further upgraded the customer services at this travel company by introducing an LLM-based chatbot to guide users in natural languages. With these AI-embedded customer service tools, this travel company can timely deal with large quantities of user inquiries at the same time, which improves its overall service quality and increases user satisfaction.

In addition, we have developed a high-performance system for a leading telecommunication company in China to optimize the air ticketing services available on the online platform operated by this company. Leveraging the system, our customer can monitor and manage its air ticket supply chain efficiently as well as detect and resolve abnormalities on its platform in a timely manner. Powered by our self-developed advanced algorithms, the system can support multiple user application scenarios such as air ticket price prediction, booking facilitation and automated air ticketing refund and change, aiming to deliver a

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sophisticated purchasing experience to users on our customer’s platform. The system is designed to facilitate the integration of our customer’s internal resources and expedite inquiry processing, enhancing the overall operating efficiency with reduced cost.

We generate revenue from travel related service system primarily by charging service fees determined on a project-by-project basis, considering the human resources required, the project duration and the complexity of system design.

OUR CORE TECHNOLOGICAL CAPABILITIES

Data Capabilities

We have substantial expertise in big data within the travel industry. Over the past 15 years, we have amassed a vast amount of travel data, including information on major transportation, connecting traffic, and hotel accommodations. Utilizing specialized algorithms, we reprocess and reorganize this extensive data to enhance a wide range of products, services, and travel scenarios.

Our data capabilities are distinguished by reliable and diverse sources, comprehensive data dimensions, and industry-specific data processing expertise, giving us a key competitive edge in the market:

- *Reliable and diverse data sources.* We were the first mobility platform to obtain official authorization from an authoritative data source in China’s aviation industry, according to Frost & Sullivan. We also strategically collaborate with regional air traffic control bureaus and airports, ensuring the legality, authority, and reliability of our data. For international flights, we partner with reputable international aviation data companies.
- *Extensive data coverage.* Our datasets encompass a wide range of dimensions, including real-time flight information (such as scheduled times, aircraft position, status, altitude, speed and weather interference), ticketing data (such as ticket type, price and ticket conditions), and airport data (such as passenger flow and runway conditions). In our standard agreements for data services, we commit to providing flight status data for 99.9% of domestic flights and 95% of flights in North America, Europe, Southeast Asia, and Australia.
- *Advanced data integration and processing:* We have competitive advantages in data integration, efficiently cleaning, transforming, and linking multi-source heterogeneous data. Our data is processed promptly and accurately, with rapid updates for domestic flight dynamics. In our standard agreements for data services, we commit to delivering at least 99% accuracy for domestic flight departure and arrival times, and 95% accuracy for irregular flight data. We also ensure that at least 98% of relevant data for domestic flights is provided within 10 minutes, and 93% for international flights within 15 minutes.

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We use AI-powered data analytics to drive intelligent decision-making. Below are representative use cases of our data algorithms for both individual users and corporate customers:

- *Airport precision operations:* Flight status information is generated by various entities, including the air traffic control bureau, airlines and airports. Inconsistencies can arise before full synchronization occurs. Our AI algorithms play a crucial role in verifying the data, which is especially important in areas requiring high real-time accuracy, such as airport aircraft scheduling. By integrating data from various suppliers, we correct these inconsistencies and work with multiple airports on operations management, predictive reasoning, and weather impact assessment.
- *Traffic forecasting:* The tourism industry in local regions often experiences significant fluctuations in visitor numbers. Our algorithms forecast future travel behaviors from user data such as flight and train searches, subscriptions and bookings. By integrating hotel data, we predict tourist distribution in the region, which can be used for effective resource management and improving traveler satisfaction.
- *Route combination and air-rail intermodal transport:* Our algorithms intelligently combine routes between two locations to optimize travel time and cost, providing seamless itinerary planning without manual calculation. For train tickets, particularly during peak seasons, our algorithms offer alternatives by calculating available tickets for nearby stations, ensuring travelers can find suitable options even when direct tickets are sold out.
- *Dynamic ticket pricing:* Airline passengers have diverse travel purposes and preferences. For example, business travelers may book last-minute flights, prioritizing schedule over cost, while leisure travelers are more price-sensitive and book well in advance. Airlines use a tiered pricing system to maximize revenue based on passenger categories. Our algorithms calculate competitive pricing based on various factors such as seat inventory and competitor prices, maximizing flight revenue while maintaining load factors.
- *Itinerary integration:* Travel itineraries often involve multiple segments, including flights, trains, transfers, and accommodations. Changes due to weather, mood or unexpected events can disrupt these plans, requiring adjustments across the itinerary. Our system analyzes the dependencies between different itinerary segments based on time and importance. When users need to modify part of their trip, our algorithm predicts the impact on related segments and provides preemptive suggestions. After making changes, our system can adjust or cancel related segments, simplifying the process and ensuring a smooth travel experience.

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- *Real-time and predictive flight status:* Our system supports the entry of massive flight data obtained from upstream data suppliers or collected by ourselves. Based on such data, we use AI algorithms to quickly compute an aircraft's current status and predict its future conditions. This enables us to deliver up-to-date flight status information to travelers and promptly notify them with any changes in their itineraries, which ensures passenger safety, informed travel planning and timely adjustment especially when travelers have time-sensitive schedules or connecting flights.

Supply Chain Management

The air ticketing market is crowded with a range of suppliers, from large entities like GDS, airlines and major ticket agencies to numerous small and medium-sized agencies. A key measure of expertise in the industry is the ability to establish standard data and address the significant amount of imprecise information from various sources. The complexity of the supply chain arises from the multi-layered nature of the airline business, encompassing flight scheduling, seat allocation and ticket pricing. We have developed in-house an advanced supply chain management system to maximize supply efficiency and enhance overall profitability:

- *Routing management:* Our system calculates the best possible combinations of flights between two locations to meet various travel needs, such as one-way, round-trip, and multi-leg itineraries. Effective routing ensures that passengers can choose the most convenient and cost-effective routes, taking into account factors like layover times, airline alliances, and overall travel duration.
- *Ticket pricing:* Ticket pricing is one of the most dynamic and complex aspects of airline ticket management. Prices for seats constantly fluctuate based on numerous factors, including demand, seasonality, and competition. The final saleable fare is determined based on intricate pricing policies established by airlines and ticketing agents. Accurate price calculations require continuously updating data and policies. High levels of automation and intelligent technology support are necessary to cope with the fast-changing market environment and complex pricing needs. Our system enables extensive data processing, policy interpretation and rule application. In addition, we use AI algorithms to analyze market dynamics and competitor pricing strategies, determining the most competitive prices and ensuring accuracy. By dynamically adjusting pricing strategies, we maintain profitability while offering competitive prices.
- *Seat availability:* Each flight is divided into multiple sub-classes, each with different prices and change/refund conditions. Airlines have unique strategies for managing seat availability, opening or closing seats in real-time based on route popularity, consumer demands, and seat utilization. We use big data analysis and AI to accurately predict seat availability.
- *Fare rules:* Air tickets come with different terms and conditions. These rules can include restrictions on changes or cancellations, minimum or maximum stay requirements, and other conditions that impact the flexibility and cost of the ticket.

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Artificial Intelligence

Embracing the AI era, we are evolving into a company rooted in AI, reshaping our organizational structure and culture to align with this new paradigm. Our comprehensive data sets and robust data capabilities form the foundation for our AI strategy. We integrate AI into all key aspects of our strategic planning and business development, tailoring AI tools to meet the specific needs of various business units and making AI a central driver of growth.

Efficiency Enhancement

We leverage AI to enhance efficiency and per-employee productivity. By integrating advanced AI tools into our business operations, we streamline workflows, automate tasks, and provide data-driven insights that help our team make informed decisions quickly.

- *Marketing:* Our in-house marketing team leverages AIGC to ideate advertising concepts, streamline copywriting and produce graphic design. By incorporating AI into the design process, we can rapidly realize creative ideas, enhance quality and innovation, and meet evolving market demands and user expectations. While still in the early stages, we have seen encouraging results since integrating generative AI into our marketing workflows, with significant enhancement in efficiency and quality.
- *Programming:* Our engineers now use LLMs for code pre-generation and security checks, which saves time and improves code quality.
- *Operations:* Our operations staff use LLMs for organizing documents, which speeds up information retrieval and management. They also employ LLMs for standardizing images and videos, ensuring data cleanliness and ease of management.
- *Pricing strategy.* We utilize AI algorithms to analyze historical booking data, current market trends, and user behavior patterns. When providing ticketing services for corporate customers, we identify the optimal timing and ticket price for bookings, ensuring competitive pricing and maximizing revenue.

User-Facing Innovations

We use AI to develop innovative user-facing products and solutions. Customer service is one of the first areas where we enhance user experience with AI technology. By combining our deep industry expertise and extensive travel data with large language models, we have created AI-powered customer service agents to handle common inquiries, such as booking confirmations, flight details, and policy queries. These systems use natural language processing to understand and respond to user questions efficiently. They are as knowledgeable about our TSP policies as a well-trained human customer service manager, if not more so. They can manage a high volume of inquiries simultaneously, reducing wait times and enhancing overall customer satisfaction. Currently, all inquiries on Flight Master are initially handled by

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these AI agents. During the six months ended June 30, 2024, over 70% of our user inquiries had been resolved by chatbots without human intervention. We are also working on giving our bots unique personality traits, such as polite expressions and humility, to create a more engaging and humanized service experience. Additionally, we have developed various AI-powered tools, such as an algorithm for refund calculation, that enable timely, accurate and effective responses to customer requests. The use of AI bots and tools automates our customer service operations, increasing our productivity while improving the overall user experience.

In addition, our AI-driven pricing prediction models consider factors such as booking time, route popularity and seasonal trends to offer personalized booking recommendations to users. Our pricing prediction feature allows users to monitor price trends from the current day to their departure date, helping them select the best timing for booking. Further, our AI algorithms monitor flight schedules, flight punctuality history, weather conditions, airport congestion, and other relevant data sources to predict potential delays or disruptions accurately. This information is crucial for travelers planning their journeys, allowing them to make informed decisions and adjustments in real-time.

We also expect to use AI to support our international expansion efforts, which can help localize our platforms and solutions to local language and market preferences in an efficient manner. We expect AI technology to play a crucial role in localizing our platforms and solutions, ensuring they are tailored to meet the unique language and market preferences of different regions.

Tailored Business Solutions

The vertical AI capabilities we have developed, and continue to enhance, specifically for the travel industry can be leveraged to empower other market players. Since 2021, we have been providing AI-powered solutions to corporate customers, including airports and hospitality providers, helping them digitalize and optimize their operations.

Research and Development

Our strong research and development capabilities are fundamental to our continued success and our ability to develop innovative offerings in response to rapid advancements in big data and AI technologies. As of June 30, 2024, our research and development team consisted of 249 members, approximately 86.3% of whom held a bachelor’s degree or higher. In 2021, 2022 and 2023 and the six months ended June 30, 2024, we recorded research and development expenses (excluding share-based compensation expenses in relation to research and development personnel) of RMB64.0 million, RMB59.1 million, RMB71.2 million and RMB37.7 million, respectively. During the Track Record Period, our investment in research and development primarily aimed to (i) strengthen our technological capabilities in big data analytics; (ii) integrate AI technologies into business operations; (iii) develop and refine our AI-powered technological solutions for corporate clients; and (iv) develop AI-powered products, functionalities and features to enrich and enhance our offerings.

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MARKETING AND BRANDING

We aim to create a brand image that embodies trust, expertise, and reliability. We believe that our consistency in service quality and reliability enhances user trust and strengthens our brand reputation. Our marketing efforts are focused on increasing brand awareness, attracting returning and new users, and improving user loyalty to our platforms.

We place advertisements for our products and services across major mobile application stores and on major online platforms with high traffic. We also operate branded Weixin public accounts to raise awareness of our brand and increase user traffic and engagement on the Weixin platform. From time to time, we use search advertisements to maximize visibility and effectively attract new users.

In addition to online marketing, we also engage in various forms of offline branding activities to augment our overall marketing and branding strategies. We place public advertisements at airports in major cities in China, in order to enhance our presence and user awareness in these markets. Additionally, we are committed to achieving automation and enhancing the intelligence of our advertising endeavors. See “— Our Core Technological Capabilities.”

OUR USERS AND CUSTOMERS

Our Users

Our extensive and engaged user base is the key to our success. Driven by the sophisticated travel products and services and satisfactory user experience delivered through our online platforms, we have accumulated over 174 million registered users across all our platforms as of June 30, 2024.

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To further incentivize users’ engagement, we allow users to leave their comments on our own platforms, to provide real-time status of the flights and trains they take as well as up-to-date information about the services and amenities available on board. Comments with valuable travel information will be put on display for the benefit of other users on our platforms. Moreover, we also have designated personnel responsible for interacting with our users on external social media platforms and publishing sales information. As a result of our efforts, our users have demonstrated a high level of engagement on our platforms. The following table sets forth the selected indicators as of the dates indicated or for the periods indicated:

	As of/Year Ended December 31,			As of/ Six Months Ended June 30,
	2021	2022 ⁽²⁾	2023	2024
	Number of registered users (in thousands)	138,691	144,728	161,556
Average MAUs ⁽¹⁾ (in thousands)	6,987	4,830	7,008	7,086
Number of paying users (in thousands)	6,497	4,340	8,754	6,218

Notes:

- (1) Calculated by dividing the sum of MAUs for each month during a specified period by the number of months in such period.
- (2) Our average MAUs and number of paying users in 2022 were adversely impacted by the COVID-19 pandemic.

Along with the diversified offerings and broader application of AI technologies in our daily operations, we are able to continuously enhance our service quality to maintain our user base and attract new users to our platforms, as well as incentivize users’ engagement.

Our Membership System

To encourage user loyalty, we have established a membership system for which we typically charge a membership fee. Participating users accumulate miles as they purchase travel products and services on our platforms. Customers may redeem miles for gifts and benefits, such as coupons to be used in future purchases. Our members are also entitled to discounts and select promotion deals when purchasing travel products and services on our platforms.

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User Feedback and Complaints

Providing satisfactory user experience and services is a high priority for us. Users on our platforms may submit inquiries, feedback, or complaints at any time. Upon receipt of inquiries or complaints, our designated personnel will investigate and provide users with feedback and/or solutions for issues they report. During the Track Record Period and up to the Latest Practicable Date, we have not received any material user complaints.

User Agreements

Users must acknowledge the terms and conditions of the user agreements before accessing our products and services on our platforms, under which they agree to, among others, (i) provide necessary personal information and data for registration on our platforms and use of our services, (ii) comply with applicable laws, regulations, policies as well as the guidelines on our platforms when accessing our platforms for our products and services.

Our Customers

In addition to paying users on our platforms, our customers also comprise TSPs and corporate clients in need of our travel, marketing or technology services. The revenue attributable to our five largest customers for each year/period during the Track Record Period was RMB54.4 million, RMB84.6 million, RMB89.8 million and RMB63.3 million, respectively, accounting for 15.9%, 30.2%, 18.0% and 22.5% of our total revenue, respectively. The revenue attributable to our largest customer for each year/period during the Track Record Period was RMB17.0 million, RMB38.1 million, RMB30.9 million and RMB25.5 million, respectively, accounting for 5.0%, 13.6%, 6.2% and 9.1% of our total revenue, respectively.

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The following tables set forth details of our five largest customers for each year/period during the Track Record Period.

Year Ended December 31, 2021

Rank	Customer	Revenue ⁽¹⁾	Percentage of total revenue	Business relationship since	Products/Services provided	Customer background	Credit term	Settlement method	Registered capital	Headquarter
1 . .	Customer A	17,042	5.0%	2017	Travel related services	A leading air transportation service company in China, a subsidiary of which is listed on the Stock Exchange and Shanghai Stock Exchange	60 days	Bank transfer	Approximately RMB17.8 billion	Guangzhou, Guangdong, China
2 . .	Customer B	11,268	3.3%	2018	Travel related services; online marketing services	A company in the advertising service industry listed on Shenzhen Stock Exchange	90 days	Bank transfer	Approximately RMB2.5 billion	Beijing, China
3 . .	Customer C	10,706	3.1%	2017	Travel related services; online marketing services	A pioneer technology company in the internet insurance industry in China listed on the Stock Exchange	ten days	Bank transfer	Approximately RMB1.5 billion	Shanghai, China
4 . .	Customer D	8,271	2.4%	2017	Travel related services	A leading air transportation service company in China listed on the Stock Exchange and Shanghai Stock Exchange	22 days	Bank transfer	Approximately RMB22.3 billion	Shanghai, China
5 . .	Customer E	7,137	2.1%	2018	Online marketing services	A private company in the advertising service industry in China	90 days	Bank transfer	RMB1 million	Beijing, China
	Total	54,425	15.9%							

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Year Ended December 31, 2022

Rank	Customer	Revenue ⁽¹⁾	Percentage of total revenue	Business relationship since	Products/ Services provided	Customer background	Credit term	Settlement method	Registered capital	Headquarter	
		<i>(RMB in thousands)</i>									
1 . .	Customer F	38,118	13.6%	2022	Travel related services; online marketing services	A private company in China that engages in wholesale of mechanical equipment and electronic products	20 business days	Bank transfer	RMB65 million	Dongguan, Guangdong, China	
2 . .	Customer A	20,743	7.4%	2017	Travel related services; data and technology services	A leading air transportation service company in China, a subsidiary of which is listed on the Stock Exchange and Shanghai Stock Exchange	60 days	Bank transfer	Approximately RMB17.8 billion	Guangzhou, Guangdong, China	
3 . .	Customer G	12,090	4.3%	2022	Travel related services	A private company in the insurance service industry in China	three business days	Bank transfer	RMB9.1 million	Shanghai, China	
4 . .	Customer C	7,312	2.6%	2017	Travel related services; online marketing services	A pioneer technology company in the internet insurance industry in China listed on the Stock Exchange	ten days	Bank transfer	Approximately RMB1.5 billion	Shanghai, China	
5 . .	Customer D	6,366	2.3%	2017	Travel related services	A leading air transportation service company in China listed on the Stock Exchange and Shanghai Stock Exchange	22 days	Bank transfer	Approximately RMB22.3 billion	Shanghai, China	
	Total	84,628	30.2%								

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Year Ended December 31, 2023

Rank	Customer	Revenue ⁽¹⁾ <i>(RMB in thousands)</i>	Percentage of total revenue	Business relationship since	Products/Services provided	Customer background	Credit term	Settlement method	Registered capital	Headquarter
1 . .	Customer A	30,929	6.2%	2017	Travel related services; data and technology services	A leading air transportation service company in China, a subsidiary of which is listed on the Stock Exchange and Shanghai Stock Exchange	60 days	Bank transfer	Approximately RMB17.8 billion	Guangzhou, Guangdong, China
2 . .	Customer F	18,992	3.8%	2022	Travel related services; online marketing services	A private company in China that engages in wholesale of mechanical equipment and electronic products	20 business days	Bank transfer	RMB65 million	Dongguan, Guangdong, China
3 . .	Customer C	14,405	2.9%	2017	Travel related services; online marketing services	A pioneer technology company in the internet insurance industry in China listed on the Stock Exchange	ten days	Bank transfer	Approximately RMB1.5 billion	Shanghai, China
4 . .	Customer H	14,174	2.8%	2021	Travel related services	A private company in the automobile industry in China, a wholly owned subsidiary of a leading multinational automobile group	30 days	Bank transfer	EUR25 million	Beijing, China
5 . .	Customer G	11,309	2.3%	2022	Travel related services	A private company in the insurance service industry in China	three business days	Bank transfer	RMB9.1 million	Shanghai, China
	Total	89,809	18.0%							

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Six Months Ended June 30, 2024

Rank	Customer	Revenue ⁽¹⁾ <i>(RMB in thousands)</i>	Percentage of total revenue	Business relationship since	Products/Services provided	Customer background	Credit term	Settlement method	Registered capital	Headquarter
1 . .	Customer A	25,481	9.1%	2017	Travel related services	A leading air transportation service company in China, a subsidiary of which is listed on the Stock Exchange and Shanghai Stock Exchange	60 days	Bank transfer	Approximately RMB17.8 billion	Guangzhou, Guangdong, China
2 . .	Customer I	12,866	4.6%	2023	Travel related services	A private company in the insurance service industry in China	three days	Bank transfer	RMB2.0 million	Changsha, Hunan, China
3 . .	Customer C	11,678	4.1%	2017	Travel related services; online marketing services	A pioneer technology company in the internet insurance industry in China listed on the Stock Exchange	ten days	Bank transfer	Approximately RMB1.5 billion	Shanghai, China
4 . .	Customer J	7,309	2.6%	2020	Online marketing services	A private company in the search engine industry in China, a subsidiary of a leading search engine and AI company listed on the Stock Exchange and Nasdaq	30 days	Bank transfer	US\$0.8 million	Beijing, China
5 . .	Customer K	5,950	2.1%	2017	Travel related services	A leading air transportation service company in China listed on the Stock Exchange, London Stock Exchange and Shanghai Stock Exchange	90 days	Bank transfer	Approximately RMB16.2 billion	Beijing, China
	Total	63,283	22.5%							

Note:

(1) The revenue of certain customers herein is recorded on a consolidated basis, if, to the best of our knowledge, two or more entities from whom we generate revenue from providing services are controlled by the same group company during the Track Record Period.

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To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our customers were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers. None of our five largest customers for each year/period during the Track Record Period were our suppliers during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period, we did not have any material disputes with our customers or encounter any major claims of defective services.

Agreements with Airlines

We have entered into cooperation agreements with some major airlines in China, acting as their agents to sell air tickets and provide associated services. The salient terms of a typical cooperation agreement with an airline generally include:

- *Services.* We act as agents for cooperating airlines to sell their air tickets and are responsible for customer services in relation to air ticket sales, such as ticket change or cancellation, seat selection and flight upgrade. From time to time, we also provide the airlines with marketing services to promote air ticket sales on our platforms as well as necessary technical support and maintenance services. The airlines are obligated to pay for the services rendered by us.
- *Term.* The term of our agreements with airlines is generally one or two years.
- *Pricing.* The service fees we charge airlines are generally calculated based on the total number of air tickets sold on our platforms and the unit prices of these tickets. The unit price of each air ticket sold may vary for different air segments and classes, which is determined solely by each cooperating airline. From time to time, the airlines may grant us incentives for our strong sales performance.
- *Settlement and payment.* We generally settle our sales performance data directly with and issue invoice to cooperating airlines on a monthly or quarterly basis.
- *Termination.* Either party can terminate the agreement in advance by providing written notice to the other party. In some cases, the airlines have the right to terminate the agreement, if our sales performance do not meet the agreed amount specified in the agreements.

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Agreements with Insurance Companies

We also cooperate with some insurance companies in China to provide users with access on our platforms to travel related insurance services provided by such insurance companies. The salient terms of our agreements with insurance companies generally include:

- *Service.* We provide technical support and marketing services for the insurance products and services sold by cooperating insurance companies through our platforms. The insurance companies shall pay for our technical and marketing services.
- *Term.* We generally enter into a one-year agreement with insurance companies. In some cases, the agreement can be automatically renewed for one year.
- *Pricing and settlement.* We charge insurance companies service fees (i) for each order of insurance products or services sold by cooperating insurance companies through our platforms, which may vary by different types of insurance products or services; and (ii) for our marketing efforts for the insurance products and services sold through our platforms. We typically settle the fees charged with insurance companies on a monthly basis.
- *Termination.* Either party may terminate the agreement if there is a material breach of contract by the other party. Either party can terminate the agreement by giving a prior notice to terminate the agreement before the expiration of the agreement.

OUR SUPPLIERS

Our suppliers consist primarily of (i) online payment service providers, (ii) marketing service providers, (iii) bandwidth and server service providers, and (iv) vendors in ticketing and in-destination travel service. The purchases attributable to our five largest suppliers for each year/period during the Track Record Period were RMB47.8 million, RMB45.2 million, RMB61.1 million and RMB35.3 million, respectively, accounting for 25.1%, 29.1%, 20.7% and 22.3% of our total purchase, respectively. The purchases attributable to our largest supplier for each year/period during the Track Record Period were RMB15.6 million, RMB14.4 million, RMB17.3 million and RMB11.8 million, respectively, accounting for 8.2%, 9.2%, 5.9% and 7.5% of our total purchase, respectively.

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Year Ended December 31, 2021

Rank	Supplier	Purchase amount ⁽¹⁾	Percentage of total purchase ⁽²⁾	Business relationship since	Products/Services purchased	Supplier background	Payment term	Settlement method	Registered capital	Headquarter
1 . .	Supplier A	15,645	8.2%	2017	Online payment services	A renowned licensed bank in China listed on the Stock Exchange and Shanghai Stock Exchange	Real-time settlement	Bank transfer	Approximately RMB356.4 billion	Beijing, China
2 . .	Supplier B	9,437	4.9%	2017	Bandwidth and server services	A leading cloud computing and AI technology company, a subsidiary of a leading multinational technology company listed on the Stock Exchange and NYSE	Deposit in advance, to be settled based on actual consumption	Bank transfer	Approximately RMB1 billion	Hangzhou, Zhejiang, China
3 . .	Supplier C	8,527	4.5%	2019	Travel related data	A state-owned enterprise in the aviation industry in China	Monthly or quarterly settlement	Bank transfer	RMB35 million	Beijing, China

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Rank	Supplier	Purchase amount ⁽¹⁾	Percentage of total purchase ⁽²⁾	Business relationship since	Products/Services purchased	Supplier background	Payment term	Settlement method	Registered capital	Headquarter	
		<i>(RMB in thousands)</i>									
4 . .	Supplier D	7,424	3.9%	2017	Online payment services	A company listed on the Stock Exchange that primarily engages in the provision of aviation information technology services and related services	30 days	Bank transfer	Approximately RMB2.9 billion	Beijing, China	
5 . .	Supplier E	6,801	3.6%	2017	Online payment services	A private company in the internet financial service industry that operates a leading mobile payment platform in China	Real-time settlement	Bank transfer	RMB13.6 billion	Hangzhou, Zhejiang, China	
	Total	47,834	25.1%								

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Year Ended December 31, 2022

Rank	Supplier	Purchase amount ⁽¹⁾	Percentage of total purchase ⁽²⁾	Business relationship since	Products/Services purchased	Supplier background	Payment term	Settlement method	Registered capital	Headquarter
1 . .	Supplier F	14,403	9.2%	2022	In-destination travel services	A travel and tourism company established in 2017	7-30 days	Bank transfer	QAR30 thousand	Doha, Qatar
2 . .	Supplier B	9,461	6.1%	2017	Bandwidth and server services	A leading cloud computing and AI technology company, a subsidiary of a leading multinational technology company listed on the Stock Exchange and NYSE	Deposit in advance, to be settled based on actual consumption	Bank transfer	Approximately RMB1 billion	Hangzhou, Zhejiang, China
3 . .	Supplier A	9,127	5.9%	2017	Online payment services	A renowned licensed bank in China listed on the Stock Exchange and Shanghai Stock Exchange	Real-time settlement	Bank transfer	Approximately RMB356.4 billion	Beijing, China

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Rank	Supplier	Purchase amount ⁽¹⁾	Percentage of total purchase ⁽²⁾	Business relationship since	Products/ Services purchased	Supplier background	Payment term	Settlement method	Registered capital	Headquarter
		<i>(RMB in thousands)</i>								
4 . .	Supplier D	7,260	4.7%	2017	Online payment services	A company listed on the Stock Exchange that primarily engages in the provision of aviation information technology services and related services	30 days	Bank transfer	Approximately RMB2.9 billion	Beijing, China
5 . .	Supplier G	4,975	3.2%	2021	Ticketing services	A private company that engages in ticketing services and platform management for mass transit supply systems	five days	Bank transfer	RMB10 million	Shanghai, China
	Total	45,226	29.1%							

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Year Ended December 31, 2023

Rank	Supplier	Purchase amount ⁽¹⁾ <i>(RMB in thousands)</i>	Percentage of total purchase ⁽²⁾	Business relationship since	Products/Services purchased	Supplier background	Payment term	Settlement method	Registered capital	Headquarter
1 . .	Supplier H	17,292	5.9%	2018	Marketing services	A private intelligent marketing company in China	Monthly settlement	Bank transfer	RMB10 million	Huai'an, Jiangsu, China
2 . .	Supplier D	12,400	4.2%	2017	Online payment services	A company listed on the Stock Exchange that primarily engages in the provision of aviation information technology services and related services	30 days	Bank transfer	Approximately RMB2.9 billion	Beijing, China
3 . .	Supplier I	11,808	4.0%	2022	Marketing services	A private company in the advertising service industry in China	Monthly settlement	Bank transfer	RMB6.5 million	Beijing, China
4 . .	Supplier J	10,783	3.6%	2017	Marketing services	A private company in the advertising service industry in China	Deposit in advance, to be settled based on actual consumption	Bank transfer	RMB10 million	Shenzhen, Guangdong, China
5 . .	Supplier B	8,843	3.0%	2017	Bandwidth and server services	A leading cloud computing and AI technology company, a subsidiary of a leading multinational technology company listed on the Stock Exchange and NYSE	Deposit in advance, to be settled based on actual consumption	Bank transfer	Approximately RMB1 billion	Hangzhou, Zhejiang, China
	Total	61,126	20.7%							

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Six Months Ended June 30, 2024

Rank	Supplier	Purchase amount ⁽¹⁾	Percentage of total purchase ⁽²⁾	Business relationship since	Products/Services purchased	Supplier background	Payment term	Settlement method	Registered capital	Headquarter
1 . .	Supplier E	11,838	7.5%	2017	Online payment services	A private company in the internet financial service industry that operates a leading mobile payment platform in China	Real-time settlement	Bank transfer	RMB35 billion	Hangzhou, Zhejiang, China
2 . .	Supplier K	7,465	4.7%	2019	Online payment services	A private technology company in China, a subsidiary of a leading multinational technology and service company listed on the Stock Exchange and Nasdaq	Real-time settlement	Bank transfer	Approximately RMB5.3 billion	Beijing, China
3 . .	Supplier L	6,653	4.2%	2023	Marketing services	A private company in China that engages in computer system services and technical research and development	Monthly settlement	Bank transfer	RMB2 million	Beijing, China

(RMB in thousands)

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Rank	Supplier	Purchase amount ⁽¹⁾	Percentage of total purchase ⁽²⁾	Business relationship since	Products/Services purchased	Supplier background	Payment term	Settlement method	Registered capital	Headquarter
				<i>(RMB in thousands)</i>						
4 . .	Supplier D	4,753	3.0%	2017	Online payment services	A company listed on the Stock Exchange that primarily engages in the provision of aviation information technology services and related services	30 days	Bank transfer	Approximately RMB2.9 billion	Beijing, China
5 . .	Supplier B	4,562	2.9%	2017	Bandwidth and server services	A leading cloud computing and AI technology company, a subsidiary of a leading multinational technology company listed on the Stock Exchange and NYSE	Deposit in advance, to be settled based on actual consumption	Bank transfer	Approximately RMB1 billion	Hangzhou, Zhejiang, China
	Total	35,271	22.3%							

Notes:

- (1) The purchase amount of certain suppliers herein is recorded on a consolidated basis, if, to the best of our knowledge, two or more entities from whom we make purchases are controlled by the same group company during the Track Record Period.
- (2) Our total purchase amount for a specific period represents the aggregate amount of our cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses for the same period, excluding employee benefits expenses (including share-based compensation expenses), depreciation and amortization (excluding depreciation charge of right-of-use assets), traveling and entertainment expenses, tax and surcharges, and [REDACTED] for the same period.

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To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our five largest suppliers for each year/period during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers for each year/period during the Track Record Period. None of our five largest suppliers for each year/period during the Track Record Period were our customers during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period, we have not experienced any significant fluctuation in prices set by our suppliers or material breach of contract on the part of our suppliers.

Agreements with Marketing Service Providers

We cooperate with several marketing service providers to conduct online and offline marketing and promotion activities to improve the exposure and recognition of our platforms and offerings. The salient terms of such agreements generally include:

- *Services.* The marketing service providers agree to provide marketing and promotion services for our platforms, including our mobile applications, as well as our brand on the media or online platforms specified by us.
- *Term.* We generally enter into one-year agreements with the marketing service providers.
- *Pricing.* The marketing service fees charged is calculated based on one or more of the fee models, typically including cost-per-time, cost-per-click and cost-per-download, at our option.
- *Payment and settlement.* We typically settle the performance data of our marketing campaigns with the marketing service providers on a monthly basis.
- *Termination.* The agreement is terminated upon the expiry or by mutual agreement by both parties with prior notice. We may request the repayment of the remaining balances of our accounts with the marketing service providers upon termination of our agreements.

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Arrangements with Online Payment Service Providers

We cooperate with certain third-party online payment service providers, such as banks and internet finance companies, to provide multiple payment channels for customers who place orders on our platforms. The salient terms of a typical agreement between such service providers and us generally include:

- *Services.* Typically, we create an account with an online payment service provider on its online payment platforms and such service provider is obligated to provide us with services such as fund custody, fund transfer and transaction detail enquiry.
- *Term.* We generally enter into a one-year agreement with the online payment service provider. In some cases, the agreement can be automatically renewed for one year.
- *Pricing.* The service fees charged by the online payment service provider are determined on a case-by case basis, at a fixed or floating rate of the total transaction volume. From time to time, the online payment service provider may set a minimum amount that we are obligated to pay regardless of the transaction volume.
- *Payment and settlement.* We typically make some deposits in advance to our account with the online payment platforms. Generally, the service fees charged by the online payment service provider are automatically deducted from the balance of our account in real time when such provider processes the payment transactions on its platforms.
- *Termination.* The agreement may be terminated by mutual agreement. Additionally, either party may terminate the agreement if there is a material breach of contract by the other party.

Agreements with Bandwidth and Server Providers

The salient terms of a standard framework agreement with a bandwidth and server provider generally include:

- *Services.* We place orders with the provider and pay for services, such as cloud services, data storage and transmission, and databases, with an annual minimum purchase amount set in the agreement. The provider is obligated to deliver us the services we purchased.
- *Term.* The term of the framework agreement is one year.
- *Pricing.* The service fees charged by the bandwidth and server provider are determined by our actual purchase of services, and under certain circumstances, we are entitled to a discount under the standard pricing for such services.

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- *Settlement and payment.* We may be charged at a package price for our purchased services, or pay for the services based on our actual usage, on a monthly or annual basis.
- *Termination.* The agreement may be terminated by mutual agreement. Additionally, the bandwidth and server provider may terminate the agreement in the event of a material breach of contract by us.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our five largest customers in each year/period during the Track Record Period were also our suppliers and certain of our five largest suppliers in each year/period during the Track Record Period were also our customers. The following table sets forth the details.

Customer/Supplier	Period	Revenue ⁽¹⁾	Percentage of total revenue	Nature of revenue	Purchase amount ⁽²⁾	Percentage of total purchase ⁽³⁾	Nature of purchase
		<i>(RMB in thousands)</i>			<i>(RMB in thousands)</i>		
Customer C (Among the five largest customers in 2021, 2022 and 2023 and the six months ended June 30, 2024)	2021	10,706	3.1%	Travel related services; online marketing services	51	0.0%	Travel insurance services as benefits for our members
	2022	7,312	2.6%	Travel related services; online marketing services	58	0.0%	Travel insurance services as benefits for our members
	2023	14,405	2.9%	Travel related services; online marketing services	970	0.3%	Travel insurance services as benefits for our members
	Six months ended June 30, 2024	11,678	4.1%	Travel related services; online marketing services	38	0.0%	Travel insurance services as benefits for our members
Customer E (Among the five largest customers in 2021)	2021	7,137	2.1%	Online marketing services	3,590	1.9%	Marketing services for our platforms
	2022	–	–	N/A	–	–	N/A
	2023	–	–	N/A	–	–	N/A
	Six months ended June 30, 2024	–	–	N/A	–	–	N/A

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Customer/Supplier	Period	Revenue ⁽¹⁾ <i>(RMB in thousands)</i>	Percentage of total revenue	Nature of revenue	Purchase amount ⁽²⁾ <i>(RMB in thousands)</i>	Percentage of total purchase ⁽³⁾	Nature of purchase
Customer F (Among the five largest customers in 2022 and 2023)	2021	26	0.0%	Travel related services; online marketing services	–	–	N/A
	2022	38,118	13.6%	Travel related services; online marketing services	–	–	N/A
	2023	18,992	3.8%	Travel related services; online marketing services	21	0.0%	Corporate travel management services
	Six months ended June 30, 2024	–	–	Travel related services; online marketing services	–	–	N/A
Supplier B (Among the five largest suppliers in 2021, 2022 and 2023 and the six months ended June 30, 2024)	2021	197	0.1%	Data and technology services	9,437	4.9%	Bandwidth and server services
	2022	99	0.0%	Data and technology services	9,461	6.1%	Bandwidth and server services
	2023	–	–	N/A	8,843	3.0%	Bandwidth and server services
	Six months ended June 30, 2024	–	–	N/A	4,562	2.9%	Bandwidth and server services
Supplier D (Among the five largest suppliers in 2022)	2021	3,411	1.0%	Data and technology services	7,424	3.9%	Online payment services
	2022	3,319	1.2%	Data and technology services	7,260	4.7%	Online payment services
	2023	7,944	1.6%	Online marketing services	12,400	4.2%	Online payment services
	Six months ended June 30, 2024	3	0.0%	Online marketing services	4,753	3.0%	Online payment services

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Customer/Supplier	Period	Revenue ⁽¹⁾ <i>(RMB in thousands)</i>	Percentage of total revenue	Nature of revenue	Purchase amount ⁽²⁾ <i>(RMB in thousands)</i>	Percentage of total purchase ⁽³⁾	Nature of purchase
Supplier G (Among the five largest suppliers in 2022)	2021	59	0.0%	Data and technology services	722	0.4%	Ticketing services
	2022	122	0.0%	Data and technology services	4,975	3.2%	Ticketing services
	2023	1,420	0.3%	Data and technology services	7,179	2.4%	Ticketing services
	Six months ended June 30, 2024	820	0.3%	Data and technology services	3,199	2.0%	Ticketing services
Supplier I (Among the five largest suppliers in 2023 and the six months ended June 30, 2024)	2021	1	0.0%	Online marketing services	–	–	N/A
	2022	2	0.0%	Online marketing services	234	0.2%	Marketing services
	2023	1	0.0%	Online marketing services	11,808	4.0%	Marketing services
	Six months ended June 30, 2024	1	0.0%	Online marketing services	4,549	2.8%	Marketing services

Notes:

- (1) The revenue of certain customers herein is recorded on a consolidated basis, if, to the best of our knowledge, two or more entities from whom we generate revenue from providing services are controlled by the same group company during the Track Record Period.
- (2) The purchase amount of certain suppliers herein is recorded on a consolidated basis, if, to the best of our knowledge, two or more entities from whom we make purchases are controlled by the same group company during the Track Record Period.
- (3) Our total purchase amount for a specific period represents the aggregate amount of our cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses for the same period, excluding employee benefits expenses (including share-based compensation expenses), depreciation and amortization (excluding depreciation charge of right-of-use assets), traveling and entertainment expenses, tax and surcharges, and [REDACTED] for the same period.

To the best knowledge of our Directors, during the Track Record Period, there were no other overlap between our major suppliers and our customers or between our major customers and our suppliers. We have established solid business relationships with our overlapping customers and suppliers. Our sales to and purchases from our overlapping customers and suppliers were not related to or inter-conditional upon each other. Our Directors confirmed that all of our sales

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to and purchases from these overlapping customers and suppliers were entered into after due consideration taking into account the prevailing purchase and selling prices at the relevant times, conducted in the ordinary course of business under normal commercial terms and on arm’s length basis. As of the Latest Practicable Date, none of our Directors, their close associates or any shareholders who owned more than 5% of the issued share capital of our Company, had any interest in any of our overlapping customers and suppliers during the Track Record Period.

DATA PRIVACY AND PROTECTION

Data Privacy and Data Protection

We are committed to the protection of data privacy and data security, and we attach utmost importance to the compliance with relevant laws and regulations. We have established a specialized cybersecurity department to formulate data protection strategy, assess data security risk and monitor data access and processing activities. Our internal audit and supervision personnel are designated to supervise the execution of our data security policies.

In order to effectively provide our services, we collect and use basic user data, including the phone number, name, identification, itinerary, bank account and payment information of the user. We only collect the personal information and data necessary for the use of our products and services.

Our data usage and privacy policy is provided before the use of our platforms. 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 use, loss, or leak of user data. We will desensitize important data with encryption, masking or replacement techniques. In addition, we have provided users the option to clear their data on our platforms.

We carry out all data processing activities within the territory of China in accordance with the relevant laws and regulations and store such data in cloud data storage center operated by a third-party service provider located within the territory of China. We collect and use personal data for the stated purpose as authorized by the user, or with other legal bases as provided by laws and regulations. We do not share with, transfer or disclose personal data to any third parties except for certain limited circumstances, including when it is expressly authorized by our users, necessary to fulfill our main services to our users, to share with our authorized partners, or in compliance with the applicable laws and regulations.

We use a variety of technologies to protect the data with which we are entrusted in providing our services. For example, we anonymize and encrypt confidential personal information and we utilize a system of firewalls and maintain a perimeter network to segregate our internal databases and operating systems from our external-facing services and intercept unauthorized access.

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We have also established stringent internal approval procedures under which we grant classified access to confidential personal data only to limited employees with strictly defined authority in accordance with our data privacy and data security policy. We require any access to or processing of personal information to undergo strict assessment and approval procedures, and all relevant personnel must sign confidentiality agreements. We collect both sensitive personal data (such as phone numbers and ID numbers of users on our platforms) and non-sensitive personal data. To access any sensitive personal data, an employee is required to apply to the head of his or her department, who will refer the application to our technical team. After the head of our technical team completes the risk assessment on the application, the database administrator will review the application to identify whether the data involved is sensitive and if so, the application will be automatically sent to our data security team for second review. If the application is approved by our data security team, the database administrator will inform our technical team and our technical team will send the encrypted data with trusted communication methods to the department applying for access to such sensitive personal data. No department or individual in our Group may directly publish sensitive personal information such as users’ ID numbers, telephone numbers and payment information.

Furthermore, we enter into confidentiality agreements with our employees who have access to user information. The confidentiality agreements provide that, among others, our employees are legally obligated not to share, distribute or sell confidential information, including user information in their possession, to any party, including other employees who otherwise have no access to the information. We provide regular data privacy and security trainings. Our employees are also legally obligated to surrender all confidential information in possession upon resignation, and to retain their confidential obligations thereafter. Our employees bear compensation liability upon a breach of their confidentiality obligations or if they otherwise commit misconduct resulting in a leakage of confidential information.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not experience any material information leakage or loss of the personal data of users; (ii) we had not received any material claim from any third party against us on the ground of infringement of such party’s right to data protection as provided by applicable laws and regulations; (iii) we complied in all material aspects with PRC laws & regulations regarding cyber and data security and personal information protection in all material aspects; and (iv) we had not subject to any material incidents, administrative penalties or other regulatory actions or investigations in this regard.

Infrastructure Stability

We have implemented a variety of protocols and procedures, such as regular system checks, password policy, server access logging, network access authentication, user authorization review and approval and data back-up, as well as data recovery test, to safeguard our data assets and prevent unauthorized access to our network. We have policies to provide response plans to deal with incidents related to data security. Our operation and maintenance team and data security team monitors the operation of our systems and conduct safety drill on

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a regular basis. We have installed genuine anti-virus software and firewalls into our computer database storing the personal information of our users and update the system regularly as needed. We also maintain a backup of our operating data to minimize the risk of data loss.

We continue to improve and enhance our data and system security through routine checks and periodic upgrades to ensure the proper management of our operational data. Whenever an issue is discovered, we take prompt actions to upgrade our system and mitigate any potential problems that may undermine the security of our system. We believe our policies and practice with respect to data privacy and security are in compliance with applicable laws and with prevalent industry practice.

During the Track Record Period, we did not experience any cyber-attacks which may have a material adverse impact on our operations. See “Risk Factors — Risks Relating to Our Business and Industry — Our success depends, in part, on the integrity of our information technology systems and infrastructures and on our ability to prevent significant disruptions to and maintain satisfactory performance of these systems and infrastructures in a timely and cost-effective manner.”

INTELLECTUAL PROPERTY

We believe the protection of our trademarks, copyrights, domain names, trade names, trade secrets, patents and other proprietary rights is critical to our business. We rely on a combination of trademark, fair trade practice, copyright and trade secret protection laws and patent protection, as well as confidentiality procedures and contractual provisions to protect our intellectual property and our trademarks. We rigorously control access to our proprietary technology and information. In general, our employees must enter into a standard intellectual properties protection agreement or confidentiality agreement acknowledging that all inventions, trade secrets, developments and other processes generated by them on our behalf are our property, while assigning to us any ownership rights that they may claim in those works.

As of June 30, 2024, we had 47 issued patents and seven publicly filed patent applications in China. As of the same date, we held 280 copyrights and 209 trademarks registered with relevant authorities in China. In addition, we owned ten registered domain names as of June 30, 2024. We generally renew our domain name registrations every year and applications for their renewal are usually made approximately one to three months prior to their expiration. Under normal circumstances, domain name registrations take effect immediately after the payment of renewal fees. As of the Latest Practicable Date, all of our registered domain names remained in effect. If any of our domain name registrations cannot be renewed for any reason, we will be forced to find an alternative domain name, and the traffic to our websites may be negatively affected.

For details of our material intellectual property rights, see “Statutory and General Information — B. Further Information about Our Business — 2. Material Intellectual Property Rights” included in Appendix IV to this document.

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LICENSES, PERMITS AND APPROVALS

Our business is subject to rigorous and evolving regulation, and we are required to obtain and maintain applicable licenses, permits and approvals to conduct our business. See “Risk Factors — Risks Relating to Our Business and Industry — If our ride hailing platform or drivers or vehicles on it fail to obtain and maintain the required licenses or permits for providing online ride hailing services, our business, financial condition, and results of operations may be materially and adversely impacted.”

As confirmed by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had obtained all licenses, permits, approvals and certificates necessary to conduct our operations in all material respects from the relevant government authorities, and such licenses, permits, approvals and certificates remained in full effect. The following table sets forth details of the material licenses held by us for our operations as of the Latest Practicable Date in China.

License/Permit	Holder	Grant date	Expiry date
Value-added Telecommunications Business Operating License	Huoli Tianhui	March 20, 2024	March 20, 2027
Travel Agency Operation License	Shenzhen Huoli Tourism	November 6, 2019	N/A
Travel Agency Operation License	Caesar Jinghong (Beijing) Business Travel Co., Ltd	March 1, 2022	N/A
Class B Certificate of Surveying and Mapping Qualification	Huoli Tianhui	November 11, 2021	November 10, 2026
Permit for Online Ride Hailing Service	Huoli Tianhui	May 29, 2023	May 30, 2028
Permit for Online Ride Hailing Service	Huoli Tianhui Chengdu Branch	June 6, 2022	May 29, 2026
Permit for Online Ride Hailing Service	Huoli Tianhui Guangzhou Branch	February 5, 2024	February 5, 2029
Permit for Online Ride Hailing Service	Huoli Tianhui Guilin Branch	January 12, 2024	September 11, 2027
Permit for Online Ride Hailing Service	Huoli Tianhui Harbin Branch	May 29, 2024	May 9, 2027
Permit for Online Ride Hailing Service	Huoli Tianhui Hangzhou Branch	September 9, 2022	December 16, 2024
Permit for Online Ride Hailing Service	Huoli Tianhui Qingdao Branch	October 25, 2022	July 8, 2027

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License/Permit	Holder	Grant date	Expiry date
Permit for Online Ride Hailing Service	Huoli Tianhui Wenzhou Branch	September 30, 2022	September 20, 2026
Permit for Online Ride Hailing Service	Huoli Tianhui Wuhan Branch	April 19, 2023	June 3, 2025
Permit for Online Ride Hailing Service	Huoli Tianhui Changchun Branch	July 25, 2024	December 6, 2026
Permit for Online Ride Hailing Service	Huoli Tianhui Chongqing Branch	August 31, 2023	August 31, 2027

AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we have received numerous awards and recognitions for the quality and popularity of our products and services from government authorities and industrial organizations. The following table sets forth a summary of major awards and recognitions we received in the past years.

Awarding Year	Award/Recognition	Issuing Authority/Organization
2024	Specialized and Innovative ‘Little Giant’ Enterprise (專精特新“小巨人”企業)	Service Bureau for Small and Medium-sized Enterprises of Shenzhen Municipality
2024	The most valuable business partner in the intelligent transportation sector	Substack (數據猿) Shanghai Big Data Alliance (上海大數據聯盟)
2023	Distinguished OTA Partner for 2023	China Eastern Airlines
2023	Outstanding Partner for 2023	China Southern Airlines
2023	AI Tianma – Leading Enterprise (AI天馬 – 領軍企業)	Shenzhen AIIA
2023	4A AI Enterprise	Shenzhen AIIA
2023	Best Contribution Award	Shenzhen AIIA
2023	Top Brand in Shenzhen	Shenzhen Top Brand Evaluation Committee

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Awarding Year	Award/Recognition	Issuing Authority/Organization
2023	Software Enterprise	Shenzhen Software Industry Association
2022	Innovative Service of the Year	HONOR Device Co., Ltd.
2022	High and New Technology Enterprise	Shenzhen Science and Technology Innovation Commission
		Bureau of Finance of Shenzhen Municipality
		Shenzhen Tax Service, State Taxation Administration of the PRC
2021	Specialized and Innovative Small- and Medium-Sized Enterprise	Industry and Information Technology Bureau of Shenzhen Municipality
2021	New Information Consumption Demonstration Projects	MIIT

SEASONALITY

Our business is subject to seasonal fluctuations, and our revenue may vary from period to period. In general, we generate higher revenue during holiday seasons, such as the Chinese New Year holiday, the National Day holiday, and summer holidays, compared to the rest of the year. In addition, the seasonality of the PRC travel market is affected by regulatory adjustments to the calendar of public holidays. Our future results will continue to be affected by seasonality and regulatory adjustments to the calendar of public holidays in China.

COMPETITION

We operate in China’s comprehensive internet mobility service market, which is intensely competitive and characterized by rapid changes in technology, shifting user preferences and frequent introduction of new services and products. We were the second largest one-stop comprehensive mobility platform in terms of GMV in 2023, according to Frost & Sullivan.

We compete primarily with various participants in China’s comprehensive internet mobility service market, including other major one-stop comprehensive mobility platforms as well as providers dedicated to providing one or two of online transportation ticketing service, online accommodation reservation service or mobility data information service. As China’s comprehensive internet mobility service market continues to evolve, we may be faced with

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increased competition from new domestic players or international players that seek to expand into China. We may also face increasing competition from airlines and hotels as they increase their direct selling efforts or engage in alliances with other service providers.

We compete based on a number of factors, including, among other things, brand recognition, price, ease of use, accessibility of information, breadth of services offered, convenience, and user service and satisfaction. We believe that we are well-positioned to effectively compete on the basis of the factors listed above. However, some of our current or future competitors may have longer operating histories, greater brand recognition, larger user and TSP bases or strong financial, technical or marketing resources than we do. For details of the industry we operate in and the competitive landscapes in China, see “Risk Factors — Risks Relating to Our Business and Industry — We operate in a highly competitive industry and may face increased competition” and “Industry Overview.”

We believe that our ability to compete effectively depends upon many factors within or beyond our control, including, among others:

- the popularity, price, utility, ease of use, performance and reliability of our offerings compared to those of our competitors;
- our ability to enrich our services offering;
- our ability to provide superior user and customer experience;
- our ability to further improve our technologies;
- our ability to successfully expand our global footprints;
- our ability to maintain and enlarge our network of high-quality suppliers;
- our reputation and brand strength relative to our competitors;
- our ability to fully comply with relevant laws, regulations, rules, policies and guidelines, as well as address disputes, proceedings, settlements, judgments, injunctions and consent decrees;
- changes mandated by, or that we elect to make to address, evolving legislations and requirements by regulatory authorities;
- our ability to attract, retain and motivate talented employees;
- our ability to maintain and improve our safety mechanism;
- our ability to raise additional capital; and
- acquisitions or consolidation within our industry.

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INSURANCE

In line with general market practice, we maintain insurance coverage for travel company liabilities but do not maintain insurance coverage for business disruptions or other business operations. We also do not maintain insurance policies covering damages to our network infrastructures or information technology systems. We consider that the coverage from the insurance policies maintained by us is adequate for our present operations. During the Track Record Period and up to the Latest Practicable Date, we have not made, nor been the subject of, any material insurance claim.

PROPERTIES

Our corporate headquarter is located in Shenzhen, China. As of the Latest Practicable Date, we leased 19 properties with an aggregate gross floor area of approximately 8,301.49 square meters, which were primarily used as office premises and employee dormitories. The gross floor area of each leased property ranges from approximately 23 square meters to approximately 2,071.7 square meters. The leases generally have a term ranging from one year to three years. We will consider renewal of the leases upon their expiry.

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, 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, for the reason that, as of June 30, 2024, none of the properties leased or owned by us had a carrying amount of 15% or more of our consolidated total assets.

EMPLOYEES

As of June 30, 2024, we had a total of 643 full-time employees. As of the same date, approximately 70.1% and 19.9% of our full-time employees were based in Wuhan and Beijing, respectively, while the remaining 10.0% of them were based in the rest of mainland China and Hong Kong.

The following table sets forth the number of our full-time employees as of June 30, 2024.

Team	Number of Employees	% of Total
Research and development	249	38.7%
User and TSP services	239	37.2%
Sales and marketing	94	14.6%
Administrative management	61	9.5%
Total	643	100.0%

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Recruitment and Training

We primarily recruit our employees through on-campus job fairs, employee referrals, industry referrals and online channels including our corporate website and social networking platforms. We undertake a strict interview process for recruitment purposes. We enter into standard employment agreements, as well as confidentiality and non-compete agreements with our employees in accordance with market practice. We have adopted a training protocol in mainland China, pursuant to which we provide pre-employment and ongoing management and technical training to our employees.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in the recruitment or retention of experienced staff or skilled personnel.

Remuneration and Benefits

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives. Bonus payments are generally discretionary and based in part on employee performance and on the overall performance of our business. As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments including, among other things, pensions, medical insurance, unemployment insurance, maternity insurance, work-related injury insurance and housing fund plans through a PRC government-mandated benefit-contribution plan. We are required under PRC law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

During the Track Record Period and up to the Latest Practicable Date, we did not fully contribute to the social insurance and housing provident funds for some of our employees, primarily because these employees elected not to fully make their part of contributions. We have made full provisions in respect of the outstanding amount of the social insurance fund and housing provident fund contributions. In 2021, 2022 and 2023 and the six months ended June 30, 2024, our outstanding amount of social insurance fund and housing provident fund contributions amounted to RMB2.0 million, RMB2.0 million, RMB3.5 million and RMB2.4 million, respectively. Therefore, our financial results for the Track Record Period have accounted for the potential impact if we are ordered to fully pay the outstanding social insurance fund contributions.

According to the applicable PRC laws and regulations, (i) for outstanding social insurance fund contributions that we did not fully pay within the prescribed deadlines, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated period, and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay; if we fail to repay the outstanding social insurance contributions within the stipulated period, we may be liable for a

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fine of one to three times the outstanding contribution amount; and (ii) for outstanding housing provident fund contributions, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed time period; if the payment is not made within such period, the relevant authority relating to housing provident fund contributions may apply to court for compulsory execution. See “Risk Factors — Risks Relating to Our Business and Industry — Failure to fully comply with labor-related laws and regulations may subject us to penalties.”

As of the Latest Practicable Date, we had not received any order of correction from the competent authorities, or any complaint or labor arbitration application from any of our employees, with respect to our social insurance and housing provident fund contributions. We plan to gradually achieve full compliance with the applicable PRC laws and regulations in relation to the social insurance and housing provident funds by implementing relevant rectification measures. We undertake to make contributions for our employees in a manner as required as soon as practicable once we receive the notification from the relevant government authorities, if any, to require us to make contribution for the outstanding amounts or to amend our policies or practice in this regard, so that we will not receive administrative punishment from the relevant government authorities due to the failure of making the contributions in time.

Based on the foregoing, our PRC Legal Advisor is of the view that, if the competent social insurance and housing provident fund authorities order us or any of our subsidiaries to rectify their non-compliance with the laws and regulations relating to social insurance and housing provident funds within a prescribed time limit and pay the late payment fee (if any), and if such entities complete the rectification and pay the late payment fee (if any) within the prescribed time limit as required by the competent authorities, the risk of us being fined by such authorities is relatively low. Therefore, we believe that such incident will not have a material adverse impact on our business operations and financial conditions.

Diversity

We believe that diversity, including but not limited to gender diversity, is important to us in thriving in the business environment. We foster inclusion and equality among employees from all backgrounds, regardless of age, gender, disability, and citizenship status, among others. As of June 30, 2024, approximately 47.6% of our employees were female.

Relationship with Our Employees

We believe that we have a good working relationship with our employees, and we have not experienced any significant labor disputes. As of the Latest Practicable Date, the Group has not established a labor union.

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ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

We are dedicated to fulfilling environmental, social and governance responsibilities by exploring diversified ways to create and enhance a positive impact on our employees, users, technicians and business partners, and to improve our environmental responsibility and public responsibility. We are subject to environmental protection and occupational health and safety laws and regulations in the PRC, violation of which may result in various administrative penalties from competent authorities, such as warnings, fines, orders to rectify, orders to disclose relevant information or make an announcement or orders to suspend business.

We are committed to, after our [REDACTED], complying with the reporting requirements related to ESG. To effectively manage ESG issues, upon our [REDACTED], we will establish a three-tier ESG governance framework, comprising of our Board, an ESG committee and responsible units in relevant execution departments.

Our Board will take the overall responsibility for our ESG strategy and reporting. Our Board will be 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. Our ESG committee, consisting of our management with a solid understanding of current and emerging ESG issues and our business, will directly report to the Board on ESG issues periodically. Our management sitting in our ESG committee is responsible for identifying and evaluating ESG risks and opportunities, formulating ESG objectives, strategies, management policies and tactics, and regularly reviewing the specific progress and performance of ESG matters and reporting to our Board. Staff in our execution departments are responsible for the implementation of specific ESG-related matters, the implementation of ESG training and empowerment activities, and regular reporting of work progress.

Identification, Assessment, Management and Mitigation of ESG Risks

We have identified the following ESG risks which we consider material and may have an impact on our business, strategy or financial performance, and have formulated strategies and implemented systems to manage and mitigate these risks.

User Privacy and Data Security

We are subject to relevant user privacy and data security laws and regulations. See “Regulations — Regulations on Cybersecurity, Data Security, and Privacy Protection.” During the Track Record Period, we complied with the relevant applicable internet security and privacy protection laws and regulations in all material respects in the PRC. We are committed to the protection of data privacy and data security, and we attach utmost importance to the compliance with relevant laws and regulations.

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Extreme Weather Conditions

In terms of physical risk, we focus on acute risks such as extreme weather events. Our office premises and infrastructure may be affected by extreme weather through workplace disruptions, personnel commuting, transportation and disruptions related to our IT infrastructure. We may incur losses in operating assets and infrastructure as well as loss of sales resulting from business interruption. To address these challenges, we have developed a contingency plan that outlines clear responsibilities and specific implementation measures, ensuring the thorough execution of safety and health management guidelines. We also regularly organize training sessions and drills for our employees.

Climate-related Risks

Regarding transition risks, we do not operate any production facility or engage in any activity that discharges industrial waste, produces a large quantity of pollutants, or significantly emits greenhouse gases, so our exposure to climate-related risks is limited. Our main concerns involve policy and legal risks. Our business is generally subject to relevant PRC environmental laws and regulations. We closely monitor global trends and China’s national strategies to better address climate change and environmental protection.

Due to our nature of business, we believe our environmental footprint to be relatively small. Nonetheless, we are committed to conserving energy and reducing our carbon footprint. In pursuit of our social responsibility and in line with the national target to go carbon neutral by 2060, we aim to approach carbon-neutral by 2035. We have instituted a range of internal policies focused on environmental sustainability to effectively curtail the carbon emissions stemming from our operational activities. For example, we promote the adoption of low-carbon and eco-friendly modes of work. Moreover, we have established protocols for regular office area patrols to promptly deactivate redundant air conditioning and power equipment, thus minimizing resource wastage. Through improving operating efficiency, we will reduce the use of energy and other natural resources to enhance our environmental performance and reduce the negative impact of our operations in relation to climate change. We continuously look for effective ways to reduce energy use and thus our carbon footprint.

Social Responsibility

We are committed to being responsible corporate citizens, continuously fulfilling corporate social responsibility. We recognize the size and influence of our platforms and seek to utilize our influence in a socially responsible manner. We actively encourage and support socially responsible initiatives and promote the concept of corporate social responsibility throughout our Group.

Leveraging our data capabilities, we assisted regulatory authorities in controlling the COVID-19 pandemic. We developed and launched an inquiry tool on our online platforms for users to assess the risk of COVID-19 infection during their travels and to timely report to the

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relevant authorities to get immediate medical treatment if infected. With the information voluntarily provided by users exposed to infection risk, the regulatory authorities can efficiently trace the chain of infection and effectively take control measures to prevent the spreading of COVID-19.

Health and Work Safety

Aiming at offering a healthy and safe workplace to our employees, we are committed to strictly complying with applicable laws, regulations and standards related to health and work safety in different jurisdictions. We have adopted a series of policies and procedures with respect to health and work safety. Our human resource department, led by an experienced senior vice president, comprehensively monitors every aspect of the implementation of such policies and procedures. We examine the workplace regularly to eliminate all potential workplace hazard that may negatively affect the health and safety of our employees. To strengthen the employees’ awareness and knowledge on health and work safety, we also conduct relevant training sessions on applicable laws and regulations. During the Track Record Period, we did not experience any significant operational or administrative accident in health and work safety.

LEGAL PROCEEDINGS AND REGULATORY COMPLIANCE

Legal Proceedings

We have been, and may from time to time, be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management’s time and attention. See “Risk Factors — Risks Relating to Our Industry and Business — We may be involved in legal and other disputes from time to time arising out of our operations, including allegations relating to our infringement of intellectual property rights of third parties.”

During the Track Record and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any legal, arbitral or administrative proceedings pending or threatened against us or any of our Directors that, individually or in the aggregate, could likely have a material and adverse effect on our business, results of operations or financial condition.

Regulatory Compliance

We are subject to various regulatory requirements and guidelines issued by the regulatory authorities in China. Our PRC Legal Advisor is of the opinion that during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial condition.

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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 drive 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 county level finds that the platform no longer has the online and offline service capabilities or has committed a “serious breach.”

In 2021, 2022 and 2023 and the six months ended June 30, 2024, revenue from our online ride hailing services accounted for 3.3%, 1.4%, 1.6% and 1.1% of our total revenue, respectively. During the Track Record Period, some of the vehicles and drivers providing such services through our platforms did not possess the requisite transportation permits and online ride hailing driver’s licenses at the time of services. As a result, during the Track Record Period, we received fines due to provision of services on our platforms by certain vehicles or drivers without the requisite permits or licenses, which accounted for less than 0.1% of our total revenue in each year/period during the Track Record Period. As of the date of this document, all of these fines had been fully and timely paid by us. As of the same date, no transport authorities had ordered us to suspend our business operations or revoked our platform license. According to our PRC Legal Advisor, the risk that we will be ordered to suspend our business operations or revoke our platform licenses due to the non-compliance and/or administrative fines incurred during the Track Record Period is remote, and such matters will not materially affect the continuing operations of our online ride hailing business.

The non-compliance of 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. All players providing online ride hailing services face the same challenges.

We have taken proactive measures in rectifying such non-compliances. To monitor our compliance, we require drivers to provide relevant licenses and vehicle permits before they are allowed to join our platforms. We strictly prohibit drivers’ non-compliant behaviors, such as allowing unlicensed personnel to drive their vehicles. As of June 30, 2024, there were 192 vehicles taking orders through our platforms, all of which had obtained the requisite transportation permits and online ride hailing driver’s licenses.

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RISK MANAGEMENT AND INTERNAL CONTROL

We have established and maintained risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems.

Financial Reporting Risk Management

We have in place a set of accounting policies in connection with our financial reporting risk management, including accounting manual, budget management policies, treasury management policies, expense management policies, and employee reimbursement policies. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. We have also automated our accounting process to reduce the errors that may be made in manual entries, improving the accuracy of our financial information and lowering the risk of our financial reporting. We also provide regular training to our finance department employees to ensure that they understand our financial management and accounting policies and implement them during daily operations.

Information System Risk Management

Sufficient maintenance, security and protection of our data and other related information are critical to our business. We have implemented various internal procedures and controls to ensure that our data is protected, and that leakage and loss of any information is avoided. Our operation and maintenance team and data security team are responsible for monitoring the operation of our information system in real time. They regularly perform data recovery tests and use cyber-attack simulations to improve our data protection capability.

Human Resources Risk Management

We have in place an employee handbook and a code of conduct which have been distributed to all of our employees. The handbook contains internal rules and guidelines regarding anti-corruption, conflicts of interests, confidentiality and intellectual property protection, work ethics, and fraud prevention mechanisms. We provide employees with regular training as well as guidance on the requirements contained in the employee handbook.

We have in place an anti-bribery and corruption policy to safeguard against any corruption within our Company. The policy explains potential bribery and corruption conduct and our anti-bribery and corruption measures. We make our internal reporting channel open and available for our employees to report any bribery and corruption acts to the head of internal audit on an anonymous basis.

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Regulatory Compliance Risk Management

We are subject to evolving regulatory requirements in the PRC, including requirements to obtain and renew certain licenses, permits, approvals and certificates for our business operations in different regions. In order to manage our ongoing compliance with the laws and regulations applicable to our business effectively, we have implemented several internal control measures. In particular, we designated personnel to regularly monitor changes in laws, regulations and policies issued by the relevant government authorities in the regions we operate to ensure we obtain requisite licenses to operate our business and we have the up-to-date understanding with the applicable requirements. In addition, we monitor and review the status of our licenses and permits on a regular basis. We continually improve our internal policies according to changes in laws, regulations and industry standards, and update our internal protocols accordingly.

Internal Audit

We have designated experienced personnel with relevant expertise for reviewing the effectiveness of internal controls and reporting to the audit committee and senior management on any issues identified. Such personnel have regular meetings with management to discuss any internal control issues we face and the corresponding measures to solve such issues. The internal audit personnel report to the audit committee to ensure that any major issues identified are channeled to the audit committee on a timely basis. The audit committee then discusses the issues with, and reports to, the Board, if necessary.

REGULATIONS

REGULATIONS ON FOREIGN INVESTMENT

On December 29, 1993, the Standing Committee of the National People’s Congress of the PRC (the “SCNPC”) issued the Company Law of the PRC (《中華人民共和國公司法》) (the “Company Law”), which was latest amended on December 29, 2023 and became effective on July 1, 2024, regulating the establishment, operation and management of companies in the PRC, including foreign-invested companies. The foreign-invested companies shall comply with the Company Law, except where the foreign investment laws stipulate otherwise.

Foreign investment in the PRC is primarily regulated by the following regulations: (i) Catalog of Industries for Encouraging Foreign Investment (2022 edition) (《鼓勵外商投資產業目錄(2022年版)》) (the “Catalog”), which was promulgated on October 26, 2022 and came into effect since January 1, 2023; (ii) the Special Administrative Measures for Foreign Investment Access (Negative List) (2021 edition) (《外商投資准入特別管理措施(負面清單)(2021年版)》), (the “Negative List”), which was promulgated on December 27, 2021 and came into effect on January 1, 2022 and shall be replaced by Special Administrative Measures for 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)》) since November 1, 2024 (the “Negative List”). Both issued by the National Development and Reform Commission (the “NDRC”) and the Ministry of Commerce of the PRC (the “MOFCOM”). Pursuant to the Negative List, foreign investors are prohibited from investing in forbidden industries and foreign investment in restricted industries must comply with the requirements of Negative List.

On March 15, 2019, the National People’s Congress issued the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “FIL”), which took effect on January 1, 2020. It has replaced the following legislation on foreign investment: (i) the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), (ii) the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》), and (iii) the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法》). According to the FIL, foreign-invested enterprises which were established in compliance with such laws prior to the implementation of the FIL are permitted to maintain their original organization forms and other relevant aspects for 5 years upon the implementation hereof. The FIL is enacted to further expand opening-up, encourage foreign investment, protect legitimate rights and interests in foreign investment, and regulate foreign investment management. In accordance with the FIL, the PRC adopts a system of national treatment plus the Negative List for foreign investment administration. Foreign and domestic investment in industries not listed on the Negative List would be treated equally.

On December 26, 2019, the State Council issued the Implementation Regulations for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) (the “Implementation Regulations for FIL”), which became effective as of January 1, 2020. The Implementation Regulations for FIL further emphasize promotion and protection of foreign investment and replaced the Implementing Regulations for the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法實施條例》), the Interim Provisions on the Joint Operation Period of Sino-foreign Equity Joint Venture

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Enterprises (《中外合資經營企業合營期限暫行規定》), the Rules for the Implementation of the Wholly Foreign-owned Enterprise Law of the PRC (《中華人民共和國外資企業法實施細則》) and the Rules for the Implementation of the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法實施細則》). Pursuant to the Implementation Regulations for FIL, the FIL and the Implementation Regulations for FIL shall prevail where the provisions on foreign investment made before January 1, 2020 are not in conformity with the FIL and the Implementation Regulations for FIL. On December 26, 2019, the Supreme People’s Court of the PRC promulgated the Interpretation on Several Issues Concerning the Application of the Foreign Investment Law of the PRC (《關於適用〈中華人民共和國外商投資法〉若干問題的解釋》), which became effective on January 1, 2020, the same day when the FIL and the Implementation Regulations for FIL came into force. This interpretation is applicable to all contractual dispute that arise when foreign investors acquire related rights and interests by giving, property division, merging, or division of enterprises, etc.

The Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the “Reporting Measures”) promulgated by the MOFCOM and State Administration for Market Regulation (the “SAMR”) on December 30, 2019 and became effective since January 1, 2020. the Reporting Measures replaced the Interim Measures for the Administration of Record-filing on the Establishment and Change of Foreign-invested Enterprises (《外商投資企業設立及變更備案管理暫行辦法》) simultaneously. The Reporting Measures regulate information reporting relating to foreign investment in the PRC. According to the Reporting Measures, foreign investors and foreign-invested enterprises when foreign investors are engaged in direct or indirect investment activities in the PRC shall submit their initial reports, change reports, cancelation reports and annual reports to the competent departments of commerce.

The Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》), (the “Review Measures”), jointly promulgated by the NDRC and the MOFCOM on December 19, 2020, which became effective from January 18, 2021. The Review Measures set out the rules for foreign investment that is subject to security review. Procedures for the organization, coordination and guidance of the security review of foreign investment will be established under the NDRC, and led by the NDRC and the MOFCOM. Any foreign investment that affects or may affect the national security shall be inspected by such working mechanism office. In addition, the Review Measures stipulates that when foreign investors or related parties in China plan to invest in critical information technology and internet products and services that are related to national security, and seek to gain actual control over the enterprises in which they invested, they shall apply for a security review with the relevant office before proceeding with the investment.

REGULATIONS

REGULATIONS ON VALUE-ADDED TELECOMMUNICATIONS SERVICES

Regulations on Value-Added Telecommunications Services

On September 25, 2000, the State Council promulgated the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the “Telecommunications Regulations”), which was amended on July 29, 2014 and February 6, 2016. The Telecommunications Regulations provide a regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations classifies the PRC’s telecommunications services as basic and value-added telecommunications services, while value-added telecommunications services are defined as telecommunications and information services provided via public network infrastructures. In accordance with the Telecommunications Regulations, telecommunications services providers shall obtain operating licenses from the MIIT or its provincial counterparts before commencing operations.

The latest amendments of The Administrative Measures for Telecommunications Business Operating License (《電信業務經營許可管理辦法》), which became effective from September 1, 2017, set forth more specific provisions regarding the types of licenses required for value-added telecommunications services, as well as the qualifications and procedures for obtaining them. The value-added telecommunications services operators offering value-added services across multiple provinces are required to obtain inter-regional licenses from the MIIT, while value-added telecommunications services operators providing such services within a single province are required to obtain local licenses from the provincial level counterparts.

On September 25, 2000, the State Council promulgated the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》), as amended on January 8, 2011, classify internet information services into either commercial internet information services or non-commercial internet information services. Commercial internet information services refer to paid services, for example, providing information or website production to online users via the internet. Companies engaged in commercial internet information services shall obtain the licenses for internet information services from the competent telecommunications authorities.

Pursuant to the Catalog of Classification of Telecommunications Services (《電信業務分類目錄》), which is annexed to the Telecommunications Regulations and was last amended by the MIIT on June 6, 2019, information services business is divided into five categories: information publication platform and delivery services, information search and inquiry services, information communities platform services, instant message services, and information security and management services.

Moreover, the Cyberspace Administration of China (the “CAC”) first promulgated the Administrative Provisions on Mobile Internet Application Information Services (《移動互聯網应用程序信息服務管理規定》) (the “APP Provisions”) on June 28, 2016. On June 14, 2022, new APP Provision was published, replacing the old one, and came into effect on August 1, 2022, specially regulates application information services and application distribution services in the PRC. Pursuant to the APP Provisions, the CAC and local offices of cyberspace

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administration shall be responsible for supervising and administrating nationwide or local application information respectively. The application information service providers shall acquire relevant qualifications required by laws and regulations and carry out their duties strictly, including verification of user identity information, protection of users’ information, inspection and management of information content, etc.

Regulations on Foreign Investment in Value-Added Telecommunications Services

Regulations for Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the “FITE Regulations”) regulated the foreign direct investment in telecommunications companies in the PRC. The FITE Regulations are promulgated by the State Council on December 11, 2001 and amended on September 10, 2008 and February 6, 2016. The FITE Regulations require foreign-invested telecommunications enterprises in the PRC to be established as sino-foreign joint ventures. Unless otherwise stipulated by the State, the foreign investors shall not acquire more than 50% of their equity interest in such enterprises. Moreover, the foreign investors of the enterprises engaged in value-added telecommunications services have to meet stringent requirements for performance and operational experience, including demonstrating a track record and experience in operating such business. The enterprises that satisfy the above requirements shall obtain approvals from the MIIT and the MOFCOM or their authorized local branches, before launching the value-added telecommunications business in the PRC. In addition, pursuant to the Negative List, foreign equity in enterprises providing value-added telecommunications business shall not exceed 50%. However, such stipulation is not applied to e-commerce, domestic multi-party communications, store-and-forward and call centers services.

However, on March 29, 2022, the State Council issued the Decision of the State Council on Revising and Repealing Certain Administrative Regulations (《國務院關於修改和廢止部分行政法規的決定》), according to which the FITE Regulations was amended and such amendment has come into effect on May 1, 2022 (the “New FITE Regulations”). The New FITE Regulations, except as otherwise provided, no longer require stringent performance and operational experience of the foreign investors in the enterprises providing value-added telecommunications services. The foreign-invested telecommunications enterprises shall obtain approvals from the MIIT or its authorized local branches prior to the commencement of the value-added telecommunications business in the PRC. Furthermore, the New FITE Regulations simplify the application process for telecommunication business operation licenses and shorten the review period.

On July 13, 2006, the Ministry of Information Industry of the PRC (which is the predecessor of the “MIIT”) issued the Notice of the Ministry of Information Industry of the PRC on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business (《信息產業部關於加強外商投資經營增值電信業務管理的通知》), requires foreign investors who invest in and operate value-added telecommunications services in the PRC to establish foreign-invested enterprises and obtain licenses for these services. It prohibits domestic companies holding value-added telecommunications services licenses from leasing, transferring or selling their licenses in any

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form, or providing any resource, sites or facilities, to any foreign investors for their illegal operation of any telecommunications business in the PRC. Apart from restrictions on trading with foreign investors, it contains a number of detailed requirements for the value-added telecommunications services operators, including that operators or their shareholders shall legally own the domain names and trademarks used in their daily operations and each operator shall possess the necessary facilities for its approved business operations and maintain its facilities in the areas covered by its license.

In accordance with the Notice of the MIIT regarding the Strengthening of Ongoing and Post Administration of Foreign-Invested Telecommunications Enterprises (《工業和信息化部關於加強外商投資電信企業事中事後監管的通知》) issued on October 15, 2020, the MIIT will no longer issue Examination Letter for Foreign Investment and Operation in Telecommunications Business (《外商投資經營電信業務審定意見書》). Foreign-invested enterprises would need to submit relevant foreign investment materials to the MIIT in order to obtain or change of the licenses for operation of telecommunications business.

REGULATIONS ON AIR-TICKETING

The Air Transportation Sales Agent Qualification Accreditation Measures (《航空運輸銷售代理資質認可辦法》) which promulgated by the CATA was repealed in March 2019, permits are no longer required for the air transportation sales operating air-ticketing business. Alternatively, the CATA issued the Self-Discipline Measures for Air Transportation Sales Agency Industry (《航空客貨運輸銷售代理行業自律辦法》), which encourages self-discipline administration for air transportation sale agency industry. The CATA further promulgated the Business Standards of Air Passenger Transportation Sales Agencies (《航空運輸客運銷售代理人業務規範》) and the Business Standards of Air Freight Transportation Sales Agencies (《航空運輸貨運銷售代理人業務規範》), which establish the general criteria that airlines apply to select and authorize their ticket sales agents. For instance, basic requirements for passenger air transportation sales agencies are, including but not limited to, (i) possessing proper business license, (ii) obtaining telecommunication and information services business license if conducting online air-ticketing sales, (iii) having suitable capital contributed for business operation, (iv) providing capital guarantee or pledge in favor of airlines, (v) agencies and their principals with no poor credit records, and (vi) having sufficient, properly trained employees.

The Civil Aviation Administration of China (the “CAAC”) issued the Notice on Regulating Online Air-ticketing (《關於規範互聯網機票銷售行為的通知》) in August 2017, pursuant to which online air-ticketing platform shall not conduct bundle sales of any other services and products by default along with selling air tickets. The online air-ticketing platform is required to display the ancillary air-ticket-related services and products, such as VIP lounge coupon and insurance, in an explicit and accurate way and shall provide such services and products to customers as an optional choice, separating from their air ticket purchases.

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In March 2021, the Ministry of Transport (the “MOT”) promulgated the Administrative Provisions on Public Air Transport Passenger Services (《公共航空運輸旅客服務管理規定》), which took effect on September 1, 2021, stipulating certain obligations of online air-ticketing platform operators and agents. For example, online air-ticketing platform operators shall verify the qualifications of air-ticketing agents within their platform and are not allowed to permit air-ticketing agents that have not signed the sales agency agreement to engage in ticket sales activities on the platform.

REGULATIONS ON PRICING AND AIR-TICKET PRICE

The SCNPC promulgated the Pricing Law of the PRC (《中華人民共和國價格法》) (the “Pricing Law”) on December 29, 1997. According to the Pricing Law, business operators shall be responsible for pricing which are required by the government departments, business operators shall explicitly mark the prices and clearly indicate the name, origin of production, specifications, and other related particulars. Business operators are not allowed to sell products at a premium or to charge any fees that are not explicitly indicated. Business operators shall not engaged in the specified unlawful pricing activities, for example, colluding with others to manipulate the market price, deceiving consumers with false or misleading prices, or discriminating against other business operators. Failure to comply with the Pricing Law may subject business operators to administrative penalties, including warning, ceasing unlawful activities, compensation, confiscating illegal gains, fines. The business operators may be ordered to suspend business for rectification, or to revoke their business licenses if the circumstances are severe.

The Civil Aviation Domestic Transportation Market Pricing Measures (《民用航空國內運輸市場價格行為規則》) was issued by the CAAC and the NDRC in December 2017, according to which the prices of first-class and business class air transportation are market-adjusted, and the price of economic class is a mix of market-adjusted price and government-guided price. Air transportation institutions shall follow the pricing regulation mechanism, such as the maximum air transporting base price and price raising range, and adjust the price reasonably. Air transportation institutions must disclose the categories, standards and applicable conditions of transportation pricing in a timely, accurate and complete manner. Air transportation institutions shall not set prices beyond the range of the government-guided prices, nor shall it collude with others to manipulate the market prices, forge and disseminate price promotion information, deceive consumers with false or misleading prices, or abuse the market monopoly status to harm the interests of consumers. Those who do not comply with the above regulations will be logged into the credit violation catalog and be disclosed to the public pursuant to Civil Aviation Industry Credit Management Measures (《民航行業信用管理辦法》), which was promulgated by CAAC in April 2021.

REGULATIONS ON TRAVEL AGENCY

The PRC Tourism Law (《中華人民共和國旅遊法》), promulgated by the SCNPC on April 25, 2013, which took effect on October 1, 2013 and was latest amended on October 26, 2018. The PRC Tourism Law is intended to protect the legitimate rights of tourists and tour

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operators, and to regulate the travel market and to promote the development of the tourism industry. It is forbidden for travel agencies to (i) rent, loan or otherwise illegally transfer travel agency operation licenses or to spread false or inaccurate information when soliciting customers and organizing tours, (ii) make false publicity to mislead the customers, (iii) arrange visits to or participate in any project or activity that violate the PRC laws and regulations or social morality, (iv) organize a tour at an unreasonable low price to induce or deceive tourists, or to obtain illegal profits such as kickbacks, and (v) change or terminate the scheduled itineraries without reasons and to force the tourists to engage in other activities against the will of tourists. Moreover, travel agencies are obliged to conclude agreements with customers for travel services; and prior to the start of the tour, a customer can assign his personal rights and obligations in a packaged-tour contract to any third person, whom the travel agency cannot refuse without cause, provided that any fee increase will be borne by the customer and the relevant third person. Consequently, if travel agencies do not meet the obligations previously mentioned, they may face civil liabilities, which include rectification, confiscation of any illegal income, imposition of a fine, an order to cease business operation, or revocation of its travel agency permit.

The travel industry is primarily regulated by the following regulations: (i) Travel Agency Regulations (《旅行社條例》), issued by the State Council in February 2009, which became effective on May 1, 2009 and latest amended on November 29, 2020, and (ii) the Implementing Rules of Travel Agency Regulations (《旅行社條例實施細則》) promulgated by the PRC National Tourism Administration in April 2009, which became effective from May 3, 2009 and latest amended on December 12, 2016. According to the above rules, a travel agency shall obtain a license from the national tourism administration or the provincial tourism administration, which they have authorized to conduct outbound travel business, and a license from the provincial tourism administration or the municipal tourism administration, which they have authorized to conduct domestic and inbound travel agency business.

The Travel Agency Regulations permit foreign investors to establish foreign invested travel agencies. Foreign-owned travel agencies are permitted to open branches nationwide, yet they are restricted from operating in outbound tourism business in China, unless otherwise determined by the State Council, or provided under a bilateral free trade agreement between the country and China, or the closer economic partnership agreements between China, Hong Kong and Macau.

The State Council promulgated the Opinion on Accelerating Development of Travel Industry (《關於加快發展旅遊業的意見》) in December 2009, which introduced a trial basis for allowing foreign invested travel agencies to arrange for PRC residents traveling to overseas destinations. In October 2021, the State Council promulgated the Reply of the State Council on Consent to the Temporary Adjustments to the Implementation of Relevant Administrative Regulations and Departmental Rules Approved by the State Council in Beijing Municipality (《國務院關於同意在北京市暫時調整實施有關行政法規和經國務院批准的部門規章規定的批復》), which allows foreign-invested travel agencies that established and meet the conditions in Beijing to engage in outbound tourism business (except for Taiwan).

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The Ministry of Culture and Tourism issued a Tentative Administrative Measure on Online Travel Operation (《在線旅遊經營服務管理暫行規定》) on August 20, 2020, which aims to regulate the online travel operation business. The online travel operation services refer to provision of travel services to the travelers via the information network such as Internet and such services including package tour, transportation, accommodation, dining, sightseeing, entertainment. The online travel business operator shall provide real and accurate travel services information without false promotion and advertisement. The operator of online travel platform shall verify the identity, license, quality criteria and the credit rating of all travel business operator registered on the platform. The online travel business operator shall protect the personal data privacy of travelers and shall not use data analysis techniques to establish unfair commercial terms on the basis of consumption records and preferences. Furthermore, the platform operator shall examine the license and qualification of travel business operator inside the platform and provide timely safety warning to travelers, and shall take the liability if it fails to fulfill the obligations as requested by such administrative measures.

REGULATIONS ON RIDE HAILING SERVICES

The General Administration of Quality Supervision, Inspection and Quarantine (together with the SAIC are reformed and merged into the SAMR) and the CAC, jointly promulgated 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》) (the "Online Ride Hailing Measures") was promulgated on July 27, 2016 by the MOT, the MIIT, the Ministry of Public Security (the "MPS"), the MOFCOM, State Administration of Industry and Commerce (the "SAIC"), which became effective on November 1, 2016 and was latest amended on November 30, 2022. The online Ride Hailing Measures aims to regulate the operation of the online ride hailing services and to ensure the safety of the passengers and protect the legitimate rights and interests of passengers. Pursuant to the Online Ride Hailing Measures, a ride hailing service platform shall obtain the license and apply for the record filing of internet information services with the provincial communications authority where the company is registered before it can carry out related business activities. The record filing includes the operator's identity information, access information, and the license issued by the taxi administrative authority. The ride hailing service platform shall be capable of exchanging and processing the relevant information and data with its servers located within the PRC, enter into the agreement with the bank or non-banking payment institution for electronic payment settlement services, establish a sound operational management system, work safety management system and service quality assurance system, and comply with other stipulated conditions. The ride hailing service platform without obtaining the permit as prescribed may be subject to an order of correction, a warning by the local authority, a fine of RMB10,000 to RMB30,000, or even criminal liabilities if a violation constitutes a crime.

According to the Online Ride Hailing Measures, vehicles participated in the ride hailing services shall be equipped with the transportation permit issued by the competent transport authorities in the place where relevant services activities are conducted. The absence of the required transportation permit may be imposed a fine of RMB3,000 to RMB10,000. Drivers are also required to meet certain conditions to engage in the ride hailing services, such as holding

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the driver license for corresponding vehicles, having a minimum of 3 years’ driving experience and having no records of violent crimes. If the drivers operate without the appropriate license for ride hailing services, they may face a fine between RMB200 to RMB2,000. Furthermore, platforms may be subject to an order of correction and may be imposed a fine of RMB5,000 to RMB10,000, and the fine could range from RMB10,000 to RMB30,000 in severe cases, such as: (1) the relevant vehicle or driver providing ride hailing services has not obtained the applicable permit; or (2) the vehicle or driver providing services online is not the same as the actual vehicle or driver providing services offline. The Online Ride Hailing Measures mandate that the competent transport authorities shall build and improve the government supervision platform to achieve information sharing with the ride hailing platform. The shared information should include basic information of the vehicles and drivers, service quality and passenger evaluation information. The Online Ride Hailing Measures require that the vehicles engaged in the ride hailing services shall be insured against the risks in relation to the operational vehicles and the ride hailing service platform shall purchase carrier liability insurance for the passengers.

The Notice on the Joint Regulation 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》) (the “Notice”), jointly promulgated by the General Office of the MOT, the MIIT, the General Office of the MPS, the Ministry of Human Resources and Social Security of the PRC, the People’s Bank of China, State Taxation Administration (the “STA”), the General Office of the SAMR and the Secretary Bureau of CAC on February 7, 2022. Pursuant to the Notice, the ride hailing platform enterprises may be subject to the joint regulation of the whole chain and process where such enterprises commit violations of the laws and regulations, such as engaging in the activities of ride hailing operation without obtaining the permit, dispatching orders to drivers or vehicles that have not obtained the required permits, failing to transmit relevant data information to the regulatory information interaction platform of ride hailing as required and conducting illegal transactions or settlements.

In accordance with the Administrative Measures for Operation of the Interactive Platform for Regulatory Information of 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》) issued by the MOT on May 24, 2022 and effective from July 1, 2022, the municipal transport authorities are required to transmit the relevant licensing information of the platform companies, vehicles and drivers engaged in ride hailing services in real time via the transportation administration’s information system. This ensures that such information will be shared in real time among the industry platform. For information that cannot be updated in real time, it should be logged and uploaded to the industry platform, such update should be conducted at least once a week. The ride hailing platform companies are obligated to transmit some basic static data, encompassing the relevant information of the platform companies, vehicles and drivers, as well as some dynamic data, which includes order information, operation information, location information, service quality information to the industry platform. The data sharing should commence from 0:00 of the day after the companies have obtained the ride hailing business licenses.

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REGULATIONS ON INTERNET MAP SERVICES

On November 26, 2015, the State Council issued the Regulations on the Administration of Maps (《地圖管理條例》) (the “Regulations on Maps”), which became effective on January 1, 2016. The Regulations on Maps stipulates that Internet map service providers that offer services to the public such as geographic location positioning, uploading and marking of geographic information, and the development of map databases must legally obtain the surveying and mapping qualification certificate.

On December 28, 2009, the National Bureau of Surveying and Mapping issued the Notice on Strengthening the Administration of Internet Map (《關於加強互聯網地圖管理工作的通知》), which stipulates that Internet map service providers shall legally obtain the surveying and mapping qualification certificate for internet map services and provide such services within the scope permitted by their qualifications. According to the Notice on Further Strengthening the Administration of Internet Map Services Qualification (《關於進一步加強互聯網地圖服務資質管理工作的通知》) promulgated by the National Administration of Surveying, Mapping and Geo-information on December 23, 2011, any entity without a surveying and mapping qualification certificate for internet map services is prohibited from providing any internet map services.

Pursuant to the Provisions on the Administration of Examination of Maps (《地圖審核管理規定》) latest amended on July 24, 2019, subject to limited exceptions, an enterprise must first apply for approval by the relevant regulatory authority, if it intends to engage in any of the following activities: (i) publication, display, production, posting, import or export of a map or a product attached with a map graphics, (ii) re-publication, re-display, re-production, re-posting, re-import or re-export of a map or a product attached with map graphics that the content of which has been changed after being approved; and (iii) publication or display of a map or a product attached with map graphics overseas. The operator of an approved internet map is required to file the updated contents of the map with the relevant regulatory authority semi-annually, and re-apply for a new approval of the map when the two-year term of the existing approval expires.

The Ministry of Natural Resources issued the Interim Measures for the Administration of the Surveying and Mapping Conducted by Foreign Organizations or Individuals in China (《外國的組織或者個人來華測繪管理暫行辦法》) which most recently amended on July 24, 2019, foreign organizations or individuals conducting surveying and mapping activities within the territory of the PRC shall adopt the form of joint venture or cooperation with relevant departments or units of the PRC. The natural resources department under the State Council, together with the military surveying and mapping authorities, shall be responsible for the approval of the surveying and mapping activities conducted in China by foreign organizations or individuals.

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REGULATIONS ON E-COMMERCE

On January 1, 2019, the E-commerce Law of the PRC (《中華人民共和國電子商務法》) (the “E-commerce Law”) promulgated by the SCNPC came into force. The E-commerce Law defines the e-commerce operators as natural persons, legal persons, and other non-legal-person organizations that engaged in the business activities of selling goods or providing services through Internet and other information networks, including e-commerce platform operators, business operators using the e-commerce platform, and e-commerce business operators engaging in the sale of goods or provision of services through their self-built website or other network services. E-commerce business operators shall display, prominently and continuously on their homepage, their business license information, administrative licensing information relating to their business operation, or hyperlinks of the aforesaid information. E-commerce business operators shall fully, accurately and promptly disclose the information of goods or services and protect consumers’ right to know and right to choose. E-commerce operators are prohibited from using false transactions, fabricated user reviews, and other such means to conduct deceptive or misleading business promotions that could defraud or mislead consumers.

The SAMR issued the Measures on Supervision and Administration of Online Transactions (《網絡交易監督管理辦法》) on March 15, 2021, and became effective on May 1, 2021. According to the Measures on Supervision and Administration of Online Transactions, any business activity of selling goods or providing services through the Internet within the PRC Mainland shall abide by the PRC laws and the provisions of the Measures on Supervision and Administration of Online Transactions. Operators engaged in online goods trading (the “online trading operators”) are required to make an industrial and commercial registration in accordance with laws. The online trading operators shall ensure that the goods sold or services they provided meet the requirements for safeguarding personal and property safety, as well as environmental protection standards. They are prohibited from selling or offering goods or services that are prohibited by laws or regulations, harm national interests and the public interest, or contravene public order and good morals.

REGULATIONS ON ADVERTISING BUSINESS

The Advertising Law of the PRC (《中華人民共和國廣告法》) (the “Advertising Law”) was promulgated by the SCNPC on October 27, 1994 and latest amended on April 29, 2021. The Advertising Law requires that advertisers, advertising operators, and advertisement publishers shall abide by the laws and administrative regulations, and by the principles of fairness and good faith while engaging in advertising activities. Administrative departments for market regulation at and above the county level are responsible for the supervision and administration of advertising.

On February 25, 2023, the SAMR promulgated the Measures for the Administration of Internet Advertising (《互聯網廣告管理辦法》) (the “Administration of Internet Advertising”), which became effective on May 1, 2023. According to the Administration of Internet Advertising, products or services that are prohibited by laws or regulations from being produced or sold, as well as goods or services for which advertising is banned, for which any

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advertisement on the internet must not be designed, produced, acted with an agent, or published by any entity or individual. The Administration of Internet Advertising further stipulates that internet advertisement shall be identifiable, enabling consumers to identify it as an advertisement; for goods or services that are part of paid search rankings, the advertisement publisher shall clearly indicate “advertisement” to clearly distinguish them from search engine optimization.

REGULATIONS ON CONSUMER PROTECTION

The Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法》) (the “Consumer Protection Law”), was promulgated by the SCNPC in October 1993, most recently amended in October 2013, regulating the obligations of business operators and the rights and interests of the consumers. According to the Consumer Protection Law, business operators shall ensure the quality, function, usage, validity period, personal or property safety requirement of the goods and services and provide authentic information about the goods and services to the consumers. A business operator may not provide goods or services through false advertising or other means of false marketing. Violations of state or industrial standards for health and safety and any other related violations may subject business operators to civil liabilities such as refunding purchase prices, exchange of commodities, repairing, ceasing damages, compensation, and restoring reputation, and even criminal penalties if business operators commit crimes by infringing the legitimate rights and interests of consumers. The Consumer Protection Law further strengthens the protection of consumers and imposes more stringent requirements and obligations on business operators, especially on the business operators through the Internet. For instance, the consumers are entitled to return the goods (except for certain specific goods) within seven days after receiving their online purchases from business operators without any reason. Additionally, the consumers whose interests have been damaged due to their purchase of goods or acceptance of services on online market place platforms may claim damages from sellers or service providers.

REGULATIONS ON CYBERSECURITY, DATA SECURITY, AND PRIVACY PROTECTION

On May 28, 2020, the National People’s Congress promulgated the Civil Code of the PRC (《中華人民共和國民法典》) (the “Civil Code”), which came into effect on January 1, 2021. The Civil Code stipulates that the personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the security of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase, sell, provide or disclose personal information of others.

The Criminal Law of the PRC (《中華人民共和國刑法》) (the “Criminal Law”) was promulgated on July 1979 and came into effect on January 1, 1980. On December 29, 2023, the most recent amendment of the Criminal Law was published and became effective on March 1, 2024. The crimes of infringing citizens’ personal information, illegally obtaining computer

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information system data, illegally controlling computer information system and destroying computer information system are prescribed in the Criminal Law, protecting personal information, data and network security.

In accordance with the National Security Law of the PRC (《中華人民共和國國家安全法》) promulgated by the SCNPC on July 1, 2015, the state shall set up a system and mechanism for the examination and supervision of national security, and carry out a state security review on key technology, network information technology products and services related to state security, in order to effectively prevent and neutralize national security risks.

The SCNPC issued the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) on November 7, 2016, which took effect on June 1, 2017. The PRC Cybersecurity Law stipulates that network constructors, network operators, and service providers that provide services over networks are required to adopt 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. Furthermore, the PRC Cybersecurity Law stipulates 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.

The SCNPC issued the PRC Data Security Law (《中華人民共和國數據安全法》) on June 10, 2021, which took effect on September 1, 2021. The PRC Data Security Law sets out data security obligations for entities and individuals engaged in data processing activities, establishing a system of data categorization and classification protection based on the importance of data in economic and social development, as well as the extent to which it will be detrimental to the national security, public interests, or legitimate rights and interests of individuals or organizations when such data is manipulated, destroyed, leaked, or illegally obtained or used. 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 August 20, 2021, the SCNPC issued the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》) which 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 processing of such individual’s sensitive personal information, e.g. biometric characteristics identification and individual location tracking; (ii) personal information processors (organizations and individuals that have the discretion to decide their own processing purposes and methods in personal information processing activities) processing sensitive personal information must

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notify individuals of the necessity of such operations and the influence on the individuals’ rights; and (iii) if personal information processors reject individuals’ requests to exercise their rights, individuals may file a lawsuit with a People’s Court.

Apart from the laws and regulations above, the government agencies of PRC have enacted other laws and regulations on the protection of cybersecurity, data security and privacy, including the Decision of the SCNPC on Maintaining 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》) promulgated by the SCNPC on December 28, 2000 and amended on August 27, 2009, the Provisions on the Technical Measures for Internet Security Protection (《互聯網安全保護技術措施規定》) promulgated by the MPS on December 13, 2005 and becoming effective on March 1, 2006, and the Decision of the SCNPC on Strengthening Network Information Protection (《全國人民代表大會常務委員會關於加強網絡信息保護的決定》) promulgated by the SCNPC on December 28, 2012.

On September 24, 2024, the State Council promulgated the Regulations on Administration of Network Data Security (《網絡數據安全管理條例》), which will come into force on January 1, 2025. This regulation clarifies the general provisions on network data security management, and also further improves and refines the specific requirements on personal information protection, important data security management, cross-border security management of network data, and obligations of network platform service providers.

The Provisions on Protection of Critical Information Infrastructure Security (《關鍵信息基礎設施安全保護條例》) promulgated by the State Council on July 30, 2021, which became effective on September 1, 2021, stipulates that “critical information infrastructures” refers to critical 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 the above 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.

The CAC, together with several other administrative departments issued the Revised Measures for Internet Security Review (《網絡安全審查辦法》) on December 28, 2021, 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 listing abroad must apply for cybersecurity review.

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On December 31, 2021, the CAC, the MIIT, the MPS, the SAMR 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》) (the “Provisions on Algorithm-Based Recommendation”), which took effect on March 1, 2022. The Provisions on Algorithm-Based Recommendation implements categorization and classification management for algorithmic recommendation service providers based on various criteria. Furthermore, 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.

On July 7, 2022, the CAC promulgated 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 (organizations and individuals that have the discretion to decide their own processing purposes and methods in data processing activities) to comply with security assessment of providing overseas with important data and personal information collected and generated in domestic operations. The Measures on Standard Contract for Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》) (published on February 22, 2023 and implemented on June 1, 2023,) together with the Announcement on Implementing Personal Information Protection Certification (《關於實施個人信息保護認證的公告》) (promulgated and implemented on November 4, 2022) also stipulates different certification or review methods for personal information outbound transferred in different scenarios. On March 22, 2024, the CAC promulgated Provisions on Facilitating and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), which provides that data processors shall identify and declare important data in accordance with relevant rules. In accordance with these provisions, data processors 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 processors are located: (i) critical information infrastructure operators providing personal information or important data abroad; and (ii) data processors 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 outbound data transfer are valid for 3 years. Situations that are exempting from declaring the outbound data transfer security assessment are also stipulated as followed: (i) where it is really necessary to provide personal information overseas for the purpose of concluding or performing a contract to which an individual is concerned as a party, such as cross-border shopping, cross-border delivery, cross-border remittance, cross-border payment, cross-border account opening, air ticket and hotel booking, visa application and examination services; (ii) where it is really necessary to provide employees’ personal information overseas for the purpose of conducting cross-border

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human resources management pursuant to the employment rules and regulations formulated and collective contracts concluded in accordance with the law; (iii) where it is really necessary to provide personal information overseas in an emergency to protect the life, health and property safety of a natural person; or (iv) where a data processor other than a critical information infrastructure operator provides overseas the personal information (sensitive personal information excluded) of no more than 100,000 persons accumulatively, as of January 1 of the current year.

On August 16th, 2021, the CAC promulgated the 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)》), which came into effect on October 1st, 2021. It clearly prescribes the scope of data processors, the scope of important data and the obligations of important data processors in the field of automobile data.

The MIIT 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)》) on December 8, 2022, which took effect on January 1, 2023. Data processors in the field of industry and information technology are required to establish and enforce the data security work systems, administration of cryptography, data collection, data storage, data usage, data transmission, provision of data, disclosure of data, data destruction, safety audit and emergency plans, etc.

On June 22, 2007, the Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》) was promulgated by the MPS, State Secrecy Administration and State Cryptography Administration and the State Council Informatized Office (dissolved), which entered into force on the same day, requires the entities which operate and use information systems to comply with the obligation of the hierarchical protection of information security. Within 30 days from the date on which its security protection grade is determined, the operator or the user of the information systems at Grade II or above shall complete the record filing procedures at the local public security authority at the level of city divided into districts or above.

There are so many laws, regulations and notices that we need to abide by, that we can not describe all of them one by one in this section, only the most relevant and material ones are described above.

REGULATIONS ON ANTI-MONOPOLY

The PRC Anti-monopoly Law (《中華人民共和國反壟斷法》) promulgated by the Standing Committee of the NPC, which became effective on August 1, 2008, and was amended on June 24, 2022, and then took effect on August 1, 2022, prohibits monopolistic conduct such as forming 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

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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.

Furthermore, the SAMR promulgated the Provisions on Prohibition of Abuse of Market Dominance (《禁止濫用市場支配地位行為規定》) on March 10, 2023, 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.

On February 7, 2021, the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (《關於平台經濟領域的反壟斷指南》) promulgated by the Anti-monopoly Commission of the State Council, aiming to improve anti-monopoly administration on online platforms. Pursuant 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 preserving the legitimate rights and interests of all market participants.

REGULATIONS ON MERGERS AND ACQUISITIONS AND OVERSEAS LISTINGS

On August 8, 2006, six PRC government authorities, including the MOFCOM, the State-owned Assets Supervision and Administration Commission, and the China Securities Regulatory Commission (the “CSRC”), jointly 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 became effective on September 8, 2006, and were amended on June 22, 2009. According to this regulation, the approval of the MOFCOM must be obtained when 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.

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On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council together released the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》), which steps up scrutiny of overseas listings by companies and calls for strengthening cooperation in cross-border regulation, amending relevant laws and regulations on cyber security, cross-border data transmission and confidential information management, including the confidentiality requirement and file management related to the issuance and listing of securities overseas, enforcing the primary responsibility of the enterprises for information security of China-based overseas listed companies and promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

The Provisions of the MOFCOM 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 MOFCOM on August 25, 2011 that took effect in September 2011 specifies 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 MOFCOM, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement.

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 “the Overseas Listing Trial Measures”) and the relevant five guidelines on February 17, 2023, which became effective on March 31, 2023. The Overseas Listing Trial Measure 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. According to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets directly or indirectly, are required to fulfill the filing procedure with the CSRC and report relevant information. The Overseas Listing Trial Measure 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)

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that are controlled by the controlling shareholder(s) and/or actual controller. Overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity, data security and etc., and duly fulfill their obligations to protect national security. If the intended overseas offering and listing necessitates a national security review, relevant security review procedures shall be completed according to law before the application for such offering and listing is submitted to any overseas parties such as securities regulatory agencies and trading venues. The domestic companies may be required to rectify, make certain commitment, divest business or assets, or take any other measures as per the competent authorities’ requirements, in order to eliminate or avert any impact on national security resulting from such overseas offering and listing.

The Overseas Listing Trial Measure 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) the issuer’s over 50% of any operating revenue, total profit, total assets or net assets as documented in its audited combined financial statements for the most recent fiscal year is accounted for by domestic companies; and (ii) the issuer’s main parts of business activities are conducted in PRC, 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.

In addition, on February 24, 2023, the CSRC jointly with other PRC government authorities, promulgated the Provisions on Strengthening Confidentiality and Archives Administration for Overseas Securities Offering and Listing by Domestic Company (《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 came into 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.

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REGULATIONS ON FOREIGN EXCHANGE

Regulations on Foreign Currency Exchange

The principal 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 is required for capital account transactions.

Pursuant to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the State Administration of Foreign Exchange (the “SAFE”) on December 26, 2014, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

The SAFE issued the Circular on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “SAFE Circular 19”) on March 30, 2015. According to the SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretionary Foreign Exchange Settlement, which means that the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution have been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise, and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and proceed with the review process with the banks. Furthermore, the SAFE Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes: (i) directly or indirectly used for payments beyond the business scope of the enterprises or payments as prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities unless otherwise provided by the relevant laws and regulations; (iii) directly or indirectly used for granting entrust loans in Renminbi (unless permitted by the scope of business), repaying inter-enterprise borrowings (including advances by the third-party) or repaying the bank loans in Renminbi that have been sub-lent to third parties; or (iv) directly or indirectly used for expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

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On June 9, 2016, the SAFE 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》), 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).

The SAFE issued the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing 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》) on January 26, 2017, 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.

The SAFE 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》) on October 23, 2019, 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 Circular on Optimizing 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》) promulgated by the SAFE, 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》), according 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

On July 4, 2014, the SAFE issued the Circular on Relevant Issues Relating to Domestic Resident’s Investment and Financing and Round Trip Investment 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”), replacing the SAFE Circular on Issues Concerning the Regulation of Foreign Exchange in Equity Finance and Return Investments by Domestic Residents through Offshore Special Purpose Vehicles (《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”), for the purpose of simplifying the approval process, and for the promotion of the cross-border investment. Under the SAFE Circular 37, a “special purpose vehicle” refers to an offshore entity established or controlled, directly or indirectly, by PRC residents or entities for the

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purpose of seeking offshore financing or making offshore investment, using legitimate onshore or offshore assets or interests, while “round trip investment” refers to direct investment in China by PRC residents or entities through special purpose vehicles, namely, establishing foreign-invested enterprises to obtain ownership, control rights and management rights. The SAFE Circular 37 provides that (i) prior to the PRC residents or entities conducting investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments; and (ii) following the initial registration, they must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term, increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions).

On November 19, 2012, the SAFE issued the Circular of the SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies on Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) (the “SAFE Circular 59”) and last amended on October 10, 2018, part of which was abolished on December 30, 2019, substantially amends and simplifies the foreign exchange procedures. Pursuant to the SAFE Circular 59, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts, and deposits accounts, the reinvestment of RMB proceeds derived by foreign investors within the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of the SAFE, and multiple capital accounts for the same entity may be opened in different provinces.

The SAFE promulgated the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors (《外國投資者境內直接投資外匯管理規定》) (the “SAFE Circular 21”) on May 11, 2013, which came into effect on May 13, 2013, amended on October 10, 2018, and partially abolished on December 30, 2019. The SAFE Circular 21 stipulates that the SAFE and its local branches shall manage foreign investors’ direct investment within the PRC through registration, and banks shall handle the foreign exchange business of direct investment within the PRC according to the registration information provided by the SAFE or its branches.

On February 13, 2015, the SAFE 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》) and became effective on 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.

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REGULATIONS ON INTELLECTUAL PROPERTY

Regulations on Copyright and Software Products

Copyright (including software copyright) is mainly protected by the PRC Copyright Law (《中華人民共和國著作權法》) as promulgated on September 7, 1990, and the last revised version of which became effective on June 1, 2021, by the SCNPC 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.

On February 20, 2002, the National Copyright Administration promulgated the Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) 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 Center of China 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 Center 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

On August 23, 1982, the PRC Trademark Law (《中華人民共和國商標法》) was promulgated by the SCNPC, 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 became effective as of 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.

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Pursuant to the PRC Trademark Law and its implementation regulations, the validity period for a registered trademark is 10 years, from the date of registration. Upon expiry of the validity period, 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 6 months may be granted. The validity period for each renewal of registration is 10 years, from the day immediately after the expiry of the preceding validity period for the trademark. In the absence of a renewal upon expiry, the registered trademark will be canceled. A trademark registrant may license its registered trademark to another party by entering into a trademark license agreement. 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

Domain names are protected under the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT 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 Center on June 18, 2019. Domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC internet domain names. The domain name services adhere to the “first come, first file” principle. The applicants will become the holders of such domain names once the registration procedure is completed.

Regulations on Patents

The Patent Law of the PRC (《中華人民共和國專利法》) was promulgated by the SCNPC on March 12, 1984 and last amended on October 17, 2020 with effect from June 1, 2021. 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. Pursuant to the above two laws, there are three types of patents, namely, invention, utility model, and design. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model and a fifteen-year term for a design, all starting from the application date. 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.

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REGULATIONS ON TAX

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稅法》) promulgated by the SCNPC on March 16, 2007, which became effective on January 1, 2008 and was subsequently amended on February 24, 2017 and December 29, 2018, and the Regulations for the Implementation of the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, effective since January 1, 2008, and last amended on April 23, 2019 (collectively, the “EIT Laws”), enterprises are classified as resident enterprises and non-resident enterprises. Resident enterprises are defined as enterprises that are established in China in accordance with the PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control entity is within the PRC. Non-resident enterprises are defined as enterprises that are established in accordance with the laws of foreign countries and whose actual or de facto control entity is located outside the PRC, but have established institutions or premises in the PRC, or have no such institutions or premises in the PRC but have income generated from inside the PRC. According to the EIT Laws, the enterprise income tax is levied at a uniform rate of 25%. However, if a non-resident enterprise has not formed any permanent establishment or premise in the PRC, or if a non-resident enterprise has formed a permanent establishment or premise in the PRC but there is no actual relationship between the income derived in the PRC and the permanent establishment or premise formed by it, the enterprise income tax is levied at the rate of 10% with respect to its dividends income sourced from inside the PRC.

The Notice of the STA Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as the PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) promulgated by the STA on April 22, 2009 and last amended on December 29, 2017 provides the standards and procedures for determining whether a Chinese-controlled offshore incorporated enterprises is the resident enterprises with its “de facto management body” located within the PRC.

Pursuant to the Public Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) promulgated by the STA on February 3, 2015 and last amended on December 29, 2017, if a non-resident enterprise evades its obligation to pay enterprise income tax by implementing an arrangement without reasonable commercial purposes to indirectly transfer assets such as the equity interest of a PRC resident enterprise, such indirect transfer shall be deemed as a direct transfer of assets in accordance with the Article 47 of the Enterprise Income Tax Law of the PRC.

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According to the Announcement of the STA on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》) promulgated on October 17, 2017, effective since December 1, 2017, and amended on June 15, 2018, tax authorities may seek payment of tax arrears and late fees payable from other income of a non-PRC resident enterprise within the territory of the PRC if such non-PRC resident enterprise fails to comply with tax obligations.

The Law of the PRC on the Administration of Tax Collection (《中華人民共和國稅收徵收管理法》) promulgated by the SCNPC on September 4, 1992, effective since January 1, 1993 and last amended on April 24, 2015 is enacted to regulate tax collection management and tax payment. According to the Law of the PRC on the Administration of Tax Collection, if a taxpayer fails to pay taxes or a withholding agent fails to remit taxes in accordance with a prescribed period, the tax authorities shall impose an overdue payment of 0.05% of the amount of tax in arrears on a daily basis, commencing on the day the tax payment was defaulted.

Under the Administrative Measures for Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》), effected on January 1, 2008 and amended on January 29, 2016, enterprises that are considered as high-tech enterprises are entitled to enjoy the preferential enterprise income tax rate of 15% in accordance with the Enterprise Income Tax Law of the PRC. The high-tech enterprise certificate is valid for three years from the date of issuance. An enterprise can re-apply for the high-tech enterprise certificate after it expires.

Regulations on Value-added Tax

Pursuant to the Temporary Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) promulgated by the State Council on December 13, 1993, effective since January 1, 1994, most recently amended in November 2017, and the Detailed Implementing Rules of the Temporary Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) promulgated by the Ministry of Finance (the "MOF") and the STA on December 15, 2008, effective since January 1, 2009, and amended on October 28, 2011, all taxpayers selling goods, providing processing, repair and replacement services, sales of services, intangible assets and immovable assets, and importation of goods within the PRC shall pay value-added tax. As required by the Notice of the MOF and the STA on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (《財政部、國家稅務總局關於全面推開營業稅改徵增值稅試點的通知》) promulgated on March 23, 2016, effective since May 1, 2016 and last amended on March 20, 2019, enterprises and individuals engaging in the sales of services, intangible assets or immovable assets within the territory of the PRC shall pay value-added tax instead of business tax.

On April 4, 2018, the MOF and the SAT issued the Notice on Adjustment of Value-added Tax Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》), which came into effect on May 1, 2018. According to such notice, the taxable goods previously subject to value-added tax rates of 17% and 11% respectively become subject to lower value-added tax rates of 16% and 10% respectively starting from May 1, 2018. Moreover, according to the Announcement of the MOF, the STA and the General Administration of Customs on Relevant Policies for

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Deepening Value-added Tax Reform (《關於深化增值稅改革有關政策的公告》) promulgated on March 20, 2019 and effective since April 1, 2019, with respect to taxable sales of value-added tax or imports of goods, the previous applicable value-added tax rates of 16% and 10% of general value-added taxpayers shall be adjusted to 13% and 9% respectively.

Regulations on Dividend Withholding Tax

According to (i) the Arrangement Between the Mainland China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) promulgated by the STA on August 21, 2006, (ii) the Circular of the STA on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Treaty Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) promulgated by the STA on February 20, 2009 and other relevant PRC laws and regulations, the withholding tax rate for dividends paid by a PRC resident enterprise to a Hong Kong resident enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong resident enterprise directly holds at least 25% of the equity interests in the PRC resident enterprise. To enjoy the reduced withholding tax rate, the Hong Kong resident enterprise must: (a) be a company; (b) directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (c) have directly owned such required percentage in the PRC resident enterprise within the 12 consecutive months prior to the dividend being paid. In addition, the Announcement on Relevant Issues Concerning Beneficial Owners in Tax Treaties (《關於稅收協定中“受益所有人”有關問題的公告》), issued by the STA on February 3, 2018 and effective from April 1, 2018 addresses the methods to recognize a “beneficial owner” under dividend, interest, and royalty provisions in double tax treaties between Mainland of the PRC and Hong Kong.

Pursuant to the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments (《非居民納稅人享受協定待遇管理辦法》) issued by the STA on October 14, 2019, effective since January 1, 2020, qualified non-resident taxpayers can enjoy benefits under tax treaties by themselves without approval from the tax authorities at the time of filing their tax returns or making withholding declarations through withholding agents, subject to subsequent administration by the tax authorities.

REGULATIONS ON STOCK INCENTIVE PLANS

The SAFE promulgated the Notice on Foreign Exchange Administration of PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the “Stock Option Rules”) on February 15, 2012. Pursuant to the Stock Option Rules, individuals participating in any stock incentive plan of any overseas publicly listed company who are Chinese citizens or foreign citizens who reside in mainland China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE or its local branches and complete certain other procedures through a domestic qualified agent, which could be a Chinese subsidiary of such overseas listed company. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise

REGULATIONS

of stock options, the purchase, and sale of corresponding stocks or interests, and fund transfers. In addition, the agent in mainland China is required to further amend the SAFE registration concerning the stock incentive plan if there is any material change to the stock incentive plan, the mainland Chinese agent or the overseas entrusted institution, or other material changes. The mainland Chinese agents must, on behalf of the mainland Chinese residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the mainland Chinese residents' exercise of the employee share options. The foreign exchange proceeds received by the mainland Chinese residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas-listed companies must be remitted into the bank accounts in mainland China opened by the mainland Chinese agents before distribution to such mainland Chinese residents. Under the Circular of the State Administration of Taxation on Issues Concerning Individual Income Tax concerning Equity Incentives (《國家稅務總局關於股權激勵有關個人所得稅問題的通知》) promulgated by the SAT and effective on August 24, 2009, listed companies and their domestic organizations shall, according to the individual income tax calculation methods for "wage and salary income" and stock option income, lawfully withhold and pay individual income tax on such income.

REGULATIONS ON LABOR

Regulations on Employment

Employment in China are mainly regulated by the Labor Law of the PRC (《中華人民共和國勞動法》), promulgated by the SCNPC on July 5, 1994, effective since January 1, 1995, and last amended on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》), promulgated by the SCNPC on June 29, 2007, and amended on December 28, 2012 and 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.

Pursuant 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 abide by 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.

Regulations on Social Insurance and Housing Fund

Pursuant 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

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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.

Pursuant to the Reform Plan of the State Tax and Local Tax Collection Administration System (《國稅地稅徵管體制改革方案》), which was promulgated by the General Office of the Communist Party of China and the General Office of the State Council on July 20, 2018, from January 1, 2019, all the social insurance premiums including the premiums of the basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance will be collected by the tax authorities.

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》) on September 21, 2018, which prohibits local authorities from unilaterally requiring all applicable companies to make up for historically underpaid or unpaid social insurance contributions in one go.

CONNECTED TRANSACTIONS

Upon the [REDACTED], the following transactions between our connected persons and us will constitute connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We set out below a summary of the continuing connected transactions for our Group, which are subject to the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Contractual Arrangements

A waiver application from (i) strict compliance with the announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements; (ii) setting a maximum aggregate annual value, i.e. an annual cap, for the fees payable to Shenzhen WFOE from Huoli Tianhui under the Contractual Arrangements; and (iii) fixing the term of the Contractual Arrangements to three years or less, for so long as our Shares are [REDACTED] on the Stock Exchange, has been submitted to and [granted] by the Stock Exchange subject to certain conditions. If any terms of the Contractual Arrangements are altered or if we enter into any new agreements with any connected persons in the future, we must comply with the relevant requirements under Chapter 14A of the Listing Rules and obtain a separate waiver from the Stock Exchange.

Background for the Contractual Arrangements

As disclosed in the section headed “Contractual Arrangements” in this document, due to regulatory restrictions on foreign ownership in the PRC, we conduct our business through the Consolidated Affiliated Entities in the PRC.

The Contractual Arrangements entered into among the Shenzhen WFOE, Huoli Tianhui and the Registered Shareholders enable us to (i) receive approximately 95.87% of the economic benefits from our Consolidated Affiliated Entities in consideration for the services provided by Shenzhen WFOE to our Consolidated Affiliated Entities; (ii) exercise effective control over our Consolidated Affiliated Entities to conduct the relevant business; and (iii) hold an exclusive purchase option to purchase all or any part of equity interests in and/or the assets of our Consolidated Affiliated Entities when and to the extent permitted by the PRC laws and regulations.

CONNECTED TRANSACTIONS

The transactions contemplated under the Contractual Arrangements are continuing connected transactions of our Group and are subject to reporting, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

See the section headed “Contractual Arrangements” for detailed terms of the Contractual Arrangements.

Reasons for the Waiver Application and the View of Our Directors on the Continuing Connected Transactions

Our Directors, including our independent non-executive Directors, are of the view that (i) the Contractual Arrangements are fundamental to our Group’s legal structure and business operations; and (ii) the Contractual Arrangements are on normal commercial terms or on terms more favorable to our Group in the ordinary and usual course of our Group’s business and are fair and reasonable or to the advantage of our Group and are in the interests of our Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our 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, for all the transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement, circular and approval of independent Shareholders.

Application for and Conditions of Waiver

In relation to the Contractual Arrangements, we have applied to the Stock Exchange pursuant to Rule 14A.105 of the Listing Rules for, and the Stock Exchange [has granted], a waiver from (i) strict compliance with the announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements; (ii) setting a maximum aggregate annual value, i.e. an annual cap, for the fees payable to Shenzhen WFOE from Consolidated Affiliated Entities under the Contractual Arrangements; and (iii) fixing the term of the Contractual Arrangements to three years or less, for so long as our Shares are [REDACTED] on the Stock Exchange subject to the following conditions:

(a) No Change without Independent Non-executive Directors’ Approval

No changes to the terms of any of the agreements constituting the Contractual Arrangements will be made without the approval of the independent non-executive Directors.

CONNECTED TRANSACTIONS

(b) No Change without Independent Shareholders’ Approval

Save as described in paragraph (d) below, no changes to the terms of any of the agreements constituting the Contractual Arrangements will be made without the approval of the independent Shareholders. Once independent Shareholders’ approval of any change has been obtained, no further announcement, circular 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 (as set out in paragraph (c) below) will however continue to be applicable.

(c) Economic Benefits Flexibility

The Contractual Arrangements shall continue to enable our Group to receive approximately 95.87% of the economic benefits derived by the Consolidated Affiliated Entities through: (i) our Group’s potential right (if and when so allowed under the applicable PRC laws) to acquire the equity interests in and/or assets of Consolidated Affiliated Entities for a nominal price or the minimum amount of consideration permitted by applicable PRC laws and regulations; (ii) the business structure under which the total income generated by the Consolidated Affiliated Entities (net of costs, taxes and retained profits (if any)) is substantially retained by us (such that no annual caps shall be set on the amount of services fees payable to Shenzhen WFOE under the relevant exclusive technical services agreements); and (iii) our right to control the management and operation of, as well as, in substance, a substantial portion of the voting rights of our Consolidated Affiliated Entities.

(d) Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and our subsidiaries in which our Company has direct shareholding, on one hand, and the Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as described under the section headed “Contractual Arrangements” in this document. The directors, chief executive or substantial shareholders of any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish when justified by business expediency will, upon renewal and/or reproduction of the Contractual Arrangements, however be treated as our Group’s connected persons 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 the relevant PRC laws, regulations and approvals.

CONNECTED TRANSACTIONS

(e) Ongoing Reporting and Approvals

We will disclose details relating to the Contractual Arrangements on an ongoing basis as follows:

- (i) The Contractual Arrangements in place during each financial period will be disclosed in our annual report and accounts in accordance with the relevant provisions of the Listing Rules.
- (ii) Our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our annual report and accounts for the relevant year that:
 - (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 the 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 during the relevant financial period under paragraph (d) above are fair and reasonable, or advantageous, so far as our Group is concerned and in the interests of the Company and the Shareholders as a whole.
- (iii) Our 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 confirming that the transactions carried out pursuant to the Contractual Arrangements have received the approval of our Directors and that no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned/transferred to our Group.
- (iv) For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person," the Consolidated Affiliated Entities will be treated as the Company's wholly owned subsidiaries, and the directors, chief executives or substantial shareholders (as defined in the Listing Rules) of the Consolidated Affiliated Entities and their associates will be treated as the Company's "connected persons." As such, transactions between these connected persons and our Group (including, for this purpose, the Consolidated Affiliated Entities) other than those under the Contractual Arrangements shall comply with Chapter 14A of the Listing Rules.

The Consolidated Affiliated Entities further undertake that, for so long as the Shares are [REDACTED] on the Stock Exchange, the Consolidated Affiliated Entities will provide our Group's management and our auditors with full access to its relevant records for the purpose of procedures to be carried out by our auditors' on the connected transactions.

CONNECTED TRANSACTIONS

Listing Rules Implications

The highest applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the transactions associated with the Contractual Arrangements are expected to be more than 5%. As such, the transactions will be subject to the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

DIRECTORS’ CONFIRMATION

Our Directors (including our independent non-executive Directors) are of the view that the continuing connected transactions described in this section have been entered into in the ordinary and usual course of our business, on normal commercial terms or better, which are fair and reasonable and in the interests of our Shareholders as a whole. The Directors are of the view that with respect to the terms of the relevant agreements underlying the Contractual Arrangements which are of a duration of longer than three years, it is justifiable and normal business practice for the Contractual Arrangements of this type to be of such duration to ensure: (i) the financial and operational policies of the Consolidated Affiliated entities can be effectively controlled by Shenzhen WFOE; (ii) Shenzhen WFOE can obtain a substantial portion of the economic benefits derived from the Consolidated Affiliated Entities; and (iii) any possible leakages of assets and values of the Consolidated Affiliated Entities can be prevented on an uninterrupted basis.

JOINT SPONSOR’S CONFIRMATION

Based on the documentation, information and data provided by the Company and participation in the due diligence and discussion with the Company, the Joint Sponsors are of the view that the continuing connected transactions for which a waiver has been sought have been entered into in the Company’s ordinary and usual course of business on normal commercial terms or better, that are fair and reasonable, and are in the interests of the Company and its Shareholders as a whole.

The Joint Sponsors are of the view that with respect to the terms of the relevant agreements underlying the Contractual Arrangements, which are of a duration of longer than three years, it is a justifiable and normal business practice for the Contractual Arrangements of this type to be of such duration to ensure that (i) the financial and operational policies of the Consolidated Affiliated Entities can be effectively controlled by Shenzhen WFOE; (ii) Shenzhen WFOE can obtain a substantial portion of the economic benefits derived from the Consolidated Affiliated Entities; and (iii) any possible leakages of assets and values of the Consolidated Affiliated Entities can be prevented on an uninterrupted basis.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

As at the date of this document, our Board of Directors comprises seven Directors, including three executive Directors, one non-executive Director and three independent non-executive Directors. Our executive Directors, non-executive Directors and independent non-executive Directors will be subject to appointment and removal at the annual general meetings of our Company by ordinary resolution in accordance with the Articles of Association.

The following table sets out information in respect of the Directors of our Company:

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of appointment as a Director
Mr. Wang Jiang (王江) . . .	51	Executive Director, Chairman of the Board and Chief Executive Officer	Overall strategic planning, business direction and day-to-day management of our Group	July 16, 2009	June 29, 2023
Mr. Yi Bing (易兵) . . .	54	Executive Director and Senior Vice President	Participating in the formulation of corporate strategy, business operation planning and guidance	September 22, 2005	September 29, 2024
Mr. Zhang Lin (張林) . . .	45	Executive Director and President	Overseeing day-to-day operations and business of the Group	October 10, 2005	September 29, 2024
Mr. Li Lijun (李黎軍) .	52	Non-executive Director	Providing professional advice to the Board	September 22, 2005	September 29, 2024
Ms. Wang Xiaowei (王小薇) .	51	Independent Non-executive Director	Supervising and providing independent opinion and judgment to the Board	[REDACTED]	October 17, 2024 (effective from the [REDACTED])

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Roles and responsibilities	Date of joining our Group	Date of appointment as a Director
Mr. Yang Jinfang (楊錦方)	50	Independent Non-executive Director	Supervising and providing independent opinion and judgment to the Board	[REDACTED]	October 17, 2024 (effective from the [REDACTED])
Dr. Lu Haitian (陸海天)	44	Independent non-executive Director	Supervising and providing independent opinion and judgment to the Board	[REDACTED]	October 17, 2024 (effective from the [REDACTED])

EXECUTIVE DIRECTORS

Mr. Wang Jiang (王江), aged 51, is our executive Director, Chairman of the Board and Chief Executive Officer. Mr. Wang joined our Group in July 2009 and was appointed as our Director on June 29, 2023, and was re-designated as our executive Director on October 17, 2024. Mr. Wang is primarily responsible for overall strategic planning, business direction and day-to-day management of our Group.

As one of the co-founders of our Group, Mr. Wang successively served as the chief executive officer, director and vice chairman of the board of Huoli Tianhui. Prior to that, Mr. Wang also worked in various TMT companies including Beijing Taste Network Technology Co., Ltd. (北京品味網科技有限公司), Hurray Telecom Co., Ltd. (華友世紀通訊有限公司), Magma Digital Technology Co., Ltd. (上海岩漿數碼技術有限公司) and Shanghai SIEMENS Mobile Communications Co., Ltd. (上海西門子移動通信有限公司) (later known as Nokia Solutions and Networks (Shanghai) Ltd. (諾基亞通信(上海)有限公司)) assuming positions such as director, executive director, general manager between December 2001 and January 2010.

Mr. Wang received a bachelor’s degree from the Department of Engineering Physics from Tsinghua University in the PRC in July 1996.

Mr. Yi Bing (易兵), aged 54, is our executive Director and senior vice president. Mr. Yi was one of the co-founders of our Group and was appointed as our Director on September 29, 2024, and was re-designated as our executive Director on October 17, 2024. Mr. Yi is primarily responsible for participating in the formulation of corporate strategy, business operation planning and guidance.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Yi joined our Group in September 2005 and has been serving as the chief operation officer since then. Prior to that, Mr. Yi served as the deputy general manager at Ao Tian Information Technology (Shenzhen) Co., Ltd. (傲天信息技術(深圳)有限公司) from October 1997 to October 2005.

Mr. Yi graduated from Xiamen University (廈門大學) majoring in system engineering in the PRC in July 1991.

Mr. Zhang Lin (張林), aged 45, is our executive Director and president. Mr. Yi was appointed as our Director on September 29, 2024 and re-designated as our executive Director on October 17, 2024. Mr. Zhang is primarily responsible for overseeing day-to-day operations and business of the Group.

Mr. Zhang joined our Group in October 2005 and successively served at Huoli Tianhui as a software engineer from October 2005 to September 2008, head of client technology department from October 2008 to February 2013, head of ticketing business department from March 2013 to November 2018 and vice president from December 2018 to November 2021. Mr. Zhang has been serving as the president of Huoli Tianhui since December 2021. Prior to that, Mr. Zhang served as a software engineer at Ao Tian Information Technology (Shenzhen) Co., Ltd. (傲天信息技術(深圳)有限公司) from November 2004 to August 2005.

Mr. Zhang received a bachelor’s degree in computer science and technology from Huazhong University of Science and Technology (華中科技大學) in the PRC in November 2000.

NON-EXECUTIVE DIRECTOR

Mr. Li Lijun (李黎軍), aged 52, is our non-executive Director. Mr. Li was one of the co-founders of our Group and was appointed as our Director on September 29, 2024, and re-designated as our non-executive Director on October 17, 2024. Mr. Li is primarily responsible for providing professional advice to the Board.

Mr. Li served as the chairman of the board of Huoli Tianhui, our major operating subsidiary in the PRC from September 2005 to September 2024. Prior to that, Mr. Li served as general manager and the director of the board of Ao Tian Information Technology (Shenzhen) Co., Ltd. (傲天信息技術(深圳)有限公司) from September 1997 to September 2005, mainly responsible for corporate strategy and business operation. From July 1992 to September 1997, Mr. Li worked at Shenzhen Telecommunication New Technology Development Center of Shenzhen Post and Telecommunication Bureau (深圳市郵電局新技術開發中心), mainly responsible for the development of data, mobile, Internet and other business.

Mr. Li received a bachelor’s degree from Department of Computer Science and Technology from Tsinghua University (清華大學) in the PRC in July 1992.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Wang Xiaowei (王小薇), aged 51, was appointed as an independent non-executive Director on October 17, 2024. Ms. Wang is primarily responsible for supervising and providing independent opinion and judgment to the Board.

Ms. Wang has extensive experience in human resources management. She has been serving as the vice president for human resources at Hello Group Inc. (摯文集團), a company listed on the Nasdaq Stock Market (symbol: MOMO) since March 2019. From September 2008 to October 2013, Ms. Wang served as the director for human resources at Motorola Mobility Technologies (China) Co., Ltd. (摩托羅拉移動技術(中國)有限公司). From October 2013 to December 2014, Ms. Wang served as a senior advisor to human resources at Kuaiqian Payment and Settlement Service Co., Ltd. (快錢支付清算信息有限公司). From February 2016 to March 2019, Ms. Wang served as a vice president at XIAOMI CORPORATION (小米集團), a company listed on the Main Board of the Stock Exchange (stock code: 01810. HK).

Ms. Wang received a bachelor’s degree in international economics from Jinan University (暨南大學) in the PRC in July 1995, a master’s degree in international finance from the Graduate School of the Chinese Academy of Social Sciences (中國社會科學院大學) in July 1998, and an executive master’s degree in business administration from Cheung Kong Graduate School of Business (長江商學院) in March 2006, respectively.

Mr. Yang Jinfang (楊錦方), aged 50, was appointed as an independent non-executive Director on October 17, 2024. Mr. Yang is primarily responsible for supervising and providing independent opinion and judgment to the Board.

As an individual investor, Mr. Yang has accumulated years of academic and practice experience in the area of software and computer science. Mr. Yang is the advisor to Shenzhen Meituan Technology Co., Ltd. (深圳美團科技有限公司), a consolidated affiliate in the PRC ultimately controlled by MEITUAN (美團), a company listed on the Main Board of the Stock Exchange (stock code: 03690.HK). From March 2010 to March 2020, he served as the vice president at Tianjin Sankuai Technology Co., Ltd. (天津三快科技有限公司), a consolidated affiliated entity in the PRC ultimately controlled by MEITUAN, primarily responsible for national sales, strategic cooperation, financial development and retail.

Mr. Yang received a bachelor’s degree from School of Electronics of Peking University (北京大學) in the PRC in July 1996, a master’s degree from Department of Computer Science and Technology of Tsinghua University (清華大學) in the PRC in July 1999.

Dr. Lu Haitian (陸海天), aged 44, was appointed as an independent non-executive Director on October 17, 2024. Dr. Lu is primarily responsible for supervising and providing independent opinion and judgment to the Board.

DIRECTORS AND SENIOR MANAGEMENT

Dr. Lu has nearly 20 years of experience in accounting and law. He has been serving as a professor at the School of Accounting and Finance and the director of Mainland Development of Mainland Development Office of Hong Kong Polytechnic University since July 2018 and February 2020, respectively. Dr. Lu has been serving as an independent non-executive director of China Life Trustees Limited (中國人壽信託有限公司) since May 2020. Dr. Lu first served at the School of Accounting and Finance of Hong Kong Polytechnic University as a visiting lecturer from September 2005 to June 2007, and later as an assistant professor from June 2007 to June 2012 and as an associate professor from July 2012 to June 2018. From January 2018 to January 2020, Dr. Lu served as the Associate Dean in the Faculty of Business of Hong Kong Polytechnic University. Dr. Lu served as an independent non-executive director and a member of the audit committee and nomination committee of Loto Interactive Limited (樂透互娛有限公司) (currently known as Crypto Flow Technology Limited (加幂科技有限公司), a company listed on the Growth Enterprise Market Board of the Stock Exchange (stock code: 08198.HK)), from July 2017 to September 2022. From August 2018 to October 2022, Dr. Lu served as an independent non-executive director, a member of the audit committee and the remuneration committee, and the chairman of the nomination committee, of K. H. Group Holdings Limited (劍虹集團控股有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 01557.HK). From August 2020 to August 2021, Dr. Lu served as an independent director, a member of the audit committee and the nominating and corporate governance committee, and the chairman of the compensation committee, of the board of directors of 9F Inc., a company listed on the Nasdaq Stock Market (symbol: JFU).

Dr. Lu has been committed to promoting academic and professional development across accounting and finance industry. He has been serving as the associate editor of Journal of Financial Stability (SSCI), council member of Chinese Financial Association of Hong Kong (香港中國金融協會), director of Chinese FI Finance & Treasury Association of Hong Kong (香港中資金融業財資協會), and vice chairman of Greater Bay Area Fintech Promotion Association (大灣區金融科技促進總會).

Dr. Lu received his bachelor’s degree in law from Nanjing University (南京大學) in the PRC in June 2001, a master’s degree in law from The University of Liverpool in the United Kingdom in December 2002 and a Ph.D. in law from National University of Singapore in June 2007.

Dr. Lu possesses appropriate professional accounting or related financial management expertise required under Rule 3.10(2) of the Listing Rules and confirms that he has gained such expertise through his experiences.

Further Information of our Directors

Save as disclosed above in this section, none of our Directors has been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately prior to the Latest Practicable Date. Save as disclosed above in this section, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the

DIRECTORS AND SENIOR MANAGEMENT

appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date. As of the Latest Practicable Date, save as disclosed in “C. Further Information about our Directors” in Appendix IV to this document, none of our Directors held any interest in the securities within the meaning of Part XV of the SFO. As of the Latest Practicable Date, none of our Directors or senior management is related to other Directors or senior management of our Company.

SENIOR MANAGEMENT

Our senior management team is responsible for the day-to-day management of our business operations. The table below shows certain information in respect of the senior management members of our Group:

Name	Age	Position	Roles and responsibilities	Date of joining our Group
Mr. Wang Jiang (王江)	51	Executive Director, Chairman of the Board and Chief Executive Officer	Overall strategic planning, business direction and day-to-day management of our Group	July 16, 2009
Mr. Yi Bing (易兵)	54	Executive Director and Senior Vice President	Participating in the formulation of corporate strategy, business operation planning and guidance	September 22, 2005
Mr. Zhang Lin (張林)	45	Executive Director and President	Overseeing day-to- day operations and business of the Group	October 10, 2005
Mr. Yuan Weihong (袁偉洪).	58	Senior Vice President	Overseeing legal, administrative, human resources and other general management matters of our Group	September 22, 2005

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Roles and responsibilities	Date of joining our Group
Mr. Zhou Huazhi (周華治).	46	Chief Financial Officer	Overseeing the financial operation, strategic decision support, investment and financing and capital markets activities of our Group	November 25, 2009
Mr. Li Shangjin (李尚錦).	39	Chief Technology Officer	Overseeing research and development activities and AI innovation affairs of our Group	July 30, 2014

Mr. Wang Jiang (王江), aged 51, is the executive Director, chairman of the Board and chief executive officer of our Company. For details of his biography, see “— Board of Directors — Executive Directors.”

Mr. Yi Bing (易兵), aged 54, is the executive Director and senior vice president of our Company. For details of his biography, see “— Board of Directors — Executive Directors.”

Mr. Zhang Lin (張林), aged 45, is the executive Director and president of our Company. For details of his biography, see “— Board of Directors — Executive Directors.”

Mr. Yuan Weihong (袁偉洪), aged 58, is our senior vice president and joined our Group in September 2005. Mr. Yuan is primarily responsible for overseeing legal, administrative, human resources and other general management matters of our Group.

Mr. Yuan successively served at Huoli Tianhui as vice president from September 2005 to December 2006 and has been serving as senior vice president since January 2007. Prior to that, Mr. Yuan served as an executive manager and head of finance at Ao Tian Information Technology (Shenzhen) Co., Ltd. (傲天信息技術(深圳)有限公司) from May 1998 to October 2005. From December 1996 to March 1998, Mr. Yuan served as an accountant at the finance department of Shenzhen Xiannuo Pharmaceutical Co., Ltd. (深圳仙諾製藥有限公司).

Mr. Yuan received a diploma majoring in accounting from Guangdong Radio and Television University (廣東廣播電視大學) (currently known as Guangdong Open University (廣東開放大學)) in the PRC in July 1997.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Zhou Huazhi (周華治), aged 46, is our chief financial officer and joined our Group in November 2009. Mr. Zhou is primarily responsible for overseeing the financial operation, strategic decision support, investment and financing and capital markets activities of our Group.

Prior to joining our Group, Mr. Zhou served as a financial manager at Shenzhen Huaya Hexun Science and Technology Co., Ltd. (深圳市華亞和訊科技有限公司) from 2006 to 2009. Prior to 2006, Mr. Zhou successively served as an accountant at Suzhou Tianda Communication Development Co., Ltd. Shenzhen Branch (蘇州市天達通訊發展有限公司深圳分公司) and the finance executive at Shenzhen Tianfang Real Estate Brokerage Co., Ltd. (深圳市天方房地產經紀代理有限公司).

Mr. Zhou received a executive master’s degree of business administration from Guanghai School of Management of Peking University (北京大學光華管理學院) in the PRC in July 2019.

Mr. Li Shangjin (李尚錦), aged 39, is our chief technology officer and joined our Group in July 2014. Mr. Li is primarily responsible for overseeing research and development activities and AI innovation affairs of our Group.

Prior to joining our Group, Mr. Li served as the director for research and development at Leshi Internet Information and Technology (Beijing) Co., Ltd. (樂視網信息技術(北京)股份有限公司) from October 2013 to July 2014. From February 2012 to September 2013, Mr. Li served as senior engineer for research and development at Chinaso Inc. (中國搜索信息科技股份有限公司).

Mr. Li received a bachelor’s degree in software engineering from Xi’an University of Science and Technology (西安科技大學) in the PRC in July 2008 and a master’s degree in software engineering from University of Science and Technology of China (中國科學技術大學) in April 2012, respectively.

COMPANY SECRETARY

Mr. Ng Tung Ching Raphael (吳東澄), aged 36, is the company secretary of our Company.

Mr. Ng is a seasoned professional with over 14 years of extensive experience in the legal and company secretarial domains, specializing in corporate governance and compliance. He currently serves as the Assistant Vice President, Governance Services of Computershare Hong Kong Investor Services Limited.

Mr. Ng holds a Master’s Degree in Chinese Business Law from The Chinese University of Hong Kong and a Master’s Degree in Professional Accounting and Corporate Governance from The City University of Hong Kong. He earned his Bachelor’s Degree in Law from Manchester Metropolitan University. Mr. Ng is an Associate Member of both The Hong Kong Chartered Governance Institute (the “HKCGI” formerly known as the Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom. He also possesses the practitioner’s endorsement from HKCGI.

DIRECTORS AND SENIOR MANAGEMENT

BOARD COMMITTEES

Our Company has established the Audit Committee, the Remuneration Committee and the Nomination Committee and delegated various responsibilities to these committees, which assist our Board in discharging its duties and overseeing particular aspects of our Group’s activities.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group, review and approve connected transactions and to advise the Board. The Audit Committee comprises Dr. Lu Haitian, Mr. Wang Xiaowei and Mr. Yang Jinfang. Dr. Lu Haitian has been appointed as the chairperson of the Audit Committee and is the independent non-executive Director who possesses the appropriate professional accounting and related financial management expertise.

Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. The Remuneration Committee comprises Ms. Wang Xiaowei, Dr. Lu Haitian and Mr. Yi Bing. Ms. Wang Xiaowei, our independent non-executive Director, has been appointed as the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include, without limitation, the following: (i) making recommendations to the Board on our Company’s policy and structure for all Directors’ and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) determining the delegated responsibility, the remuneration packages of individual executive Directors and senior management, or alternatively, making recommendations to the Board on such remuneration packages; and (iii) ensuring that the performance-related elements of remuneration form a significant proportion of the total remuneration package of executive Directors and are designed to align their interests with those of Shareholders and to give our Directors incentives to perform at the highest levels.

DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the nomination committee are to make recommendations to the Board regarding the appointment of Directors and Board succession. The Nomination Committee Mr. Wang Jiang, Mr. Yang Jinfang and Ms. Wang Xiaowei. Mr. Wang Jiang, our executive Director and chairman of the Board, has been appointed as the chairman of the Nomination Committee.

CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance.

Chairman of the Board and Chief Executive Officer

Pursuant to code provision C.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Mr. Wang Jiang currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole. For further information relating to the Company’s corporate governance measures, please see the section headed “Relationship with the Controlling Shareholders — Corporate Governance Measures.”

Board Diversity Policy

The Board will adopt a board diversity policy (the “**Board Diversity Policy**”) prior to the [REDACTED] in order to enhance the effectiveness of our Board and to maintain high standard of corporate governance. Pursuant to the Board Diversity Policy, the criteria in selecting candidates to our Board shall include, among others, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board. With regards to gender diversity on the Board, we recognize the particular importance of gender diversity and will endeavor to at least maintain one female representation on the Board. To ensure gender diversity of our Board in the long run, we will offer all-rounded trainings to female employees whom we consider to have the suitable

DIRECTORS AND SENIOR MANAGEMENT

experience, skills and knowledge of our operation and business. We also plan to promote gender diversity when recruiting staff at the mid to senior level so that the Company will have a pipeline of female senior management and potential successors to the Board.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, publicity and marketing, content development, investment and financing, accounting and financial management. They obtained degrees in various majors including engineering, computer science, economics and law. We have three independent non-executive Directors with different industry backgrounds, representing over one third of the members of our Board. Our Board Diversity Policy is well implemented as evidenced by the fact that there are both male and female Directors ranging from 44 years old to 54 years old with different backgrounds and experiences.

The Nomination Committee is responsible for reviewing the diversity of the Board. After [REDACTED], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

Anti-corruption and Whistle Blowing Policies

We are committed to acting with integrity, honesty, fairness, impartiality, and ethical business practices. We have adopted an anti-corruption policy to promote an ethical culture within our Group and have zero-tolerance for bribery and any act of corruption. Our Board and senior management also strive to promote an ethical culture within our Group. We have also adopted a whistle blowing policy that serves the purpose of establishing whistleblowing procedures for employees and other relevant external parties of our Group, in order to report and escalate any suspicious misconducts. In accordance with the policy, we protect all whistleblowers from any kind of retaliation. All the information provided by the whistleblowers will be kept strictly confidential.

DIRECTOR’S REMUNERATION

Our Directors and senior management receive remuneration, including salaries, allowances and benefits in kind, including our contribution to the pension plan on their behalf.

The aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans and discretionary bonus) for our Directors for the three years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2024 was approximately RMB122.9 million, RMB3.6 million, RMB4.8 million and RMB1.9 million, respectively. None of our Directors waived any remuneration during the aforesaid periods. It is estimated that remuneration and benefits in kind (excluding any possible payment of discretionary bonus) equivalent to approximately RMB5.8 million in aggregate will be paid and granted to our Directors by us in respect of the financial year ending December 31, 2025 under arrangements in force at the date of this document.

DIRECTORS AND SENIOR MANAGEMENT

For the three years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2024, the five highest paid individuals of our Group included 3, 4, 3 and 3 Directors, respectively, whose remunerations are included in the aggregate amount of fees, salaries, allowances, discretionary bonus, pension scheme contributions paid and benefits in kind granted to the relevant Directors set out above. For the three years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2024, the aggregate amount of fees, salaries, allowances, discretionary bonus, pension scheme contributions paid and benefits in kind granted to the remaining 2, 1, 2 and 2 highest paid individuals who are not our Directors were approximately RMB41.7 million, RMB1.0 million, RMB2.7 million and RMB1.1 million, respectively. For further details on the remuneration of the five highest paid individuals during the Track Record Period, see Note 10 of the Accountant’s Report in Appendix IA of this document.

Save as disclosed, no other payments have been paid or are payable, in respect of the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2024 by our Company to our Directors or senior management.

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.

COMPLIANCE ADVISOR

We have appointed CMBC International 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 our business activities, developments or results deviate from any forecast, estimate, or other information in this document; and
- (d) where the Stock Exchange makes an inquiry of us under Rule 13.10 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

Pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange. The compliance advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the applicable requirements under the Listing Rules and laws and regulations.

The term of the appointment will commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

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 October 2024, and (ii) understands his or her obligations as a director of a [REDACTED] under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/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 of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, assuming the Warrants are fully exercised, the Company was directly owned as to approximately 16.79%, and 15.99% by Non Human Limited and Travel Around Holdings Limited, respectively. Non Human Limited was wholly owned by Aigility Wander Limited, which is a company incorporated under the laws of BVI and wholly owned by Mr. Wang. Travel Around Holdings Limited was wholly owned by Excellent Trip Limited, which is a company incorporated under the laws of BVI and wholly owned by Mr. Li Lijun (李黎軍). On March 1, 2021, Mr. Li Lijun entered into a voting proxy agreement with Mr. Wang (“**Onshore Proxy Agreement**”), pursuant to which, Mr. Li Lijun granted Mr. Wang, as his true and lawful attorney, a voting proxy over all the shares he held in Huoli Tianhui. Following completion of the Reorganization, to reflect the arrangement under the Onshore Proxy Agreement, on August 23, 2024, Travel Around Holdings Limited and Non Human Limited entered into the amended and restated offshore voting proxy agreement (the “**Offshore Proxy Agreement**”), pursuant to which Travel Around Holdings Limited granted Non Human Limited, as its true and lawful attorney, a voting proxy over all the Shares it held in the Company. For details of the Warrants and relevant proxy agreements, see the section headed “History, Reorganization and Corporate Structure.”

As of the Latest Practicable Date, assuming the Warrants are fully exercised, the Company was directly owned as to approximately 10.77% by TRXZ Holdings Limited, a company incorporated under the laws of BVI and wholly owned by Beijing Tingrui Xingzhou Technology Partnership (General Partnership) (北京庭瑞星舟科技合夥企業(普通合夥)) (“**Teamrise Xingzhou**”). Teamrise Xingzhou is an entity jointly established for the purpose of completing ODI filing procedures by Zhitu Xingzhou Technology (深圳市智圖星舟科技有限公司), which is a limited liability company incorporated under the laws of the PRC and wholly owned by Mr. Wang, and Teamrise, each being a general partner, holding approximately 22.02% and 77.98% interest, respectively. Pursuant to the partnership agreement entered into between Zhitu Xingzhou Technology and Teamrise, each of them is entitled to exercise their voting rights over the Shares of the Company, representing their respective underlying interests in Teamrise Xingzhou. As such, none of the partners of Teamrise Xingzhou is individually in a position to control Teamrise Xingzhou, and in turn TRXZ Holdings Limited. Therefore, the respective voting power from TRXZ Holdings Limited is divided among its indirect investors into their corresponding portions. Accordingly, Mr. Wang, through his wholly-owned entity Zhitu Xingzhou Technology, controls approximately 2.37% voting power in the Company.

Accordingly, as of the Latest Practicable Date, assuming the Warrants are fully exercised, Mr. Wang was entitled to control the exercise of approximately 35.15% of the voting rights in our Company in aggregate through: (i) 65,379,101 Shares held by Non Human Limited, an entity ultimately controlled by him; (ii) 62,264,160 Shares held by Travel Around Holdings Limited, the voting rights of which was granted to Non Human Limited pursuant to the Offshore Proxy Agreement; and (iii) 9,236,218 Shares held by TRXZ Holdings Limited, where Zhitu Xingzhou Technology controls such Shares according to its proportional voting power. Therefore, as of the Latest Practicable Date, Mr. Wang, Non Human Limited, Aigility Wander Limited and Zhitu Xingzhou Technology (collectively, the “**Controlling Shareholders**”), by

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

virtue of their shareholding together with the voting proxy conferred upon them as mentioned above, form a group of Controlling Shareholders who are interested in and control approximately 35.15% of the total issued share capital of our Company in aggregate.

Immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders will be entitled to exercise the voting rights of approximately [REDACTED]% of the [REDACTED] issued share capital of our Company.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are able to carry on our business independently of our Controlling Shareholders after the [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the [REDACTED], our Board will consist of seven Directors comprising three executive Directors, one non-executive Director and three independent non-executive Directors. See “Directors and Senior Management” in this document for details.

Our Directors consider that our Board and senior management will function independently from our Controlling Shareholders because:

- (a) each Director is aware of his or her fiduciary duties as a director which require, among other things, that he or she acts for the benefit and in the interest of our Company and does not allow any conflict between his or her duties as a Director and his or her personal interest;
- (b) our daily management and operations are carried out by a senior management team, all of whom 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;
- (c) we have three independent non-executive Directors and certain matters of our Company must always be referred to the independent non-executive Directors for review;
- (d) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions. In addition, the interested Director shall not vote (nor be counted in the quorum) on any resolution of our Board approving any contract or arrangement or any other proposal in which he or she or any of his or her close associates is

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

materially interested in except for certain circumstances as set out in the Articles. See “Summary of the Constitution of the Company and Cayman Islands Companies Law” in Appendix III for details; and

- (e) 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. See “— Corporate Governance Measures” in this section below 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 in our Group independently.

Operational Independence

We operate independently from our Controlling Shareholders. Our Company (through our subsidiaries and our Consolidated Affiliated Entities) holds all relevant licenses and owns all relevant intellectual properties and 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.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders.

Financial Independence

Our Group has an independent financial reporting system and makes financial decisions according to our Group’s own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function. More importantly, we have been and are capable of obtaining equity and debt financing from third parties. As of the date of this document, there are no outstanding loans or guarantees provided by, or granted to, our Controlling Shareholders or their respective associates. Based on the above, our Directors are of the view that our Directors and senior management are capable of carrying on our business independently from, and do not place undue reliance on, our Controlling Shareholders after the [REDACTED].

COMPETITION ISSUE UNDER RULE 8.10 OF THE LISTING RULES

Save and except for the interests of our Controlling Shareholders in our Company, its subsidiaries and the Consolidated Affiliated Entities, our Controlling Shareholders confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

RELATIONSHIP WITH THE CONTROLLING SHAREHOLDERS

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code, which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interest. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflicts of interest between our Group and the Controlling Shareholders:

- (a) where a Shareholders’ meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their associates have a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (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 Shareholder or any of their associates, our Company will comply with the applicable Listing Rules;
- (c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interest between our Group and our Controlling Shareholders (the “**Annual Review**”) 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 Annual Review;
- (e) our Company will disclose decisions (with basis) on matters reviewed by the independent non-executive Directors either in its annual report or by way of announcements;
- (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 expenses; and
- (g) we have appointed CMBC International Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with 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 between our Group and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

As far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no new Shares are issued under the Share Incentive Plan), the following persons will have an interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company 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 nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Substantial Shareholder	Nature of interest	Immediately following the completion of the [REDACTED]	
		Number of Shares ⁽⁷⁾	Approximate percentage of interest in the Company (%)
Non Human Limited ⁽¹⁾	Beneficial Interest	65,379,101	[REDACTED]%
	Interest from voting proxy	62,264,160	[REDACTED]%
Aigility Wander Limited ⁽¹⁾ . . .	Interest in a controlled corporation	65,379,101	[REDACTED]%
	Interest from voting proxy	62,264,160	[REDACTED]%
Mr. Wang Jiang ⁽¹⁾⁽⁵⁾	Interest in a controlled corporation	65,379,101	[REDACTED]%
	Interest from voting proxy	62,264,160	[REDACTED]%
	Others	9,236,218	[REDACTED]%
Travel Around Holdings Limited ⁽²⁾	Beneficial Interest	62,264,160	[REDACTED]%
Excellent Trip Limited ⁽²⁾	Interest in a controlled corporation	62,264,160	[REDACTED]%
Mr. Li Lijun ⁽²⁾	Interest in a controlled corporation	62,264,160	[REDACTED]%
Shaanxi Development with High Quality and Relief Fund for Private Economy Partnership (Limited Partnership) (“ Shaanxi Relief ”) ⁽³⁾	Beneficial Interest	41,532,448	[REDACTED]%
Shaanxi Investment Fund Management Co., Ltd. ⁽³⁾ . . .	Interest in a controlled corporation	41,532,448	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholder	Nature of interest	Immediately following the completion of the [REDACTED]	
		Number of Shares ⁽⁷⁾	Approximate percentage of interest in the Company (%)
Shaanxi Financial Holding Group Co., Ltd. ⁽³⁾	Interest in a controlled corporation	41,532,448	[REDACTED]%
Huoli DH Group Holdings Limited	Beneficial Interest	28,005,936	[REDACTED]%
TRXZ Holdings Limited ⁽⁴⁾	Beneficial Interest	41,938,634	[REDACTED]%
Beijing Teamrise Xingzhou Technology Partnership (General Partnership) (“ Teamrise Xingzhou ”) ⁽⁴⁾	Interest in a controlled corporation	41,938,634	[REDACTED]%
Teamrise ⁽⁴⁾	Interest in a controlled corporation	32,702,416	[REDACTED]%
Teamrise Group Co., Ltd. ⁽⁴⁾	Interest in a controlled corporation	32,702,416	[REDACTED]%
Zhang Hua ⁽⁴⁾	Interest in a controlled corporation	32,702,416	[REDACTED]%
Fontus SPC on behalf of CPIC CMBC Equity Opportunity Fund SP (“ Fontus ”) ⁽⁶⁾	Beneficial Interest	37,384,671	[REDACTED]%
CPIC Investment Management (H.K.) ⁽⁶⁾	Beneficial Interest	37,384,671	[REDACTED]%
China Pacific Insurance (Group) Co., Ltd. ⁽⁶⁾	Beneficial Interest	37,384,671	[REDACTED]%
CMBC Asset Management Company Limited ⁽⁶⁾	Beneficial Interest	37,384,671	[REDACTED]%
CMBC Capital Holdings Limited ⁽⁶⁾	Beneficial Interest	37,384,671	[REDACTED]%
Abundant Chance Investment Limited ⁽⁶⁾	Interest in a controlled corporation	37,384,671	[REDACTED]%
CMBC International Investment (HK) Limited ⁽⁶⁾	Interest in a controlled corporation	37,384,671	[REDACTED]%
China Minsheng Banking Corp., Ltd. ⁽⁶⁾	Interest in a controlled corporation	37,384,671	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Notes:

- (1) Non Human Limited is wholly owned by Aigility Wander Limited, a company incorporated in the BVI with limited liability, which is in turn wholly owned by Mr. Wang Jiang, our executive Director. As such, Aigility Wander Limited and Mr. Wang Jiang are deemed to be interested in the Shares of the Company held by Non Human Limited.

Pursuant to the Offshore Proxy Agreement entered into between Travel Around Holdings Limited (an entity wholly owned by Mr. Li Lijun) and Non Human Limited (an entity wholly owned by Mr. Wang Jiang) dated August 23, 2024, Travel Around Holdings Limited granted Non Human Limited, as its true and lawful attorney, a voting proxy over all the Shares it held in Company. Accordingly, Mr. Wang Jiang is deemed to be interested in the interests in the Company held by Mr. Li Lijun. See “History, Reorganization and Corporate Structure — Voting Proxy Agreements” for details.

- (2) Travel Around Holdings Limited is wholly owned by Excellent Trip Limited, a company incorporated in the BVI with limited liability, which is in turn wholly owned by Mr. Li Lijun, our non-executive Director. As such, Excellent Trip Limited and Mr. Li Lijun are deemed to be interested in the Shares of the Company held by Travel Around Holdings Limited.

- (3) Shaanxi Relief is a limited partnership established in the PRC, the general partner of which is Shaanxi Investment Fund Management Co., Ltd. (陝西投資基金管理有限公司), a limited liability company established in the PRC and wholly owned by Shaanxi Financial Holding Group Co., Ltd. (陝西金融控股集團有限公司). Shaanxi Financial Holding Group Co., Ltd. is wholly owned by the Department of Finance of Shaanxi Province (陝西省財政廳). As of the Latest Practicable Date, Shaanxi Relief had three limited partners, with its largest limited partner, Shaanxi Financial Holding Group Co., Ltd., holding approximately 55.67% of partnership interest. No other limited partner of Shaanxi Relief held more than one third of the partnership interest in Shaanxi Relief. As such, Shaanxi Investment Fund Management Co., Ltd. and Shaanxi Financial Holding Group Co., Ltd. are deemed to be interested in the Shares of the Company held by Shaanxi Relief. See “History, Reorganization and Corporate Structure — Information about the Pre-[REDACTED] Investors — Shaanxi Relief” for details.

- (4) TRXZ Holdings Limited was incorporated in the BVI with limited liability, which is wholly owned by Teamrise Xingzhou. Teamrise Xingzhou is an entity jointly established for the purpose of completing ODI filing procedures by Shenzhen Zhitu Xingzhou Technology Co., Ltd. (深圳市智圖星舟科技有限公司) (“**Zhitu Xingzhou Technology**”), which is a limited liability company incorporated in the PRC and wholly owned by Mr. Wang Jiang, and Teamrise Investment Co., Ltd. (庭瑞投資有限公司) (“**Teamrise**”), each being a general partner, holding approximately 22.02% and 77.98% partnership interest, respectively. Pursuant to the partnership agreement entered into among Zhitu Xingzhou Technology and Teamrise, each of them is entitled to exercise their voting rights over the Shares of the Company, representing their respective underlying interests in Teamrise Xingzhou. As such, none of the partners of Teamrise Xingzhou is individually in a position to control Teamrise Xingzhou, and in turn TRXZ Holdings Limited. Therefore, the respective voting power from TRXZ Holdings Limited is divided among its indirect investors into their corresponding portions. See “History, Reorganization and Corporate Structure — Pre-[REDACTED] Reorganization” for details.

Teamrise is a limited liability company established in the PRC, which is wholly owned by Teamrise Group Co., Ltd. (庭瑞集團有限公司), a company established in the PRC with limited liability and ultimately controlled by Zhang Hua (張華). As such, Teamrise Xingzhou, Teamrise, Teamrise Group Co., Ltd. and Zhang Hua are deemed to be interested in the Shares of the Company held by Teamrise through Teamrise Xingzhou in TRXZ Holdings Limited, controlling approximately 8.40% voting power in the Company as of the Latest Practicable Date. See “History, Reorganization and Corporate Structure — Information about the Pre-[REDACTED] Investors — TRXZ Holdings Limited” for details.

- (5) According to the above note in relation to the voting power arrangement in Teamrise Xingzhou, Mr. Wang Jiang, through his wholly-owned entity Zhitu Xingzhou Technology, controls approximately 2.37% voting power in the Company as of the Latest Practicable Date.

- (6) Fontus is a segregated portfolio under Fontus SPC, which is co-managed by CPIC Investment Management (H.K.) and CMBC Asset Management Company Limited. Fontus SPC is a segregated portfolio company established in the Cayman Islands. See “History, Reorganization and Corporate Structure — Information about the Pre-[REDACTED] Investors — Fontus” for details.

- (7) The calculation is based on the total number of [REDACTED] Shares in issue upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no new Shares are issued under the Share Incentive Plan). All interests stated are long positions.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), have any interest and/or short position in the Shares or underlying Shares of our Company which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of our Company or any other member of our Group.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of the Company in issue and to be issued as fully paid or credited as fully paid as of the date of this document and immediately after completion of the [REDACTED]

Before the [REDACTED]

As of the Latest Practicable Date, our authorized share capital was US\$50,000 divided into (1) a total of 550,000,000 Ordinary Shares and (2) a total of 450,000,000 Preferred Shares, each with a par value of US\$0.00005.

Upon completion of the [REDACTED]

The Preferred Shares will be converted into Ordinary Shares of our Company on a one-to-one basis by way of re-designation immediately before the completion of the [REDACTED]. As a result, our authorized share capital will be US\$50,000 divided into 1,000,000,000 Shares of par value of US\$0.00005 each.

Assuming the [REDACTED] is not exercised and no new Shares are issued under the Share Incentive Plan, the share capital of our Company immediately following completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Aggregate par value of Shares <i>(US\$)</i>
Shares in issue (including the Shares upon re-designation of the Preferred Shares) . . .	389,392,862	19,469.6431
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

Assuming the [REDACTED] is exercised in full and no new Shares are issued under the Share Incentive Plan, the share capital of our Company immediately following completion of the [REDACTED] will be as follows:

Description of Shares	Number of Shares	Aggregate par value of Shares <i>(US\$)</i>
Shares in issue (including the Shares upon re-designation of the Preferred Shares) . . .	389,392,862	19,469.6431
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

SHARE CAPITAL

ASSUMPTIONS

The above table assumes that the [REDACTED] becomes unconditional and Shares are issued pursuant to the [REDACTED]. The above table also does not take into account any Shares which may be issued or repurchased by the Company under the general mandates granted to the Directors as referred to below.

RANKING

The [REDACTED] will rank *pari passu* in all respects with all Shares currently in issue or to be issued as mentioned in this document, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Upon completion of the [REDACTED], the Company has only one class of Shares, namely ordinary shares, and each ranks *pari passu* with the other Shares.

Pursuant to the Cayman Companies Act and the terms of the Memorandum of Association and Articles, the Company may from time to time by ordinary resolution of shareholders (i) increase its share capital, (ii) consolidate and divide its share capital into shares of larger amount, (iii) subdivide its shares into shares of smaller amount, and (iv) cancel any shares which have not been taken. In addition, the Company may subject to the provisions of the Cayman Companies Act reduce its share capital or capital redemption reserve by its shareholders passing a special resolution. For further details, see “Summary of the Constitution of the Company and Cayman Islands Companies Law — 2. Articles of Association — 2.5 Alteration of capital” in Appendix III.

GENERAL MANDATE TO ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, the Directors have been granted a general unconditional mandate to allot, issue and deal with Shares, and for further details, see “Statutory and General Information — A. Further Information about Our Group — Resolutions Passed by our Shareholders of the Company” in Appendix IV to this document.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the [REDACTED] becoming unconditional, the Directors have been granted a general unconditional mandate to exercise all the powers of the Company to repurchase its own securities, and for particulars of which, see “Statutory and General Information — A. Further Information about Our Group — Resolutions Passed by our Shareholders of the Company” in Appendix IV to this document.

SHARE CAPITAL

SHARE INCENTIVE PLAN

We adopted the Share Incentive Plan. For further details, see “Statutory and General Information — D. Share Incentive Plan” in Appendix IV to this document.

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You should read the following discussion and analysis in conjunction with the combined financial statements as of and for each of the years ended December 31, 2021, 2022 and 2023 and for the six months ended June 30, 2023 and 2024, and the notes thereto included in the Accountant’s Report set out in Appendix IA to this document which have been prepared in accordance with HKFRS and the selected historical financial information and operating data included elsewhere in this document. Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in “Forward-looking Statements” and “Risk Factors.” In evaluating our business, you should carefully consider the information provided in “Risk Factors” in this document.

OVERVIEW

We are a renowned comprehensive mobility platform in China, providing a full suite of multimodal travel products and services. Among China’s one-stop comprehensive mobility platforms, we ranked the second with a total GMV of RMB30.8 billion in 2023, according to Frost & Sullivan. We were the fifth largest third-party platform in China in terms of GMV from online air ticket bookings in 2023, and the third largest third-party platform in terms of GMV from online train ticket bookings in 2023, according to the same source.

For travelers, we offer one-stop services through our flagship apps, Flight Master (航班管家) and Train Master (高鐵管家). We enhance travel planning by integrating various transportation modes, including flights, trains and ride hailing services, into a seamless experience. We distinguish ourselves from traditional mobility platforms, which primarily serve as transaction intermediaries between travelers and businesses. Our platforms cover all key aspects of a user’s journey, from planning and booking to real-time travel updates and post-trip support. We offer a suite of complementary services, such as flight and train seat selection, flight delay checks, airport information navigation, and hotel bookings, to address the intricate details travelers encounter throughout their journeys, ensuring a hassle-free and enjoyable experience. As of June 30, 2024, our services spanned across over 5,000 airports located in over 220 countries and regions, covered over 3,000 domestic railway stations, and provided booking options for over 400,000 hotels.

For businesses, we leverage travel data and technological expertise accumulated over a decade to offer data and technology services that empower businesses in various scenarios, accelerating their digital transformation and driving efficiency and cost reduction. Operating under a data-as-a-service model, we provide companies with comprehensive air, rail and air cargo data, along with a rich toolkit. These resources empower businesses to optimize their services, manage costs, enhance efficiency, and make informed decisions. As of the Latest Practicable Date, our data and technology services reached over 150 companies spanning various industries, including travel, tourism, hospitality, insurance and logistics. Rather than merely a service provider, we position ourselves as an ecosystem enabler as we believe the industry-wide innovations will benefit all participants, especially those at the forefront of

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technological advancements. To this end, we provide a suite of AI-powered solutions to ecosystem partners helping them streamline service process, enhance customer experience, and improve operational efficiency. Our services to consumers and solutions to businesses form unique synergies, creating a virtuous cycle with powerful flywheel effects. As we expand our data solutions, we continuously enrich our database with multidimensional data and expand our TSP network, which, in turn, optimizes our AI algorithm and enhance overall service quality for consumers.

Technology is the backbone of our Company, intricately woven into the very essence of who we are. We have developed a widely-recognized supply chain management system in-house that, combined with our extensive TSP network, makes us one of the few players in our industry capable of intelligently recommending diverse multimodal travel options. By seamlessly integrating multiple modes of transport from various suppliers, we empower users to find cost-effective travel solutions quickly, which we believe is a key factor in why users return to our platforms.

In addition, we have cultivated robust vertical AI capabilities nurtured by extensive travel industry data. With over a decade of experience serving millions of travelers through technology-enabled solutions, we have amassed, among other things, two invaluable assets: abundant data and proven algorithms. These are cornerstones enabling us to harness the power of AI in an era where travel and technology are converging at an extraordinary pace. Our database encompasses air travel data across more than 40 dimensions, including flight schedules, flight dynamics, aircraft parameters, airport passenger flow, and airport infrastructure, to name a few. We have obtained official data authorization from upstream data suppliers, ensuring the legitimacy and authority of our data sources. According to Frost & Sullivan, we were the first mobility platform to obtain official authorization from an authoritative data source in China’s aviation industry. Through our ongoing commitment to technology advancements, we have leveraged our vast database to develop core algorithms that have been proven effective in meeting diverse travel needs. This ability enables us to become a pioneer in our industry with deep vertical AI application capabilities.

Our comprehensive service offerings and compelling value propositions to travelers have garnered us a large and growing group of loyal users. As of June 30, 2024, our registered user base across all our platforms had surpassed 174 million, increased by 37.6% since January 1, 2021. Despite the decline we experienced in 2022 due to the impact of the COVID-19 pandemic, we achieved impressive growth during the Track Record Period. Our revenue increased at a CAGR of 20.8% from RMB343.6 million in 2021 to RMB501.6 million in 2023. We recorded a net loss of RMB357.5 million and RMB0.8 million in 2021 and in 2022, respectively, and a net profit of RMB59.3 million in 2023. From the six months ended June 30, 2023 to the six months ended June 30, 2024, our revenue grew by 22.6% from RMB229.6 million to RMB281.4 million and our net profit decreased slightly from RMB32.0 million to RMB31.7 million. We recorded an adjusted net profit/(loss) (non-HKFRS measure) of RMB13.5 million, RMB(0.7) million, RMB61.6 million, RMB32.1 million and RMB39.0 million in 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024, respectively, which is defined as our profit/loss for the year/period adjusted for (i) share-based compensation expenses and (ii) [REDACTED].

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BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), which comprise all standards and interpretations approved by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The historical financial information has been prepared under the historical cost convention except for certain financial instruments that are measured at fair values.

The preparation of the historical financial information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise their 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 IA to this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition have been, and are expected to continue to be, affected by a number of factors, some of which are outside of our control. These factors include, but are not limited to, the following:

General Factors

We generate substantially all of our revenue from the travel industry, and our business and results of operations are significantly affected by factors driving this industry, including but are not limited to the following:

General Economic Conditions and Market Trends

Our results of operations have been, and are expected to continue to be, driven by the growth in China’s overall economy and travel industry. As a comprehensive mobility platform in China, our business is driven by the demand for travel products and services in China, which could be affected by macroeconomic conditions. Economic growth generally stimulates willingness to pay for travel products and services and their affordability, thus helping increase travel frequency and spending.

The future development of China’s travel industry is affected by many factors, including the overall economic growth, the advancements in technology, the increasing demand for one-stop mobility solutions, as well as the regulatory environment for travel industry. Changes in any of these general industry conditions and our ability to adapt to such changes could affect our business and results of operations.

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Moreover, as we expand our global footprints, our business is and will be continuously affected by global economic conditions. Factors beyond our control, such as market volatility, changes in consumer confidence, global health epidemics and geopolitical tensions and conflicts, may subject the global macroeconomic environment to uncertainties. If there is any deterioration in global economic conditions, our business, results of operations and financial condition could be adversely affected.

Factors that may cause disruptions to travel industry

We generate substantially all of our revenue from the travel industry. Factors that may cause disruptions to the entire travel industry, such as global health epidemics, natural disasters, global security concerns and air and railway accidents, will also affect our business and financial performance.

For example, the COVID-19 pandemic disrupted business activities in China and globally during the Track Record Period. The pandemic led to a significant decline in travel demand, leading to reservation cancellations and reduced new orders. As a result, our results of operations took a major hit in 2021 and 2022. The GMV of our transportation ticketing decreased by 28.7% from RMB19.4 billion in 2021 to RMB13.8 billion in 2022. Consequently, our revenue from transportation ticketing services decreased from RMB244.9 million in 2021 to RMB175.5 million in 2022. Despite the impact of the COVID-19 pandemic, our business showed strong resilience. In 2022, we had net cash inflow from operating activities of RMB2.0 million and recorded a mere net loss of RMB0.8 million. Starting in December 2022, we have witnessed a significant recovery in travel activities. In 2023, the GMV of our transportation ticketing was RMB30.6 billion, representing a year-over-year increase of 120.9%, and our revenue from transportation ticketing services surged by 95.9% from RMB175.5 million in 2022 to RMB343.8 million in 2023, driving the substantial growth in our total revenue by 79.1% from RMB280.1 million in 2022 to RMB501.6 million in 2023.

Although we have substantially recovered from the adverse impact of the COVID-19 pandemic, any future natural disasters, outbreaks of contagious diseases or other adverse public health developments would affect our business and results of operations. See “Risk Factors — Risks Relating to Our Business and Industry — Natural disasters, health epidemics and other force majeure events may disrupt the comprehensive internet mobility service industry and materially and adversely affect our business and the results of operations.”

Competition

Although only few market players can provide the broad range of services similar to us, we face intense competition in each of our business segments. Our market position depends on our ability to remain competitive in technology and data, product innovation, breadth of services, pricing and brand recognition. Some of our current or future competitors may possess greater financial, technological or marketing resources than we do. These competitors may make substantial investments in promoting and marketing their services, expanding their offerings, developing and applying cutting-edge technologies, and entering into strategic

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alliances with other market players, potentially affecting our market share. Our ability to effectively compete with these rivals is essential for a sustainable growth of our business as we expand and increase our market presence. We expect the competition in this industry to continue and even intensify in the future, both from existing major players and potential new competitors. However, the overall competitive landscape is anticipated to remain relatively stable due to the high barriers for becoming top players. We believe our deep industry expertise, extensive travel related data and robust technological capabilities, particularly in AI application, give us a competitive advantage over our rivals.

Company-Specific Factors

In addition to the general factors, we believe the following specific factors also have had, and will continue to have, a significant impact on our results of operations and financial condition.

Our Ability to Enrich and Enhance Our Travel Products and Services

We generate a majority of our revenue from our travel related services. In 2021, 2022, 2023 and the six months ended June 30, 2024, revenue from travel related services accounted for 83.2%, 85.9%, 88.1% and 89.5% of our total revenue, respectively. Our business and revenue growth depends on our ability to continue to enrich our travel offerings to satisfy evolving user preferences, provide attractive pricing terms, enhance the functionality of our platforms, and deliver superior user experience.

We generate revenue from travel related services primarily by charging commissions from TSPs we collaborate with, such as airlines, travel agents and hospitality providers, for the travel services and products sourced from such TSPs and sold through our online platforms. To diversify the products and services available on our platforms, we plan to further expand our TSP network, particularly the network of quality air ticket suppliers and hospitality providers. The more extensive our TSP network, the better our chances of securing special discounts and featured products for our users.

As a comprehensive travel platform, in addition to travel products and services, we provide a full suite of functionalities designed to address travelers’ diverse needs throughout their journeys. Using air travel as an example, we allow travelers to check in and select seats online, track real-time flight status, receive timely updates on flight changes, review details about their departure and arrival airports, as well as view and share reviews of their flights and airports. Driven by the sophisticated offerings and satisfactory user experience delivered through our online platforms, we had accumulated over 174 million registered users across all our platforms as of June 30, 2024, and recorded paying users of 6.2 million in the six months ended June 30, 2024. To continuously deliver superior user experience, we are committed to investing in development of new functions and introduction of new features on our platforms by leveraging our robust AI and other technological capabilities. To this end, we may need to increase our investments in these initiatives, which may affect our results of operations.

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Our Ability to Strengthen Cooperation with Corporate Customers

Distinct from many competitors, we leverage our data and technological capabilities to serve corporate customers, in addition to transportation ticketing and accommodation reservation services. Our offerings to corporate customers include corporate travel management services, as well as data and technology services. Operating under a data-as-a-service model, we offer comprehensive air, rail and air cargo data with insights to corporations, supporting their decision-making processes. We also offer AI-powered solutions to ecosystem partners, helping them build and optimize their own travel related services. With a modularized matrix of solutions, we enjoy the flexibility to offer travel or mobility service systems tailored to customers’ unique needs. Our value propositions have gained recognition since launching this service in 2021. Today, many companies in e-commerce, telecommunication, aviation, airport management, hospitality and other industries rely on us to build or enhance their travel related service systems. This industry-empowering approach has helped us form valuable partnerships, allowing us to capitalize on a broader user base through our corporate customers.

We intend to strengthen and expand our cooperation with corporate customers, particularly in the area of AI-powered solutions. We also plan to leverage the same model in implementing our global strategy — expanding our services worldwide by partnering with and empowering various players. Our business and revenue growth depend on the successful execution of these strategies.

Our Ability to Improve Operating Capabilities

Our ability to improve financial performance is dependent on whether we can enhance operating capabilities, especially through the utilization of AI applications. We believe our competitiveness is underpinned by our strong technological capabilities in the areas of big data analytics and AI applications. We have accumulated a wealth of diverse travel data and developed sophisticated algorithms with over a decade of industry experience. Building on this strong foundation, we have applied AI into the travel and mobility sectors, which not only diversifies our offerings and functionalities but also optimizes our business operations. We have introduced AI-powered customer service robots and assistive tools to improve our service quality and efficiency, and leveraged generative AI to automate our marketing efforts. As we further grow our business scale and optimize our business operations through AI application, we expect to achieve greater operational efficiency.

Our Ability to Increase Brand Recognition

Our ability to increase our brand recognition and maintain our market position is critical for us to build and maintain relationships with our users and business partners. We have invested substantial resources in sales and marketing. Our marketing efforts are focused on increasing brand awareness, attracting new users, and enhancing user loyalty. Our selling and marketing expenses amounted to RMB94.5 million, RMB44.1 million, RMB115.9 million and RMB62.6 million in 2021, 2022, 2023 and the six months ended June 30, 2024, respectively, representing 27.5%, 15.7%, 23.1% and 22.3% of our total revenue in the same periods, respectively.

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Facing fierce competition, we anticipate continuing our substantial investments in selling and marketing efforts to drive user acquisition and revenue growth. By integrating generative AI into our marketing workflows, we have already seen promising initial results, with notable improvements in efficiency and quality. We plan to further invest in AI applications in this domain. These investments may increase our expenses in selling and marketing, as well as research and development in the foreseeable future, which could impact our operating margin.

Our Ability to Successfully Expand New Businesses

Currently, we offer several travel products and services covering international air routes, overseas airports and destinations outside China. We also provide real-time information for international flights. As of June 30, 2024, our services spanned across over 5,000 airports located in over 220 countries and regions and covered over 57,000 international air routes.

We plan to further expand our global footprints to capture the great potential in global markets. We intend to partner with overseas travel service providers by equipping them with advanced technologies and AI tools in exchange for their existing user bases and insights on local travel markets. We also plan to develop multi-language versions of our offerings with the support of AI technology, catering to the needs of travelers with different origins. We will continue to develop AI-powered new features and functionalities to meet the demands of international travelers and expand our international corporate user base. Our global expansion initiatives may require us to devote significant financial and managerial resources, resulting in additional expenses in the foreseeable future. Additionally, our global expansion may not perform as expected due to a variety of factors beyond our control, and cause us to adjust strategies from time to time. Our ability to successfully implement the global expansion strategies will affect our overall results of operations and financial condition.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our financial statements requires that we make judgments, estimates and assumptions that affect reported amounts of assets and liabilities, income and expenses, and related disclosure of contingent assets and liabilities. Actual results could be significantly different from these estimates. Our management continually evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations 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 the estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. We consider an accounting policy critical if it: (i) requires management to make judgments and estimates about matters that are inherently uncertain; and (ii) is important to an understanding of our financial condition and operating results. When reviewing our financial statements, you should consider (i) our selection of significant accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions.

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Set forth below are 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. See Notes 4, 6 and 39 to the Accountant's Report in Appendix IA to this document for a description of other significant accounting policies and critical accounting estimates and judgments.

Revenue Recognition

We recognize revenue when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if our performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as we perform; or
- does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the asset.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling price. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Incremental costs incurred to obtain a contract, if recoverable, are capitalized as contract assets and subsequently amortized when the related revenue is recognized.

We offer a variety of travel related services to our customers using different business models, which involves the assessment of revenue recognition on a gross or net basis, i.e. principal vs. agent assessment in different business models. We follow the accounting guidance for principal-agent considerations to assess whether we control the specified service before it is transferred to the end customer, the indicators of which include but not limited to (i) whether the entity is primarily responsible for fulfilling the promise to provide the specified service; (ii) whether the entity has inventory risk before the specified service has been transferred to a customer; and (iii) whether the entity has discretion in establishing the prices for the specified goods or service. We consider the above factors in totality, as none of the factors individually are considered presumptive or determinative and apply judgment when assessing the indicators depending on each different circumstance.

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Revenue from reservation of air tickets, train tickets and accommodation is recognized on a net basis. Revenue from ancillary value-added travel service packages, membership services, corporate travel management services, online ride hailing services, online marketing services as well as data and technology services is recognized on a gross basis, except that revenue from our provision of access to insurance services and online ride hailing services where we act as an agent is recognized on a net basis.

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 our combined financial statements. However, deferred income tax liabilities are not recognized 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Fair Value Measurement of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. We use our judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets at level 3 fair value hierarchy, see Note 3.3 to the Accountant’s Report included in Appendix IA.

Impairment of Trade Receivables and Other Receivables

We apply the simplified approach to provide for the expected credit loss (ECL) prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, we assess trade receivables on an individual basis or a collective basis where we group trade receivables based on their credit risk characteristics and aging. The expected loss rates are based on the corresponding historical credit losses. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of our customers to settle the receivables. We have identified the most relevant factors, including the consumer price index of the PRC, Monetary Product Research (M2) and fixed asset investment in which we sell our goods and services, and accordingly adjust the historical loss rates based on expected changes in these factors.

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Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with us. Impairment losses on trade receivables are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

We consider the probability of default upon initial recognition of the assets and whether there has been significant increase in credit risk on an ongoing basis for all other receivables throughout each reporting period. To assess whether there is a significant increase in credit risk, we compare 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. We also consider available reasonable and supportive forward-looking information. Particularly, we consider the following indicators, among others: (i) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors’ ability to meet its obligations; (ii) actual or expected significant changes in the operating results of the debtors; (iii) significant increases in credit risk on other financial instruments of the same debtors; (iv) significant changes in the expected performance and behavior of the debtors, including changes in the payment status of debtors; or (v) external credit rating.

To measure the ECL, other receivables have been grouped based on shared credit risk characteristics. We also made individual assessment on the recoverability of other receivables for certain customer. Over the term of the financial assets, we account for its credit risk by appropriately providing for expected credit losses on a timely basis. We apply a three-stage general approach ECL model for other receivables. We assess whether their credit risk has increased significantly since their initial recognition and applies a three-stage impairment model to calculate their impairment allowance and recognize their ECL.

For details, see Note 3.1.2 to the Accountant’s Report included in Appendix IA to this document.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth a summary of our combined income statements with line items in absolute amount and as a percentage of our total revenue for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Revenue	343,640	100.0	280,117	100.0	501,622	100.0	229,590	100.0	281,416	100.0
Cost of sales	<u>(172,537)</u>	<u>(50.2)</u>	<u>(148,114)</u>	<u>(52.9)</u>	<u>(216,611)</u>	<u>(43.2)</u>	<u>(97,708)</u>	<u>(42.6)</u>	<u>(116,389)</u>	<u>(41.4)</u>
Gross profit	171,103	49.8	132,003	47.1	285,011	56.8	131,882	57.4	165,027	58.6

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	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Selling and marketing expenses	(94,513)	(27.5)	(44,098)	(15.7)	(115,861)	(23.1)	(45,550)	(19.8)	(62,649)	(22.3)
General and administrative expenses	(287,859)	(83.8)	(27,797)	(9.9)	(39,077)	(7.8)	(13,723)	(6)	(27,184)	(9.7)
Research and development expenses	(144,448)	(42.0)	(59,202)	(21.1)	(71,313)	(14.2)	(32,112)	(14.0)	(37,921)	(13.5)
Net impairment losses on financial assets	(13,030)	(3.8)	(10,632)	(3.8)	(1,634)	(0.3)	(5,555)	(2.4)	(664)	(0.2)
Other income	11,531	3.4	6,927	2.5	5,888	1.2	2,447	1.1	884	0.3
Other losses, net	(588)	(0.2)	(1,675)	(0.6)	(3,140)	(0.6)	(2,902)	(1.3)	(2,446)	(0.9)
Operating (loss)/profit	(357,804)	(104.1)	(4,474)	(1.6)	59,874	11.9	34,487	15.0	35,047	12.5
Finance income	1,610	0.5	1,670	0.6	1,320	0.3	893	0.4	343	0.1
Finance costs	(1,732)	(0.5)	(1,736)	(0.6)	(931)	(0.2)	(357)	(0.2)	(684)	(0.2)
Finance (costs)/income, net	(122)	(0.0)	(66)	(0.0)	389	0.1	536	0.2	(341)	(0.1)
Share of net loss of an associate accounted for using the equity method	(1,336)	(0.4)	-	-	-	-	-	-	-	-
(Loss)/profit before income tax	(359,262)	(104.5)	(4,540)	(1.6)	60,263	12	35,023	15.3	34,706	12.3
Income tax	1,721	0.5	3,782	1.4	(954)	(0.2)	(3,004)	(1.3)	(2,994)	(1.1)
(Loss)/profit for the year/period	(357,541)	(104.0)	(758)	(0.3)	59,309	11.8	32,019	13.9	31,712	11.3
(Loss)/profit attributable to:										
Owners of our Company	(337,569)	(98.2)	1,824	0.7	55,570	11.1	30,790	13.4	28,946	10.3
Non-controlling interests	(19,972)	(5.8)	(2,582)	(0.9)	3,739	0.7	1,229	0.5	2,766	1.0
	<u>(357,541)</u>	<u>(104.0)</u>	<u>(758)</u>	<u>(0.3)</u>	<u>59,309</u>	<u>11.8</u>	<u>32,019</u>	<u>13.9</u>	<u>31,712</u>	<u>11.3</u>

Revenue

During the Track Record Period, we generated revenue mainly from travel related services, including transportation ticketing, corporate travel management, online ride hailing, accommodation reservation, and other travel related services. We also generated revenue from online marketing services as well as data and technology services. We generated substantially all of our revenue from the PRC during the Track Record Period, reflecting both domestic and international travel demands of Chinese customers. The following table sets forth a breakdown of our revenue in both absolute amount and as a percentage of total revenue for the periods indicated.

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	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Travel related services	285,999	83.2	240,501	85.9	442,142	88.1	206,473	89.9	251,836	89.5
Online marketing services	40,110	11.7	21,266	7.6	40,998	8.2	16,988	7.4	19,712	7.0
Data and technology services	17,531	5.1	18,350	6.6	18,482	3.7	6,129	2.7	9,868	3.5
Total revenue	<u>343,640</u>	<u>100.0</u>	<u>280,117</u>	<u>100.0</u>	<u>501,622</u>	<u>100.0</u>	<u>229,590</u>	<u>100.0</u>	<u>281,416</u>	<u>100.0</u>

Travel Related Services

The following table sets forth a breakdown of our revenue generated from travel related services in absolute amount and as a percentage of total revenue for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Transportation ticketing services	244,866	71.3	175,479	62.6	343,842	68.5	168,381	73.3	205,765	73.1
Corporate travel management services	22,377	6.5	56,744	20.3	83,785	16.7	31,068	13.5	38,208	13.6
Online ride hailing services	11,384	3.3	3,876	1.4	7,991	1.6	4,038	1.8	2,982	1.1
Accommodation reservation services and others ⁽¹⁾	7,372	2.1	4,402	1.6	6,524	1.3	2,986	1.3	4,881	1.7
Total revenue from travel related services	<u>285,999</u>	<u>83.2</u>	<u>240,501</u>	<u>85.9</u>	<u>442,142</u>	<u>88.1</u>	<u>206,473</u>	<u>89.9</u>	<u>251,836</u>	<u>89.5</u>

Note:

(1) Others consist primarily of sales of coupons, vouchers and in-destination tickets.

Transportation ticketing services. Transportation ticketing services primarily consist of the reservation of air tickets and train tickets, ancillary value-added travel service packages and membership services. We present our revenue from ticket reservation on a net basis as our suppliers are primarily responsible for providing the underlying travel services, which are out of our control.

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Corporate travel management services. We provide corporate clients with end-to-end management services for meetings, incentive trips, conferences, exhibitions and other corporate travel needs, ranging from strategic planning, venue selection, travel arrangements, on-site coordination, to post-event analysis. We typically charge a packaged fee from our corporate clients. We present revenue from corporate travel management services on a gross basis since we provide end-to-end services, responsible for the entire travel management process from planning to implementation.

Online ride hailing services. On our platforms, we provide a variety of ride hailing services that seamlessly integrate with our transportation ticketing services, ensuring a smooth multimodal travel experience. We generate revenue from online ride hailing services by (i) charging service fees for the rides and relevant services we provide to riders where we act as the principal, and (ii) receiving commissions as a percentage of the value of each ride hailing order where we act as an agent to arrange other ride hailing operators to serve riders.

Accommodation reservation services. We allow users to make accommodation reservation through our platforms, and mainly generate revenue from the commissions we receive for our intermediating services.

Online Marketing Services

Leveraging the vast user base and high user traffic on our platforms, we offer online marketing services to a diverse range of customers through our online platforms. Customers of our online marketing services can place their marketing campaigns as text or images with different exposure times on our online platforms. The marketing campaigns placed on our platforms can be display-based or performance-based. The fees charged for display-based marketing campaigns are primarily determined by cost-per-time, where the fees are determined on the basis of time and duration of the placed campaigns. The fees charged for performance-based marketing campaigns are primarily determined by (i) cost-per-mille, where the fees are determined on the basis of thousand impressions, (ii) cost-per-action, where the fees are determined on the basis of each action of users as a result of marketing campaigns, such as a download, installation or registration, (iii) cost-per-click, where the fees are determined on the basis of clicks of the marketing campaigns, or (iv) cost-per-sale, where the fees are determined on the basis of increased sale amount as the result of marketing campaigns.

Data and Technology Services

We provide sophisticated travel related data and technology services to our business partners and other enterprises. We offer air, air cargo and other travel data services to corporate customers such as online travel platforms, logistics service providers and airlines, where we authorize their access to and use of our data and provide a rich toolkit to optimize their services and facilitate their decision-making. We generate revenue from data services primarily by (i) charging subscription fees based on the services customers subscribe to; or (ii) charging service fees based on the amount of data used by customers during the contract period.

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We also provide software system development services tailored to customer demands. Leveraging our data analytics and AI capabilities, we develop software systems that advance digital transformation for businesses and provide necessary maintenance and upgrade services to customers. We generate revenue from travel related service system development services primarily by charging service fees determined on a project-by-project basis, considering human resources required, the project duration and the complexity of system design.

Cost of Sales

Our cost of sales consists primarily of (i) cost of service providers, (ii) order processing costs, (iii) employee salary and benefits, (iv) cost of data, and (v) bandwidth and servers fee.

Cost of service providers consists mainly of payments to (i) suppliers of travel products and services for our corporate travel management services, such as public transportation, car services, hotel, venues and tour guides, (ii) third-party vehicle providers and drivers in relation to our online ride hailing services where we act as the principal, and (iii) fees paid to train ticket providers in relation to our value-added train ticketing services. Order processing cost consists primarily of processing fees charged by banks and third-party online payment platforms for processing the orders placed by users on our platforms. Employee salary and benefits consist of salaries, bonuses, social insurance, share-based compensation and other benefits for our employees related to user and TSP support. Cost of data consists primarily of (i) licensing fees paid for data sourced from upstream data suppliers, and (ii) implementation cost for data services. Bandwidth and servers fee represents the fees paid to our suppliers of cloud storage and server rental services.

The following table sets forth a breakdown of our cost of sales by nature in absolute amount and as a percentage of our revenue for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>									
	<i>(unaudited)</i>									
Cost of service providers	54,793	15.9	67,038	23.9	102,608	20.5	43,457	18.9	56,072	19.9
Order processing cost	43,188	12.6	23,209	8.3	52,719	10.5	25,397	11.1	26,564	9.4
Employee salary and benefits	23,642	6.9	21,638	7.7	19,930	4.0	9,127	4.0	11,366	4.0
Cost of data	21,126	6.1	14,919	5.3	14,876	3.0	8,220	3.6	9,471	3.4
Bandwidth and servers fee	15,576	4.5	11,540	4.1	13,652	2.7	5,487	2.4	7,718	2.7
Others ⁽¹⁾	14,212	4.1	9,770	3.5	12,826	2.6	6,020	2.6	5,198	1.8
Total cost of sales	<u>172,537</u>	<u>50.2</u>	<u>148,114</u>	<u>52.9</u>	<u>216,611</u>	<u>43.2</u>	<u>97,708</u>	<u>42.6</u>	<u>116,389</u>	<u>41.4</u>

Note:

(1) Consist primarily of telephone and communication expenses, itinerary printing and mailing costs and depreciation and amortization.

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Gross Profit and Gross Profit Margin

In 2021, 2022 and 2023, our gross profit was RMB171.1 million, RMB132.0 million and RMB285.0 million, respectively, and our gross profit margin (expressed as a percentage of the revenue) was 49.8%, 47.1%, and 56.8%, respectively. For the six months ended June 30, 2023 and 2024, our gross profit was RMB131.9 million and RMB165.0 million, respectively, and our gross profit margin (expressed as a percentage of the revenue) was 57.4% and 58.6%, respectively.

Selling and Marketing Expenses

Our selling and marketing expenses consist primarily of (i) marketing and promotion expenses and (ii) employee benefits expenses. Marketing and promotion expenses consist primarily of expenses incurred for (i) our marketing campaigns placed across major mobile application stores to promote our mobile applications, (ii) offline branding activities and online marketing campaigns on major high-traffic platforms, and (iii) promotional benefits to users, such as discounts and coupons. Employee benefits expenses consist of salaries, bonuses, social insurance, share-based compensation and other benefits for our sales and marketing personnel.

The following table sets forth a breakdown of our selling and marketing expenses by nature in absolute amount and as a percentage of our revenue for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Marketing and promotion expenses	22,992	6.7	11,138	4.0	76,575	15.3	28,481	12.4	41,235	14.7
Employee benefits expenses ⁽¹⁾	62,201	18.1	26,142	9.3	28,823	5.7	12,843	5.6	15,194	5.4
Others ⁽²⁾	9,320	2.7	6,818	2.4	10,463	2.1	4,226	1.8	6,220	2.2
Total	94,513	27.5	44,098	15.7	115,861	23.1	45,550	19.8	62,649	22.3

Notes:

- (1) Include share-based compensation expenses of RMB33.3 million in 2021.
- (2) Consist of traveling expenses, depreciation and amortization and other miscellaneous expenses.

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General and Administrative Expenses

Our general and administrative expenses consist primarily of (i) employee benefits expenses, (ii) [REDACTED], and (iii) professional services fees. Employee benefits expenses consist primarily of salaries, bonuses, social insurance, share-based compensation and other benefits for our administrative and management personnel. [REDACTED] primarily consist of professional fees associated with the [REDACTED] and the [REDACTED]. Professional services fees consist primarily of costs associated with third-party professional and consulting services, such as legal services, audit, tax consulting and valuation services.

The following table sets forth a breakdown of our general and administrative expenses by nature in absolute amount and as a percentage of our revenue for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Employee benefits expenses ⁽¹⁾	273,182	79.5	16,878	6.0	19,498	3.9	8,193	3.6	10,133	3.6
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Professional services fees	4,192	1.2	2,119	0.8	4,126	0.8	598	0.3	3,596	1.3
Others ⁽²⁾	10,485	3.1	8,800	3.1	13,345	2.7	4,932	2.1	6,567	2.3
Total	<u>287,859</u>	<u>83.8</u>	<u>27,797</u>	<u>9.9</u>	<u>39,077</u>	<u>7.8</u>	<u>13,723</u>	<u>6.0</u>	<u>27,184</u>	<u>9.7</u>

Notes:

- (1) Include share-based compensation expenses of RMB255.4 million, RMB33 thousand, RMB88 thousand, RMB48 thousand and RMB0.1 million in 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024, respectively.
- (2) Consist of office expenses, depreciation and amortization, travel expenses, tax and surcharges and other miscellaneous expenses.

Research and Development Expenses

Our research and development expenses consist primarily of employee benefits expenses, including salaries, bonuses, social insurance, share-based compensation and other benefits for our research and development personnel.

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The following table sets forth a breakdown of our research and development expenses by nature in absolute amount and as a percentage of our revenue for the periods indicated.

	Year Ended December 31,						Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(in thousands, except for percentages)</i>						<i>(unaudited)</i>			
Employee benefits expenses ⁽¹⁾	138,466	40.3	52,799	18.8	65,462	13.1	29,001	12.6	35,851	12.7
Others ⁽²⁾	5,982	1.7	6,403	2.3	5,851	1.2	3,111	1.4	2,070	0.7
Total	<u>144,448</u>	<u>42.0</u>	<u>59,202</u>	<u>21.1</u>	<u>71,313</u>	<u>14.2</u>	<u>32,112</u>	<u>14.0</u>	<u>37,921</u>	<u>13.5</u>

Notes:

- (1) Include share-based compensation expenses of RMB80.5 million, RMB55 thousand, RMB0.1 million, RMB79 thousand and RMB0.2 million in 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024, respectively.
- (2) Consist of depreciation, rental and utility expenses and other miscellaneous fees.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets are primarily related to the credit risk of our trade receivables and other receivables. For more details, see “— Discussion of Selected Items from the Combined Statements of Financial Position — Assets.” In 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024, our net impairment losses on financial assets amounted to RMB13.0 million, RMB10.6 million, RMB1.6 million, RMB5.6 million and RMB0.7 million, respectively.

Other Income

Our other income consists primarily of government grants and tax additional deduction. Government grants mainly represent the subsidies granted by the local governments to support our research and development. There were no unfulfilled conditions or contingencies attached to these government grants during the Track Record Period. The tax additional deduction relates to the additional input VAT credit we were entitled to during the Track Record Period. According to the applicable PRC laws and regulations, taxpayers in postal service, telecommunication service and modern service industries are entitled to an additional 10%, 10% and 5% input VAT super-credit against their VAT payable in 2021, 2022 and 2023, respectively, and for taxpayers in consumer service industry, 15%, 15% and 10% in the same periods, respectively. Since January 1, 2024, there has been no such additional VAT super-credit available to taxpayers in China.

FINANCIAL INFORMATION

In 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, our other income was RMB11.5 million, RMB6.9 million, RMB5.9 million, RMB2.4 million and RMB0.9 million, respectively.

Other Losses, Net

Our other gains or losses consist primarily of gains or losses on financial assets at fair value through profit or loss in relation to our investments in equity securities, debt, and wealth management products. For more details, see “— Discussion of Selected Items from the Combined Statements of Financial Position — Assets — Financial Assets at Fair Value Through Profit or Loss.” We recorded net other losses of RMB0.6 million, RMB1.7 million, RMB3.1 million, RMB2.9 million and RMB2.4 million in 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024, respectively.

Finance Costs or Income, Net

Our finance income consists of interest income from financial assets held for cash management purposes, while our finance costs comprise interest expenses on bank borrowings and lease liabilities. We had net finance costs of RMB0.1 million in both 2021 and 2022, respectively, and net finance income of RMB0.4 million in 2023. We had net finance income of RMB0.5 million in the six months ended June 30, 2023 and net finance costs of RMB0.3 million in the six months ended June 30, 2024.

Share of Net Loss of an Associate Accounted for Using the Equity Method

Our share of net loss of an associate accounted for using the equity method is primarily related to our equity investment in an associate of our Group, Huoli Selection, an online e-commerce platform operator. We have a 30% equity interest in Huoli Selection and can exercise a significant influence on its business operations. In 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, our share of net loss of an associate accounted for using the equity method was RMB1.3 million, nil, nil, nil, and nil, respectively.

Income Tax

We had an income tax credit of RMB1.7 million and RMB3.8 million in 2021 and 2022, respectively, and an income tax expense of RMB1.0 million, RMB3.0 million and RMB3.0 million in 2023 and the six months ended June 30, 2023 and 2024, respectively.

Cayman Islands and British Virgin Islands

Under the current laws of the Cayman Islands and British Virgin Islands, entities incorporated in the Cayman Islands and British Virgin Islands are not subject to tax on income or capital gain. In addition, the Cayman Islands and British Virgin Islands do not impose a withholding tax on payments of dividend to shareholders.

FINANCIAL INFORMATION

Hong Kong

Hong Kong income tax rate is 16.5%. No provision for Hong Kong profits tax was made as we did not have any assessable income subject to Hong Kong profits tax during the Track Record Period.

PRC

Our income tax provision in respect of operations in mainland China was calculated at tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretations and practices in respect thereof.

Under the EIT Law, which came into effect on January 1, 2008, the “high and new technology enterprise” (the “HNTE”) status of qualifying entities is valid for three years and qualifying entities can re-apply for an additional three years provided their business operations continue to qualify for the new HNTE status. During the Track Record Period, Huoli Tianhui was qualified as a HNTE and entitled to a preferential tax rate of 15%.

Further, according to the relevant laws and regulations promulgated by the State Council, since October 1, 2022, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits, as compared to 175% before. We have made our best estimate of the tax deductibles to be claimed by our entities in ascertaining their assessable profits during the Track Record Period. For risks relating to our preferential tax treatments, see “Risk Factors — Risks Relating to Our Business and Industry — Failure to obtain any preferential tax treatments, or the discontinuation, reduction or delay of any of the preferential tax treatments that may be available to us in the future, could materially and adversely affect our business, financial condition and results of operations.”

During the Track Record Period and up to the Latest Practicable Date, we had no disputes or unresolved tax issues with relevant tax authorities.

Non-HKFRS Measure

To supplement our combined financial statements which are presented under HKFRS, we also use adjusted net profit (non-HKFRS measure) as an additional financial measure, which is not required by or presented in accordance with HKFRS. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impact of certain items, thereby providing useful information to [REDACTED] in understanding and evaluating our combined results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-HKFRS measure has limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under HKFRS.

FINANCIAL INFORMATION

We define adjusted net profit (non-HKFRS measure) as profit or loss for the period adjusted for (i) share-based compensation expenses and (ii) [REDACTED]. Share-based compensation expenses consist of non-cash expenses arising from granting share options to eligible individuals under the Share Incentive Plan. [REDACTED] primarily consist of professional fees associated with the [REDACTED] and the [REDACTED]. These fees are outside our ordinary course of business and are not anticipated to recur after the [REDACTED].

We believe that these items should be adjusted for when calculating our adjusted net profit (non-HKFRS measure) in order to provide potential [REDACTED] with a complete and fair understanding of our operating results, especially in making period-to-period comparisons of, and assessing the profile of, our operating and financial performance, and making comparisons with other comparable companies with similar business operations.

The following table reconciles our adjusted net profit/loss (non-HKFRS measure) for the periods presented to the most directly comparable financial measure calculated and presented under HKFRS.

	For the Year Ended December 31,			Six Months Ended June 30,	
	2021	2022	2023	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
(Loss)/profit	<u>(357,541)</u>	<u>(758)</u>	<u>59,309</u>	<u>32,019</u>	<u>31,712</u>
Adjusted for:					
Share-based compensation expenses .	371,076	88	225	127	392
[REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Non-HKFRS measure:					
Adjusted net profit/(loss)	<u>13,535</u>	<u>(670)</u>	<u>61,642</u>	<u>32,146</u>	<u>38,992</u>

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Revenue

Our revenue increased by 22.6% from RMB229.6 million in the six months ended June 30, 2023 to RMB281.4 million in the six months ended June 30, 2024, primarily due to an increase in the revenue from travel related services.

FINANCIAL INFORMATION

Travel Related Services

Revenue from travel related services increased by 21.9% from RMB206.5 million in the six months ended June 30, 2023 to RMB251.8 million in the six months ended June 30, 2024, primarily due to an increase in revenue generated from transportation ticketing services and corporate travel management services.

With the significant recovery of the travel industry in China since 2023, local government authorities have continued to invest in tourism promotion and introduce supportive policies to attract more travelers, driving the growth in travel demand. In line with the overall prosperity of the travel industry in China, we increased our investments in sales and promotions to promote our mobile applications across major mobile application stores and conduct marketing campaigns on leading social media platforms in China, leading to increased downloads of our mobile applications and more users attracted to our platforms. As a result, the number of paying users on our platforms increased from 3.5 million in the six months ended June 30, 2023 to 6.2 million in the six months ended June 30, 2024. The number of air and train tickets sold by us increased by 24.2% from approximately 49.6 million in the six months ended June 30, 2023 to approximately 61.5 million in the six months ended June 30, 2024, driving an increase in the GMV of transportation ticketing services from RMB13.1 billion in the six months ended June 30, 2023 to RMB17.0 billion in the six months ended June 30, 2024. Consequently, revenue generated from transportation ticketing services increased by 22.2% from RMB168.4 million in the six months ended June 30, 2023 to RMB205.8 million in the six months ended June 30, 2024.

Revenue generated from corporate travel management services increased by 22.8% from RMB31.1 million in the six months ended June 30, 2023 to RMB38.2 million in the six months ended June 30, 2024, primarily driven by an increase in the number of high-value orders of our corporate travel management services.

Online Marketing Services

Our revenue from online marketing services increased by 15.9% from RMB17.0 million in the six months ended June 30, 2023 to RMB19.7 million in the six months ended June 30, 2024. The increase was primarily driven by the growth of our user base, making our platforms more attractive for customers. The average MAUs on our platforms increased from approximately 6.8 million in the six months ended June 30, 2023 to approximately 7.1 million in the six months ended June 30, 2024.

Data and Technology Services

Our revenue from data and technology services increased by 62.3% from RMB6.1 million in the six months ended June 30, 2023 to RMB9.9 million in the six months ended June 30, 2024, primarily due to a new mandate from a customer in the telecommunication industry.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales increased by 19.1% from RMB97.7 million in the six months ended June 30, 2023 to RMB116.4 million in the six months ended June 30, 2024, primarily due to increases in cost of service providers and employee salary and benefits.

- Cost of service providers increased by 29.0% from RMB43.5 million in the six months ended June 30, 2023 to RMB56.1 million in the six months ended June 30, 2024, which was primarily due to increases in costs related to corporate travel management services, value-added train ticketing services, and online marketing services.
- Employee salary and benefits increased by 25.3% from RMB9.1 million from in the six months ended June 30, 2023 to RMB11.4 million in the six months ended June 30, 2024, driven by the expansion of our customer support and operations maintenance teams, in line with our business growth, as well as an increase in average salaries and bonuses for relevant personnel.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased from RMB131.9 million in the six months ended June 30, 2023 to RMB165.0 million in the six months ended June 30, 2024. Our gross profit margin improved from 57.4% in the six months ended June 30, 2023 to 58.6% in the six months ended June 30, 2024, primarily because the growth in revenue generated from travel related services outpaced the increase in cost of sales.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 37.3% from RMB45.6 million in the six months ended June 30, 2023 to RMB62.6 million in the six months ended June 30, 2024, mainly because we increased our investments in sales and promotions to promote our mobile applications and attract more users to our platforms.

General and Administrative Expenses

Our general and administrative expenses increased by 98.5% from RMB13.7 million in the six months ended June 30, 2023 to RMB27.2 million in the six months ended June 30, 2024, primarily due to (i) the [REDACTED] of RMB[REDACTED] million newly incurred in the first half of 2024 in connection with the [REDACTED], (ii) an increase of RMB3.0 million in professional services fees in relation to the increased consulting services provided in the ordinary course of our business, and (iii) an increase of RMB1.9 million in employee benefits expenses as we raised the average salaries and bonuses of personnel involved in administrative functions.

FINANCIAL INFORMATION

Research and Development Expenses

Our research and development expenses increased by 18.1% from RMB32.1 million in the six months ended June 30, 2023 to RMB37.9 million in the six months ended June 30, 2024, primarily due to an increase of RMB6.7 million in employee benefits expenses mainly attributable to the expansion of our research and development team and the increase in the average salaries and bonuses of our research and development personnel.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased from RMB5.6 million in the six months ended June 30, 2023 to RMB0.7 million in the six months ended June 30, 2024, mainly due to improved collection of receivables from our customers in the first half of 2024.

Other Income

Our other income decreased from RMB2.4 million in the six months ended June 30, 2023 to RMB0.9 million in the six months ended June 30, 2024, primarily due to a decrease in tax additional deduction as the additional input VAT credit policy was no longer available since 2024.

Other Losses, Net

Our net other losses remained relatively stable at RMB2.4 million in the six months ended June 30, 2024, as compared to RMB2.9 million in the six months ended June 30, 2023.

Finance Costs or Income, Net

We had net finance costs of RMB0.3 million in the six months ended June 30, 2024, as compared to net finance income of RMB0.5 million in the six months ended June 30, 2023, primarily due to (i) decreased interest income from bank deposits mainly attributable to our decreased bank deposits, (ii) increased interest expenses on lease liabilities in relation to our increased lease liabilities, and (iii) increased interest expenses on bank borrowings resulting from our increased bank borrowings in 2024.

Income Tax Expense

Our income tax expense remained stable at RMB3.0 million in the six months ended June 30, 2023 and 2024, respectively.

Profit for the Period

As a result of the foregoing, our profit for the period decreased slightly from RMB32.0 million in the six months ended June 30, 2023 to RMB31.7 million in the six months ended June 30, 2024.

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Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

Our revenue increased by 79.1% from RMB280.1 million in 2022 to RMB501.6 million in 2023, primarily due to an increase in the revenue from travel related services and, to a lesser extent, an increase in the revenue from online marketing services.

Travel Related Services

Revenue from travel related services increased by 83.8% from RMB240.5 million in 2022 to RMB442.1 million in 2023, primarily due to an increase in revenue generated from transportation ticketing services and corporate travel management services.

In 2023, business activities and travel demand have experienced a significant recovery, leading to increased transactions completed on our platforms. The number of paying users on our platforms increased significantly from 4.3 million in 2022 to 8.8 million in 2023. The number of air and train tickets sold by us increased significantly from approximately 50.4 million in 2022 to approximately 111.4 million in 2023, driving a significant increase in the GMV of transportation ticketing services from RMB13.8 billion in 2022 to RMB30.6 billion in 2023. Consequently, revenue generated from transportation ticketing services increased by 95.9% from RMB175.5 million in 2022 to RMB343.8 million in 2023.

Furthermore, there was a significant rebound in the demand for corporate travels in 2023, leading to an increase in the number of orders from customers of our corporate travel management services. As a result, revenue generated from corporate travel management services increased by 47.8% from RMB56.7 million in 2022 to RMB83.8 million in 2023.

Online Marketing Services

Our revenue from online marketing services increased by 92.5% from RMB21.3 million in 2022 to RMB41.0 million in 2023, primarily due to the increased marketing campaign placements by corporate customers on our platforms. This increase was driven by a rebound in users' travel demand and frequency, leading to heightened engagement on our platforms, making us an attractive platform for corporate customers. The average MAUs on our platforms increased from approximately 4.8 million in 2022 to approximately 7.0 million in 2023.

Data and Technology Services

Our revenue from data and technology services remained relatively stable at RMB18.4 million and RMB18.5 million in 2022 and 2023, respectively.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales increased by 46.3% from RMB148.1 million in 2022 to RMB216.6 million in 2023, primarily due to increases in cost of service providers and order processing cost.

- Cost of service providers increased by 53.1% from RMB67.0 million in 2022 to RMB102.6 million in 2023, which was driven by our revenue growth, reflecting the significant recovery of our business after the COVID-19 pandemic.
- Order processing cost increased significantly from RMB23.2 million in 2022 to RMB52.7 million in 2023, primarily due to the increased number of orders completed on our platforms.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased significantly from RMB132.0 million in 2022 to RMB285.0 million in 2023. Benefiting from economies of scale and a rebound from the impact of the COVID-19 pandemic, our revenue growth outpaced the increase in our cost of sales. As a result, our gross profit margin improved from 47.1% in 2022 to 56.8% in 2023.

Selling and Marketing Expenses

Our selling and marketing expenses increased significantly from RMB44.1 million in 2022 to RMB115.9 million in 2023, primarily due to an increase of RMB65.4 million in marketing and promotion expenses as a result of our increased investments in sales and promotions in 2023 to promote our mobile applications and attract more users to our platforms.

General and Administrative Expenses

Our general and administrative expenses increased by 40.6% from RMB27.8 million in 2022 to RMB39.1 million in 2023, primarily due to (i) an increase of RMB2.6 million in employee benefits expenses mainly because we raised the average salaries and bonuses of personnel involved in administrative functions along with our revenue growth as part of our efforts to attract and retain talents; and (ii) the [REDACTED] of RMB[REDACTED] million newly incurred in 2023 in relation to the fees paid to professional parties engaged for the [REDACTED].

Research and Development Expenses

Our research and development expenses increased by 20.4% from RMB59.2 million in 2022 to RMB71.3 million in 2023, primarily due to an increase of RMB12.6 million in employee benefits expenses because we increased our investments in technology development in 2023 along with recovery of the travel industry and emergence of new technologies, including expanding our research and development team and raising the average salaries and bonuses of our research and development personnel.

FINANCIAL INFORMATION

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased from RMB10.6 million in 2022 to RMB1.6 million in 2023, primarily due to (i) improved collection of receivables from our customers in 2023 and (ii) the provisions made in 2022 for other receivables which based on our assessment were unlikely to be repaid or collected, while no additional provisions were made for such other receivables in 2023.

Other Income

Our other income decreased from RMB6.9 million in 2022 to RMB5.9 million in 2023, primarily due to (i) a decrease in government grants and (ii) a decrease in tax additional deduction as the additional input VAT super-credit we were entitled to was 15% in 2022 while declined to 10% in 2023.

Other Losses, Net

Our net other losses increased from RMB1.7 million in 2022 to RMB3.1 million in 2023, primarily due to the provisions made in relation to our outstanding social insurance and housing provident funds contributions in 2023.

Finance Costs or Income, Net

We recorded net finance income of RMB0.4 million in 2023, as compared to net finance costs of RMB0.1 million in 2022, primarily due to decreased interest expenses on bank borrowings resulting from the repayment of certain bank borrowings in 2023, partially offset by decreased interest income from bank deposits attributable to our decreased bank deposits in 2023.

Income Tax Credit or Expense

We recorded income tax expense of RMB1.0 million in 2023, as compared to income tax credit of RMB3.8 million in 2022, primarily due to (i) our profit before income tax as a result of our significant business growth in 2023, as compared to our loss before income tax in 2022; and (ii) a decrease in deferred tax asset recognized in 2023.

Profit or Loss for the Year

As a result of the foregoing, we recorded a profit for the year of RMB59.3 million in 2023, as compared to a loss for the year of RMB0.8 million in 2022.

FINANCIAL INFORMATION

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

Revenue

Our revenue decreased by 18.5% from RMB343.6 million in 2021 to RMB280.1 million in 2022, primarily due to a decrease in the revenue from travel related services and, to a lesser extent, a decrease in the revenue from online marketing services. Such decreases were partially offset by an increase in revenue from data and technology services.

Travel Related Services

Revenue from travel related services decreased by 15.9% from RMB286.0 million in 2021 to RMB240.5 million in 2022, primarily due to a decrease in revenue generated from transportation ticketing services, partially offset by an increase in revenue generated from corporate travel management services.

The COVID-19 pandemic caused a significant decline in travel demand and frequency in China, resulting in a significant decrease in transaction activities in 2022. The number of paying users on our platforms decreased by 33.2% from 6.5 million in 2021 to 4.3 million in 2022. The number of air and train tickets sold by us decreased by 45.8% from approximately 92.9 million in 2021 to approximately 50.4 million in 2022, and the GMV of transportation ticketing services decreased from RMB19.4 billion in 2021 to RMB13.8 billion in 2022. Consequently, revenue generated from transportation ticketing services decreased by 28.3% from RMB244.9 million in 2021 to RMB175.5 million in 2022.

Despite the adverse impact of the COVID-19 pandemic, we recorded a significant growth in revenue generated from corporate travel management services from RMB22.4 million in 2021 to RMB56.7 million in 2022, primarily due to our provision of corporate travel management services related to several major events, including the 2022 FIFA World Cup.

Online Marketing Services

Our revenue from online marketing services decreased by 46.9% from RMB40.1 million in 2021 to RMB21.3 million in 2022, primarily due to lower user usage and engagement on our platforms, as travel demand and frequency was significantly reduced during the COVID-19 pandemic. The average MAUs on our platforms decreased from approximately 7.0 million in 2021 to approximately 4.8 million in 2022.

Data and Technology Services

Our revenue from data and technology services increased by 5.1% from RMB17.5 million in 2021 to RMB18.4 million in 2022, primarily driven by two major new engagements related to our technology services in 2022.

FINANCIAL INFORMATION

Cost of Sales

Our cost of sales decreased by 14.1% from RMB172.5 million in 2021 to RMB148.1 million in 2022, primarily due to a decrease in order processing cost, partially offset by an increase in cost of service providers.

- Order processing cost decreased by 46.3% from RMB43.2 million in 2021 to RMB23.2 million in 2022, primarily due to the decreased number of orders completed on our platforms, as travel demand and frequency were significantly reduced during the COVID-19 pandemic.
- Cost of service providers increased by 22.3% from RMB54.8 million in 2021 to RMB67.0 million in 2022, primarily due to a significant increase in revenue from our corporate travel management services related to several major events in 2022, including the 2022 FIFA World Cup.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit decreased from RMB171.1 million in 2021 to RMB132.0 million in 2022. The decrease in revenue from 2021 to 2022, which was mainly attributable to reduced business activities as a result of the COVID-19 pandemic, outpaced the decrease in our cost of sales from 2021 to 2022, resulting in a decrease in our gross profit margin decreased from 49.8% in 2021 to 47.1% in 2022.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 53.3% from RMB94.5 million in 2021 to RMB44.1 million in 2022, primarily due to a decrease of RMB36.1 million in employee benefits expenses, mainly because we granted share incentives to selling and marketing personnel and incurred share-based compensation expenses of RMB33.3 million in 2021 while did not incur such expenses in 2022.

General and Administrative Expenses

Our general and administrative expenses decreased by 90.3% from RMB287.9 million in 2021 to RMB27.8 million in 2022, primarily due to (i) a decrease in employee benefits expenses, mainly because we granted share incentives to administrative personnel and incurred share-based compensation expenses of RMB255.4 million in 2021 while such expenses dropped to RMB33 thousand in 2022; and (ii) a decrease in professional service fees as a result of the impact of the COVID-19 pandemic.

FINANCIAL INFORMATION

Research and Development Expenses

Our research and development expenses decreased by 59.0% from RMB144.4 million in 2021 to RMB59.2 million in 2022, primarily due to a decrease in employee benefits expenses, because we granted share incentives to research and development personnel and incurred share-based compensation expenses of RMB80.5 million in 2021 while such expenses dropped to RMB55 thousand in 2022; and to a lesser extent, because of the reduced salaries and bonuses of our research and development personnel as a result of the adverse impact of the COVID-19 pandemic on our business operations in 2022.

Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased from RMB13.0 million in 2021 to RMB10.6 million in 2022, primarily in relation to the allowance for impairment we made for other receivables from certain related party.

Other Income

Our other income decreased from RMB11.5 million in 2021 to RMB6.9 million in 2022, primarily due to (i) a decrease in government grants and (ii) a decrease in tax additional deduction along with the decrease in our revenue.

Other Losses, Net

Our net other losses increased from RMB0.6 million in 2021 to RMB1.7 million in 2022, primarily due to the provisions made in relation to our outstanding social insurance and housing provident funds contributions.

Finance Costs, Net

Our finance costs remained stable at RMB0.1 million in both 2021 and 2022.

Share of Net Loss of an Associate Accounted for Using the Equity Method

We had share of net loss of an associate accounted for using the equity method of RMB1.3 million in 2021, primarily due to the share of losses we recorded from our equity investment in Huoli Selection. As our share of losses in previous years accounted for the amount of our total investment in Huoli Selection, we recorded no share of losses of such associate in 2022.

Income Tax

Our income tax credit increased from RMB1.7 million in 2021 to RMB3.8 million in 2022, primarily due to an increase in deferred income tax recognized in 2022.

Profit or Loss for the Year

As a result of the foregoing, our loss for the year decreased from RMB357.5 million in 2021 to RMB0.8 million in 2022.

FINANCIAL INFORMATION

DISCUSSION OF SELECTED ITEMS FROM THE COMBINED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our combined statements of financial position as of the dates indicated, which has been extracted from the Accountant’s Report included in Appendix IA to this document.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
ASSETS				
Non-current assets				
Property and equipment	1,532	924	1,172	1,772
Right-of-use assets	13,427	10,791	18,394	16,290
Intangible assets	1,222	747	1,225	1,015
Financial assets at fair value through profit or loss	3,100	3,350	3,572	–
Financial assets at fair value through other comprehensive income	–	–	20,000	20,094
Prepayments and other receivables	2,200	548	2,566	5,701
Deferred income tax assets	44,551	48,335	48,576	45,558
Total non-current assets	<u>66,032</u>	<u>64,695</u>	<u>95,505</u>	<u>90,430</u>
Current assets				
Trade receivables	47,032	65,912	87,747	66,413
Other receivables of travel related services	80,811	91,187	136,787	155,721
Prepayments and other receivables	24,355	37,067	38,064	30,542
Financial assets at fair value through profit or loss	40,058	14,465	23,932	9,638
Restricted cash	29,402	24,131	49,515	57,678
Cash and cash equivalents	287,708	284,063	268,544	481,405
Total current assets	<u>509,366</u>	<u>516,825</u>	<u>604,589</u>	<u>801,397</u>
Total assets	<u>575,398</u>	<u>581,520</u>	<u>700,094</u>	<u>891,827</u>

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	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
EQUITY				
Combined capital	389,393	389,393	389,393	389,405
Reserves	<u>(41,316)</u>	<u>(39,408)</u>	<u>16,353</u>	<u>45,707</u>
Equity attributable to				
owners of the Company . .	348,077	349,985	405,746	435,112
Non-controlling interest	<u>11,363</u>	<u>8,785</u>	<u>12,534</u>	<u>15,316</u>
Total equity	<u>359,440</u>	<u>358,770</u>	<u>418,280</u>	<u>450,428</u>
LIABILITIES				
Non-current liabilities				
Lease liabilities	<u>6,132</u>	<u>3,784</u>	<u>11,012</u>	<u>8,543</u>
Total non-current liabilities .	<u>6,132</u>	<u>3,784</u>	<u>11,012</u>	<u>8,543</u>
Current liabilities				
Contract liabilities	11,324	6,374	13,468	16,789
Trade payables	23,994	34,016	23,331	28,957
Other payables of travel related services	74,334	88,780	118,991	161,458
Other payables and accruals . .	65,315	74,373	91,251	210,288
Current tax liabilities	38	1,468	1,547	–
Borrowings	28,379	7,008	15,178	8,304
Lease liabilities	<u>6,442</u>	<u>6,947</u>	<u>7,036</u>	<u>7,060</u>
Total current liabilities	<u>209,826</u>	<u>218,966</u>	<u>270,802</u>	<u>432,856</u>
Total liabilities	<u>215,958</u>	<u>222,750</u>	<u>281,814</u>	<u>441,399</u>
Total equity and liabilities . .	<u>575,398</u>	<u>581,520</u>	<u>700,094</u>	<u>891,827</u>

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Assets

Trade Receivables

Our trade receivables represent the amounts due from our customers in our ordinary course of business. The following table sets forth our trade receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Trade receivables	49,644	71,129	92,644	69,870
Less: loss allowance	<u>(2,612)</u>	<u>(5,217)</u>	<u>(4,897)</u>	<u>(3,457)</u>
Trade receivables, net	<u>47,032</u>	<u>65,912</u>	<u>87,747</u>	<u>66,413</u>

Our net trade receivables increased from RMB47.0 million as of December 31, 2021 to RMB65.9 million as of December 31, 2022, primarily due to an increase in trade receivables from customers of our corporate travel management services in the fourth quarter of 2022, generally in line with the increase in revenue generated from such services from 2021 to 2022. Our net trade receivables increased from RMB65.9 million as of December 31, 2022 to RMB87.7 million as of December 31, 2023, primarily attributable to the overall growth of our business in 2023. Our net trade receivables decreased from RMB87.7 million as of December 31, 2023 to RMB66.4 million as of June 30, 2024, primarily due to the settlement of trade receivables from certain customers of our transportation ticketing services and corporate travel management services.

We typically grant an average credit period of one to three months to our customers. The following table sets forth our trade receivables turnover days for the periods indicated.

	Year Ended December 31,			Six Months Ended June 30,
	2021	2022	2023	2024
Trade receivables turnover days ⁽¹⁾ . . .	55	79	60	53

Note:

- (1) Trade receivables turnover days for each period equals the average of the beginning and ending balances of trade receivables (without giving effect to allowance we made for trade receivables) for that period divided by revenue for the period and multiplied by the number of days in that period.

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Our trade receivables turnover days increased from 55 days in 2021 to 79 days in 2022, primarily due to the adverse impact of the COVID-19 pandemic on our customers, which slowed their payments. Our trade receivables turnover days then decreased to 60 days in 2023 as our customers gradually recovered from the impact of the COVID-19 pandemic. Our trade receivables turnover days remained relatively stable at 53 days in the six months ended June 30, 2024.

The following table sets forth an aging analysis of our trade receivables, presented based on the invoice date.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Below 3 months	29,160	48,697	70,808	50,493
Between 3 and 6 months	11,000	10,060	13,472	9,202
Between 6 months and 1 year	6,953	5,023	6,162	6,244
Between 1 and 2 years	1,479	5,516	538	2,558
Over 2 years	1,052	1,833	1,664	1,373
	49,644	71,129	92,644	69,870

As of August 31, 2024, RMB33.5 million, representing 47.9% of our trade receivables as of June 30, 2024, were subsequently settled.

Other Receivables of Travel Related Services

Our other receivables of travel related services consist of (i) receivables from travel related services customers, the relevant revenue of which is recognized on a net basis and (ii) deposits for travel related services paid to TSPs. The following table sets forth the breakdown of other receivables of travel related services as of the dates indicated.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Receivables from travel related services customers.	47,933	41,464	75,346	67,389
Deposits for travel related services	33,873	51,106	63,661	89,990
Less: loss allowance	(995)	(1,383)	(2,220)	(1,658)
	80,811	91,187	136,787	155,721

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Our other receivables of travel related services increased from RMB80.8 million as of December 31, 2021 to RMB91.2 million as of December 31, 2022, primarily due to an increase in deposits for travel related services of RMB17.2 million in relation to advances we paid to the suppliers for our transportation ticketing and accommodation reservation services and other business partners. These advances are settled as payments to such suppliers if we make purchases with them in the future or refunded if the deposits remain unused upon the expiration of our agreements with such suppliers. We are entitled to withdraw unused deposits at any time. Such increase was partially offset by a decrease in receivables from travel related services customers of RMB6.5 million, primarily due to a decrease in the payments of ticketing fees we made on behalf of certain customers of transportation ticketing services, attributable to decreased travel demands as a result of the impact of the COVID-19 pandemic.

Our other receivables of travel related services further increased to RMB136.8 million as of December 31, 2023, primarily due to (i) an increase in receivables from travel related services customers of RMB33.9 million and (ii) an increase in deposits for travel related services of RMB12.6 million, both generally in line with the growth in our travel related services in 2023.

Our other receivables of travel related services increased from RMB136.8 million as of December 31, 2023 to RMB155.7 million as of June 30, 2024, primarily due to an increase in deposits for travel related services of RMB26.3 million in relation to the advances paid for train and air ticketing services. Such increase was partially offset by a decrease in receivables from travel related services customers of RMB8.0 million, attributable to the settlement of receivables with certain travel related services customers.

Prepayments and Other Receivables

The following table sets forth the breakdown of our prepayments and other receivables as of the dates indicated.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Prepayments to suppliers	6,074	14,104	8,712	11,629
Deferred [REDACTED].	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other tax recoverable	1,008	825	1,515	1,867
Others	527	776	4,013	3,088
Total non-financial assets . .	7,609	15,705	14,549	18,022

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	As of December 31,			As of
	2021	2022	2023	June 30,
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Cash in transit	9,473	10,982	11,716	13,350
Receivables from related parties	29,300	37,783	10,418	10,811
Others ⁽¹⁾	2,218	2,756	34,659	6,568
Less: loss allowance	<u>(22,045)</u>	<u>(29,611)</u>	<u>(30,712)</u>	<u>(12,508)</u>
Total financial assets	18,946	21,910	26,081	18,221
Less: non-current prepayments and other receivables	<u>(2,200)</u>	<u>(548)</u>	<u>(2,566)</u>	<u>(5,701)</u>
Total prepayments and other receivables	<u>24,355</u>	<u>37,067</u>	<u>38,064</u>	<u>30,542</u>

Note:

- (1) The balances as of December 31, 2023 and June 30, 2024 included, among others, receivables from an entity (“Entity A”) as of the respective dates. Entity A had been our related party during the Track Record Period until December 22, 2023. Entity A has ceased to be our related party since then. For details, see Note 36 to the Accountant’s Report included in Appendix IA to this document.

Our prepayments and other receivables increased from RMB24.4 million as of December 31, 2021 to RMB37.1 million as of December 31, 2022, primarily due to (i) an increase in receivables from related parties of RMB8.5 million in relation to the payments we made to ticketing service suppliers on behalf of Entity A in our ordinary course of business, which was still our related party at the end of 2022; and (ii) an increase in prepayments to suppliers of RMB8.0 million in relation to the prepayments to suppliers for our corporate travel management services.

Our prepayments and other receivables remained relatively stable at RMB38.1 million as of December 31, 2023, as compared to RMB37.1 million as of December 31, 2022.

Our prepayments and other receivables decreased from RMB38.1 million as of December 31, 2023 to RMB30.5 million as of June 30, 2024, primarily due to a decrease of RMB28.1 million attributable to the settlement of certain receivables from Entity A in the first half of 2024. Such decrease was partially offset by (i) a decrease in loss allowance of RMB18.2 million in relation to reversal of a portion of the impairment allowance mainly because we received partial payment for the outstanding receivables from Entity A in June 2024; and (ii) an increase in prepayments to suppliers of RMB2.9 million in relation to prepayments to suppliers for our corporate travel management services.

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Financial Assets at Fair Value Through Profit or Loss

Our financial assets at fair value through profit or loss consist of (i) investment in an unlisted entity, (ii) debt investment, (iii) investment in wealth management products and (iv) investments in listed entities. Our financial assets at fair value through profit or loss decreased from RMB40.1 million as of December 31, 2021 to RMB14.5 million as of December 31, 2022, primarily due to the redemption of our investment in wealth management products, partially offset by an increase in debt investment in relation to a third-party private company. Our financial assets at fair value through profit or loss increased from RMB14.5 million as of December 31, 2022 to RMB23.9 million as of December 31, 2023, primarily due to (i) our increased investment in wealth management products and (ii) an increase in debt investment in the aforementioned third-party company in 2023. Our financial assets at fair value through profit or loss decreased from RMB23.9 million as of December 31, 2023 to RMB9.6 million as of June 30, 2024, primarily due to (i) the full repayment of our investment amount by the aforementioned third-party company along with the termination of our debt investment in this company, and (ii) the full redemption of our investments in wealth management products.

Restricted Cash

Our restricted cash represents cash that cannot be withdrawn without the permission of third parties. In connection with our transportation ticketing services, we may be required by our business partners to pay deposits as guarantee for the issuance of transportation tickets and timely payment. Our restricted cash decreased from RMB29.4 million as of December 31, 2021 to RMB24.1 million as of December 31, 2022, primarily due to the decrease in the deposits required by business partners of our transportation ticketing services as a result of the impact of the COVID-19 pandemic. Our restricted cash increased from RMB24.1 million as of December 31, 2022 to RMB49.5 million as of December 31, 2023, primarily due to the increase in deposits required by our business partners of transportation ticketing services, generally in line with the overall growth of our business in 2023. Our restricted cash further increased to RMB57.7 million as of June 30, 2024, primarily due to the increased deposits required by another business partner of our transportation ticketing services.

Right-of-use Assets

Our right-of-use assets mainly comprise leased offices and employee dormitories.

Our right-of-use assets decreased from RMB13.4 million as of December 31, 2021 to RMB10.8 million as of December 31, 2022, primarily due to depreciation. Our right-of-use assets increased from RMB10.8 million as of December 31, 2022 to RMB18.4 million as of December 31, 2023, primarily due to renewal of the leases of certain offices in Shenzhen and Beijing. Our right-of-use assets decreased from RMB18.4 million as of December 31, 2023 to RMB16.3 million as of June 30, 2024, primarily due to depreciation.

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Financial Assets at Fair Value Through Other Comprehensive Income

Our financial assets at fair value through other comprehensive income represent our investment in a private company on which we have no significant influence. Our financial assets at fair value through other comprehensive income was nil and nil as of December 31, 2021 and 2022. Our financial assets at fair value through other comprehensive income increased to RMB20.0 million as of December 31, 2023, primarily due to our investment in this private company, which is a travel company with a rising boutique hotel brand popular among China’s younger generation. Our financial assets at fair value through other comprehensive income remained stable at RMB20.1 million as of June 30, 2024.

Liabilities

Contract Liabilities

Our contract liabilities primarily represent the advance payments from customers for services that have not yet been delivered to such customers. Our contract liabilities decreased from RMB11.3 million as of December 31, 2021 to RMB6.4 million as of December 31, 2022, primarily reflecting a decrease in our business activities as a result of the COVID-19 pandemic. Our contract liabilities increased from RMB6.4 million as of December 31, 2022 to RMB13.5 million as of December 31, 2023, primarily in relation to an increase in advance payments for the value-added services as well as membership fees driven by increased travel demand after the COVID-19 pandemic. Our contract liabilities increased from RMB13.5 million as of December 31, 2023 to RMB16.8 million as of June 30, 2024, primarily due to recognition of revenue in relation to the advance payments for the value-added services as well as membership fees along with our provision of such services in the first half of 2024.

Trade Payables

Our trade payables represent the amounts due to our suppliers in our ordinary course of business. Our trade payables increased from RMB24.0 million as of December 31, 2021 to RMB34.0 million as of December 31, 2022, primarily due to a slower payment cycle due to the impact of the COVID-19 pandemic. Our trade payables decreased from RMB34.0 million as of December 31, 2022 to RMB23.3 million as of December 31, 2023, primarily because we gradually recovered from the impact of the COVID-19 pandemic. Our trade payables increased from RMB23.3 million as of December 31, 2023 to RMB29.0 million as of June 30, 2024, primarily due to an increase in payables due to professional parties engaged for the [REDACTED] and an increase in payables due to marketing and promotion service providers.

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The following table sets forth our trade payables turnover days for the periods indicated.

	Year Ended December 31,			Six Months Ended June 30,
	2021	2022	2023	2024
Trade payables turnover days ⁽¹⁾ . . .	64	71	48	41

Note:

- (1) Trade payables turnover days for each period equals the average of the beginning and ending balances of trade payables for that period divided by cost of sales for the period and multiplied by the number of days in that period.

Our trade payables turnover days increased from 64 days in 2021 to 71 days in 2022, because we were granted longer credit terms by our suppliers due to the adverse impact of the COVID-19 pandemic. Our trade payables turnover days decreased to 48 days in 2023 along with our gradual recovery from the impact of the COVID-19 pandemic. Our trade payables turnover days further decreased to 41 days in the six months ended June 30, 2024 due to an increased revenue contribution from our corporate travel management services, for which suppliers generally demand a shorter payment period.

The following table sets forth an aging analysis of our trade payables as of the dates indicated.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Up to three months	16,883	25,761	20,494	25,330
Three to six months	4,536	549	378	192
Six months to one year	1,523	4,493	1,150	1,477
Over one year	1,052	3,213	1,309	1,958
Total	23,994	34,016	23,331	28,957

As of August 31, 2024, RMB9.2 million, representing 31.6% of our trade payables as of June 30, 2024, had been settled.

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Other Payables of Travel Related Services

Our other payables of travel related services consist of (i) payables in respect of travel related services, mainly representing the cash we received from our customers for our transportation ticketing and accommodation reservation services, which will be paid by us to the relevant suppliers after deducting the commissions or service fees we are entitled to; and (ii) advances from customers, mainly representing advances we received from our corporate clients for their future purchase of our transportation ticketing and accommodation reservation services, which can be withdrawn by them at any time. The following table sets forth the breakdown of other payables of travel related services as of the dates indicated.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>
Payables in respect of travel related services	30,459	37,002	57,193	86,051
Advances from customers	43,875	51,778	61,798	75,407
	74,334	88,780	118,991	161,458

Our other payables of travel related services increased from RMB74.3 million as of December 31, 2021 to RMB88.8 million as of December 31, 2022, primarily due to an increase in advances from customers of RMB7.9 million and an increase in payables in respect of travel related services of RMB6.5 million, as our customers made payments in advance at the end of 2022 for the Chinese New Year holiday season in January 2023, in which year the Chinese New Year occurred earlier than 2022.

Our other payables of travel related services increased from RMB88.8 million as of December 31, 2022 to RMB119.0 million as of December 31, 2023, primarily due to an increase in payables in respect of travel related services of RMB20.2 million and an increase in advances from customers of RMB10.0 million, both in line with the significant growth of our business and revenue in 2023.

Our other payables of travel related services increased from RMB119.0 million as of December 31, 2023 to RMB161.5 million as of June 30, 2024, primarily due to an increase in payables in respect of travel related services of RMB28.9 million in line with the overall growth of our business and revenue, and an increase in advances from customers of RMB13.6 million driven by continuously increased travel demand.

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Other Payables and Accruals

Our other payables and accruals consist primarily of (i) credits to users, mainly representing the balance in the accounts of users on our platforms that can be applied to future orders, which we provided to users in relation to our value-added services, (ii) accrued payroll and welfare, and (iii) payables due to the then shareholders pursuant to the Reorganization. The following table sets forth the breakdown of other payables and accruals as of the dates indicated.

	As of December 31			As of June 30
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Credits to users	28,508	29,546	30,817	31,070
Accrued payroll and welfare	23,720	29,973	35,893	31,063
Other taxes payables	2,603	524	4,400	5,889
Accrued expenses	761	353	3,518	5,596
Deposits payables	2,497	3,567	2,287	1,997
Payables due to related party	1,366	2,152	2,490	2,365
Payables due to the then Shareholders pursuant to the Reorganization ⁽¹⁾	–	–	–	118,000
Others ⁽²⁾	<u>5,860</u>	<u>8,258</u>	<u>11,846</u>	<u>14,308</u>
	<u>65,315</u>	<u>74,373</u>	<u>91,251</u>	<u>210,288</u>

Notes:

- (1) For details, see Notes 26 and 36(e) to the Accountant’s Report included in Appendix IA to this document.
- (2) Consist primarily of provisions in relation to our social insurance and housing provident funds contributions outstanding.

Our other payables and accruals increased from RMB65.3 million as of December 31, 2021 to RMB74.4 million as of December 31, 2022, primarily due to an increase in accrued payroll and welfare of RMB6.3 million in relation to the increased employee salary and benefits to be paid to our employees in 2022. Our other payables and accruals increased from RMB74.4 million as of December 31, 2022 to RMB91.3 million as of December 31, 2023, primarily due to (i) an increase in accrued payroll and welfare of RMB5.9 million mainly in relation to our increased year-end bonuses for employees in 2023, (ii) an increase in other taxes payables of RMB3.9 million in relation to the increased VAT to be paid by us as a result of our overall growth in revenue in 2023, and (iii) an increase in accrued expenses of RMB3.2 million in relation to the payments to be made to our suppliers of marketing and promotion services, attributable to the increased marketing and promotion expenses in 2023. Our other payables and accruals increased from RMB91.3 million as of December 31, 2023 to RMB210.3 million as of June 30, 2024, primarily due to the payables to the then shareholders pursuant to the Reorganization of RMB118.0 million, which was subsequently settled in September 2024.

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LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity and Working Capital

Our primary use of cash is to fund our working capital requirements and other recurring expenses. During the Track Record Period, we had financed our operations primarily through cash generated from our operating activities, equity financing activities, and bank borrowings. In the foreseeable future, we believe that our liquidity requirements will be satisfied with a combination of cash flow generated from our operating activities, the [REDACTED] received from the [REDACTED], and other funds raised from the capital markets from time to time. We will closely monitor the level of our working capital, and diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations.

Cash Flows

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

	Year Ended December 31,			Six Months Ended June 30,	
	2021	2022	2023	2023	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Net cash (used in)/generated from operating activities	(25,650)	2,015	17,648	25,602	86,879
Net cash (used in)/generated from investing activities	(38,542)	26,036	(30,991)	(13,413)	24,368
Net cash generated from/(used in) financing activities	<u>92,524</u>	<u>(31,689)</u>	<u>(2,145)</u>	<u>370</u>	<u>101,439</u>
Net increase/(decrease) in cash and cash equivalents . .	<u>28,332</u>	<u>(3,638)</u>	<u>(15,488)</u>	<u>12,559</u>	<u>212,686</u>
Cash and cash equivalents at the beginning of the year/period	259,411	287,708	284,063	284,063	268,544
Effect of exchange rate changes on cash and cash equivalents.	<u>(35)</u>	<u>(7)</u>	<u>(31)</u>	<u>–</u>	<u>175</u>
Cash and cash equivalents at the end of the year/period . .	<u>287,708</u>	<u>284,063</u>	<u>268,544</u>	<u>296,622</u>	<u>481,405</u>

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Operating Activities

During the Track Record Period, we generated cash inflow from our operating activities primarily through our services. Cash outflow from operating activities primarily comprises the costs incurred in our business operations.

Net cash generated from operating activities for the six months ended June 30, 2024 was RMB86.9 million, primarily due to a profit before income tax of RMB34.7 million, as adjusted by (i) certain non-cash items, primarily comprising (a) depreciation of right-of-use assets of RMB4.4 million and (b) reorganization cost of RMB3.2 million, and (ii) changes in working capital, primarily comprising (a) an increase in other payables and accruals of RMB43.6 million and (b) a decrease in trade receivables of RMB16.0 million. Such cash inflow was partially offset by (i) certain non-cash items, primarily comprising net gains on financial assets at fair value through profit or loss of RMB2.3 million and (ii) changes in working capital, primarily comprising (a) an increase in prepayments and other receivables of RMB13.8 million and (b) a decrease in restricted cash of RMB8.2 million.

Net cash generated from operating activities in 2023 was RMB17.6 million, primarily due to a profit before tax of RMB60.3 million, as adjusted by (i) certain non-cash items, primarily comprising (a) depreciation of right-of-use assets of RMB8.8 million and (b) net impairment losses on financial assets of RMB1.6 million; and (ii) changes in working capital, comprising (a) an increase in other payables and accruals of RMB47.9 million and (b) an increase in contract liabilities of RMB7.1 million. Such cash inflow was partially offset by (i) certain non-cash items, primarily comprising interest income on bank deposits of RMB1.3 million; and (ii) changes in working capital, comprising (a) an increase in prepayments and other receivables of RMB50.4 million, (b) a decrease in restricted cash of RMB25.4 million, (c) an increase in trade receivables of RMB21.5 million and (d) a decrease in trade payables of RMB10.7 million.

Net cash generated from operating activities in 2022 was RMB2.0 million, primarily due to a loss before tax of RMB4.5 million, as adjusted by (i) certain non-cash items, primarily comprising (a) net impairment losses on financial assets of RMB10.6 million and (b) depreciation of right-of-use assets of RMB9.4 million; and (ii) changes in working capital, comprising (a) an increase in other payables and accruals of RMB25.0 million, (b) an increase in trade payables of RMB10.0 million, and (c) an increase in restricted cash of RMB5.3 million. Such cash inflow was partially offset by (i) certain non-cash items, primarily comprising interest income on bank deposits of RMB1.7 million; and (ii) changes in working capital, primarily comprising (a) an increase in prepayments and other receivables of RMB29.4 million and (b) an increase in trade receivables of RMB21.7 million.

Net cash used in operating activities in 2021 was RMB25.7 million, primarily due to a loss before tax of RMB359.3 million, as adjusted by (i) certain non-cash items, primarily comprising interest income on bank deposits of RMB1.6 million; and (ii) changes in working capital, primarily comprising (a) an increase in prepayments and other receivables of RMB51.1 million, (b) a decrease in trade payables of RMB46.4 million, (c) a decrease in contract

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liabilities of RMB22.2 million, and (d) a decrease in restricted cash of RMB20.1 million. Such cash outflow was partially offset by (i) certain non-cash items, primarily comprising (a) share-based compensation expenses of RMB371.1 million, (b) net impairment losses on financial assets of RMB13.0 million, and (c) depreciation of right-of-use assets of RMB9.8 million; and (ii) changes in working capital, comprising a decrease in trade receivables of RMB77.5 million.

Investing Activities

Our cash generated from investing activities mainly relates to proceeds from disposal of financial assets at fair value through profit or loss. Our cash used in investing activities mainly comprises payments for financial assets at fair value through profit or loss and payments for purchase of financial assets at fair value through other comprehensive income.

Net cash generated from investing activities for the six months ended June 30, 2024 was RMB24.4 million, primarily due to (i) proceeds from disposal of financial assets at fair value through profit or loss in relation to our investments in wealth management products of RMB85.2 million and (ii) proceeds from disposal of financial assets at amortized cost in relation to our debt investment of RMB20.0 million. Such cash inflow was partially offset by payments for financial assets at fair value through profit or loss in relation to our investments in wealth management products of RMB80.0 million.

Net cash used in investing activities in 2023 was RMB31.0 million, primarily due to (i) payments for financial assets at fair value through profit or loss in relation to our investments in wealth management products of RMB63.0 million, (ii) payments for purchase of financial assets at fair value through other comprehensive income of RMB20.0 million in relation to our investment in the travel company with a rising boutique hotel brand, and (iii) payments for financial assets at fair value through profit or loss in relation to our debt investment of RMB5.0 million. Such cash outflow was partially offset by proceeds from disposal of financial assets at fair value through profit or loss in relation to our investments in wealth management products of RMB58.2 million.

Net cash generated from investing activities in 2022 was RMB26.0 million, primarily due to proceeds from disposal of financial assets at fair value through profit or loss in relation to our investments in wealth management products of RMB130.0 million, partially offset by (i) payments for financial assets at fair value through profit or loss in relation to our investments in wealth management products of RMB89.0 million and (ii) payments for financial assets at fair value through profit or loss in relation to our debt investment of RMB15.0 million.

Net cash used in investing activities in 2021 was RMB38.5 million, primarily due to payments for financial assets at fair value through profit or loss in relation to our investments in wealth management products of RMB60.0 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss in relation to our investments in wealth management products of RMB20.2 million.

FINANCIAL INFORMATION

Financing Activities

Our cash inflows generated from financing activities primarily comprise proceeds from bank borrowings and capital injection. Our cash outflows used in financing activities mainly comprise repayments of bank borrowings, principal elements of lease payments and payment for [REDACTED].

Net cash generated from financing activities for the six months ended June 30, 2024 was RMB101.4 million, primarily due to proceeds from capital injection of RMB164.8 million in connection with the Reorganization, partially offset by (i) payments of RMB50.0 million to existing shareholders pursuant to the Reorganization, (ii) repayments of borrowings of RMB6.9 million and (iii) principal elements of lease payments of RMB4.7 million.

Net cash used in financing activities in 2023 was RMB2.1 million, primarily due to principal elements of lease payments of RMB9.1 million, repayments of borrowings of RMB7.8 million and interest paid of RMB0.9 million, partially offset by proceeds from borrowings of RMB16.0 million.

Net cash used in financing activities in 2022 was RMB31.7 million, primarily due to repayments of borrowings of RMB28.3 million, principal elements of lease payments of RMB8.6 million and interest paid of RMB1.8 million, partially offset by proceeds from borrowings of RMB7.0 million.

Net cash generated from financing activities in 2021 was RMB92.5 million, primarily due to proceeds from capital injection of RMB100.0 million and proceeds from borrowings of RMB35.8 million, partially offset by repayments of borrowings of RMB31.0 million and principal elements of lease liabilities of RMB10.7 million.

Working Capital Statement

Taking into consideration the financial resources presently available to us, including cash and cash equivalents, cash generated from operating activities and the estimated [REDACTED] we expect to receive from the [REDACTED], our Directors are of the view that we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this document.

Our Directors confirm that we had no material defaults in payment of trade and non-trade payables and borrowings, or material breaches of covenants during the Track Record Period and up to the Latest Practicable Date.

FINANCIAL INFORMATION

Current Assets and Current Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of June 30,	As of August 31,
	2021	2022	2023	2024	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	<i>(unaudited)</i>
Current assets					
Trade receivables	47,032	65,912	87,747	66,413	69,167
Other receivables of travel related services	80,811	91,187	136,787	155,721	144,001
Prepayments and other receivables	24,355	37,067	38,064	30,542	35,030
Financial assets at fair value through profit or loss.	40,058	14,465	23,932	9,638	8,283
Restricted cash	29,402	24,131	49,515	57,678	57,828
Cash and cash equivalents	287,708	284,063	268,544	481,405	465,148
Total current assets	<u>509,366</u>	<u>516,825</u>	<u>604,589</u>	<u>801,397</u>	<u>779,457</u>
Current liabilities					
Contract liabilities	11,324	6,374	13,468	16,789	16,371
Trade payables	23,994	34,016	23,331	28,957	35,582
Other payables of travel related services	74,334	88,780	118,991	161,458	159,001
Other payables and accruals	65,315	74,373	91,251	210,288	153,693
Current tax liabilities	38	1,468	1,547	–	–
Borrowing	28,379	7,008	15,178	8,304	27,120
Lease liabilities	6,442	6,947	7,036	7,060	7,292
Total current liabilities	<u>209,826</u>	<u>218,966</u>	<u>270,802</u>	<u>432,856</u>	<u>399,059</u>
Net current assets	<u>299,540</u>	<u>297,859</u>	<u>333,787</u>	<u>368,541</u>	<u>380,398</u>

Our net current assets increased from RMB368.5 million as of June 30, 2024 to RMB380.4 million as of August 31, 2024, primarily due to a decrease in our current liabilities which outpaced a decrease in our current assets. Our current liabilities decreased from RMB432.9 million as of June 30, 2024 to RMB399.1 million as of August 31, 2024, primarily due to a decrease in other payables and accruals of RMB56.6 million mainly attributable to the settlement of a portion of the payables to the then shareholders pursuant to the Reorganization in July and August 2024, which was partially offset by an increase in bank borrowings of RMB18.8 million in relation to the new bank borrowings taken on in July and August 2024. Our current assets decreased from RMB801.4 million as of June 30, 2024 to RMB779.5 million as of August 31, 2024, primarily due to (i) a decrease in cash and cash equivalents of RMB16.3 million mainly attributable to above mentioned settlement in cash of payables to the then shareholders pursuant to the Reorganization; and (ii) a decrease in other receivables of travel related services of RMB11.7 million mainly in relation to the collection of receivables from certain suppliers of travel related services in July and August 2024.

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Our net current assets increased from RMB333.8 million as of December 31, 2023 to RMB368.5 million as of June 30, 2024, primarily due to an increase in our current assets which outpaced an increase in our current liabilities. Our current assets increased from RMB604.6 million as of December 31, 2023 to RMB801.4 million as of June 30, 2024, primarily due to (i) an increase in cash and cash equivalents of RMB212.9 million in line with our business and revenue growth in the six months ended June 30, 2024 and (ii) an increase in other receivables of travel related services of RMB18.9 million. Such increase was partially offset by (i) a decrease in trade receivables of RMB21.3 million and (ii) a decrease in financial assets at fair value through profit or loss of RMB14.3 million. Our current liabilities increased from RMB270.8 million as of December 31, 2023 to RMB432.9 million as of June 30, 2024, primarily due to (i) an increase in other payables and accruals of RMB119.0 million mainly attributable to the payables to the then shareholders pursuant to the Reorganization and (ii) an increase in other payables of travel related services of RMB42.5 million.

Our net current assets increased from RMB297.9 million as of December 31, 2022 to RMB333.8 million as of December 31, 2023, primarily due to an increase in our current assets which outpaced an increase in our current liabilities. Our current assets increased from RMB516.8 million as of December 31, 2022 to RMB604.6 million as of December 31, 2023, primarily due to (i) an increase in other receivables of travel related services of RMB45.6 million in line with our business and revenue growth in 2023, (ii) an increase in restricted cash of RMB25.4 million and (iii) an increase in trade receivables of RMB21.8 million in line with our business and revenue growth in 2023. Our current liabilities increased from RMB219.0 million as of December 31, 2022 to RMB270.8 million as of December 31, 2023, primarily due to an increase in other payables of travel related services of RMB30.2 million and an increase in other payables and accruals of RMB16.9 million, both driven by the significant recovery of our business and financial performance after the COVID-19 pandemic.

Our net current assets remained relatively stable at RMB297.9 million as of December 31, 2022, as compared to RMB299.5 million as of December 31, 2021.

INDEBTEDNESS

The following table sets forth the details of our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,	As of August 31,
	2021	2022	2023	2024	2024
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	<i>(unaudited)</i>
Current:					
Bank borrowings . . .	28,379	7,008	15,178	8,304	27,120
Lease liabilities . . .	6,442	6,947	7,036	7,060	7,292
Non-current:					
Lease liabilities . . .	6,132	3,784	11,012	8,543	7,590
Total	<u>40,953</u>	<u>17,739</u>	<u>33,226</u>	<u>23,907</u>	<u>42,002</u>

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Borrowings

As of December 31, 2021, 2022 and 2023 and June 30, 2024, we had bank borrowings of RMB28.4 million, RMB7.0 million, RMB15.2 million and RMB8.3 million, respectively. Our bank borrowings decreased from RMB28.4 million as of December 31, 2021 to RMB7.0 million as of December 31, 2022, primarily attributable to the repayments of certain bank borrowings in 2022. Our bank borrowings increased from RMB7.0 million as of December 31, 2022 to RMB15.2 million as of December 31, 2023, primarily due to new bank borrowings taken on in 2023 for working capital. Our bank borrowings decreased from RMB15.2 million as of December 31, 2023 to RMB8.3 million as of June 30, 2024, primarily due to the repayments of certain bank borrowings in the first half of 2024. Our bank borrowings further increased to RMB27.1 million as of August 31, 2024 primarily due to new bank borrowings taken on in July and August 2024 for working capital.

The following table sets forth a breakdown of our guaranteed and unguaranteed bank borrowings as of the dates indicated.

	As of December 31,			As of June 30,	As of August 31,
	2021	2022	2023	2024	2024
			<i>(RMB in thousands)</i>		
				<i>(unaudited)</i>	<i>(unaudited)</i>
Bank borrowings					
Guaranteed	19,362	7,008	15,178	3,298	17,120
Unguaranteed	<u>9,017</u>	<u>–</u>	<u>–</u>	<u>5,006</u>	<u>10,000</u>
Total	<u>28,379</u>	<u>7,008</u>	<u>15,178</u>	<u>8,304</u>	<u>27,120</u>

As of August 31, 2024, we had unutilized banking facilities of RMB57.0 million.

Lease Liabilities

Our lease liabilities primarily relate to our lease properties for office space and employee dormitories. As of December 31, 2021, 2022 and 2023 and June 30, 2024, we had lease liabilities of RMB12.6 million, RMB10.7 million, RMB18.0 million and RMB15.6 million, respectively.

Our lease liabilities decreased from RMB12.6 million as of December 31, 2021 to RMB10.7 million as of December 31, 2022, primarily attributable to our lease payments. Our lease liabilities increased from RMB10.7 million as of December 31, 2022 to RMB18.0 million as of December 31, 2023, primarily due to renewal of the leases of certain offices in Shenzhen and Beijing. Our lease liabilities decreased from RMB18.0 million as of December 31, 2023 to RMB15.6 million as of June 30, 2024, primarily attributable to our lease payments. Our lease liabilities remained relatively stable at RMB14.9 million as of August 31, 2024, as compared to RMB15.6 million as of June 30, 2024.

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Contingent Liabilities

As of December 31, 2021, 2022 and 2023, June 30, 2024 and August 31, 2024 and the Latest Practicable Date, we did not have any material contingent liabilities.

Indebtedness Statement

Our Directors confirm that there has not been any material change in our indebtedness since August 31, 2024, being the latest practicable date for the purpose of our indebtedness statement, and up to the Latest Practicable Date. Our Directors confirm that, as of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor did us experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, we did not have plans for other material external debt financing.

Except as disclosed above, we did not have, as of August 31, 2024, any outstanding debt securities, mortgage, charges, debentures or other loan capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or acceptance credits, or other similar indebtedness, leasing and financial leasing commitments, hire purchase commitments, guarantees or other material contingent liabilities.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily related to purchases of property, plant and equipment as well as purchases of intangible assets. Our capital expenditures amounted to RMB0.4 million, RMB10,000, RMB0.6 million and RMB0.8 million in 2021, 2022 and 2023 and the six months ended June 30, 2024, respectively. We expect to finance our planned capital expenditures with cash on our combined statements of financial position.

CAPITAL COMMITMENTS

As of December 31, 2021, 2022 and 2023 and June 30, 2024, we did not have any material capital commitments.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we did not have any material off-balance sheet commitments or arrangements.

FINANCIAL INFORMATION

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods and as of the dates indicated.

	As of/Year Ended December 31,			As of/ Six Months Ended June 30,
	2021	2022	2023	2024
Gross profit margin	49.8%	47.1%	56.8%	58.6%
Return on equity ⁽¹⁾	(118.1)%	(0.2)%	15.3%	N/A ⁽⁵⁾
Return on assets ⁽²⁾	(69.4)%	(0.1)%	9.3%	N/A ⁽⁵⁾
Current ratio ⁽³⁾	2.4	2.4	2.2	1.9
Gearing ratio ⁽⁴⁾	11.4%	4.9%	7.9%	5.3%

Notes:

- (1) Return on equity is calculated based on profit or loss for the period divided by the arithmetic mean of the opening and closing balances of total equity of the same period and multiplied by 100%.
- (2) Return on assets is calculated based on profit or loss for the period divided by the arithmetic mean of the opening and closing balances of total assets of the same period, multiplied by 100%.
- (3) Current ratio is calculated based on total current assets divided by total current liabilities as of the dates indicated.
- (4) Gearing ratio is calculated based on total debt divided by total equity as of the dates indicated and multiplied by 100%.
- (5) Ratios are not calculated for the six months ended June 30, 2024 because the numbers for the period are not comparable to the numbers for the year.

Gross Profit Margin

Gross profit margin is an indicator of our profitability in terms of the difference between our revenue and cost of sales. Our gross profit margin increased from 56.8% in the six months ended June 30, 2023 to 58.6% in the six months ended June 30, 2024. See “— Period to Period Comparison of Results of Operations — Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023 — Gross Profit and Gross Profit Margin.” Our gross profit margin increased from 47.1% in 2022 to 56.8% in 2023. See “— Period to Period Comparison of Results of Operations — Year Ended December 31, 2023 Compared to Year Ended December 31, 2022 — Gross Profit and Gross Profit Margin.” Our gross profit margin decreased from 49.8% in 2021 to 47.1% in 2022. See “— Period to Period Comparison of Results of Operations — Year Ended December 31, 2022 Compared to Year Ended December 31, 2021 — Gross Profit and Gross Profit Margin.”

FINANCIAL INFORMATION

Return on Equity

Our return on equity was negative 0.2% in 2022, as compared to negative 118.1% in 2021, mainly because we incurred significant share-based compensation expenses in 2021 and recorded a net loss of RMB357.5 million in 2021, while our net loss was merely RMB0.8 million in 2022. Our return on equity reverted to 15.3% in 2023 primarily due to the significant increase in our profit for the year in 2023 along with our recovery from the adverse impact of the COVID-19 pandemic.

Return on Assets

Our return on assets was negative 0.1% in 2022, as compared to negative 69.4% in 2021, primarily because we incurred significant share-based compensation expenses in 2021 and recorded a net loss of RMB357.5 million in 2021, while our net loss was merely RMB0.8 million in 2022. Our return on assets was 9.3% in 2023, primarily due to the significant increase in our profit for the year in 2023.

Current Ratio

Our current ratio was 2.4, 2.4 and 2.2 as of December 31, 2021, 2022 and 2023, respectively, which remained relatively stable. Our current ratio decreased to 1.9 as of June 30, 2024 primarily due to an increase in other payables and accruals of RMB119.3 million and an increase in other payables of travel related services of RMB49.7 million as of June 30, 2024, as compared to those as of December 31, 2023. For detailed discussion, see “— Liquidity and Capital Resources — Current Assets and Current Liabilities.”

Gearing Ratios

Our gearing ratio decreased from 11.4% as of December 31, 2021 to 4.9% as of December 31, 2022, primarily due to a significant decrease in our debt from the end of 2021 to the end of 2022 while our total equity remained relatively stable. Our gearing ratio increased from 4.9% as of December 31, 2022 to 7.9% as of December 31, 2023, primarily due to the increase in our debt which outpaced the increase in our total equity from the end of 2022 to the end of 2023. Our gearing ratio decreased from 7.9% as of December 31, 2023 to 5.3% as of June 30, 2024, primarily due to the combined effects of the decrease in our debt and the increase in our total equity as of June 30, 2024, as compared to those as of December 31, 2023.

FINANCIAL INFORMATION

DIVIDEND

During the Track Record Period, we did not pay or declare any dividend. According to our dividend policy, the Articles of Association and applicable laws and regulations, the determination 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. We will continue to re-evaluate our dividend policy in light of our financial condition and the prevailing economic environment.

As advised by our Cayman Islands legal advisors, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which the financial position of accumulated losses does not necessarily prohibit us from declaring and paying dividends to our Shareholders, as dividends may be declared and paid out of our share premium account notwithstanding our profitability, provided that this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

DISTRIBUTABLE RESERVES

As of June 30, 2024, we did not have any distributable reserves.

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 significant related party transactions, see Note 36 to the Accountant’s Report in Appendix IA to this document.

Our Directors are of the view that each of the significant related party transactions set out in Note 36 to the Accountant’s Report included in Appendix IA to this document was conducted on an arm’s length basis and would not distort our track record results or make our historical results not reflective of our future performance.

FINANCIAL RISKS

Our activities expose us to a variety of financial risks, including market risk, credit risk and liquidity risk. Our overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on our financial performance. See Note 3.1 to the Accountant’s Report included in Appendix IA to this document.

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Market Risk

We are exposed to interest rate risk in relation to our interest-bearing borrowings. We regularly monitor our interest risk to maintain a proper exposure to interest rate fluctuations. We are also exposed to equity price risk in relation to our investments that are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Our senior management diligently manage each investment and regularly assess the performance of our investments.

Credit Risk

Our credit risk is primarily in relation to our cash and cash equivalents, restricted cash, trade receivables and other receivables. We place cash and cash equivalents and restricted cash with state-owned or reputable financial institutions with no recent default history in China. To manage credit risk in relation to trade receivables, we conduct credit evaluation procedures on customers, taking into account their financial position, trading and payment history and forward-looking factors. For other receivables, we make periodic collective assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience, as well as forward-looking factors. We closely monitor our exposure to credit risk on an ongoing basis. During the Track Record Period, our exposure to credit risk is not significant.

Liquidity Risk

We monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance the operations and mitigate the effects of fluctuations in cash flows. Further quantitative data in respect of our exposure to liquidity risk are disclosed in Note 3.1.3 to the Accountant’s Report included in Appendix IA to this document.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED], and other fees incurred in connection with the [REDACTED]. The estimated total [REDACTED] (based on the mid-point of the [REDACTED] range and assuming that the [REDACTED] is not exercised) for the [REDACTED] are approximately RMB[REDACTED] million (accounting for approximately [REDACTED]% of our gross [REDACTED]). The estimated total [REDACTED] consist of (i) [REDACTED]-related expenses (including but not limited to [REDACTED] and fees) of approximately RMB[REDACTED] million, and (ii) non-[REDACTED] related expenses of approximately RMB[REDACTED] million, which consist of fees and expenses of legal advisors and Reporting Accountant of approximately RMB[REDACTED] million, and other fees and expenses of approximately RMB[REDACTED] million. During the Track Record Period, we incurred [REDACTED] of RMB[REDACTED] million, which were charged to the combined statements of profit or loss and other comprehensive income. We expect to incur additional [REDACTED] of approximately RMB[REDACTED] million, of which RMB[REDACTED] million is expected to be charged to our combined statements of profit and loss and RMB[REDACTED] million is expected to be deducted from equity. This calculation is subject to adjustment based on the actual amount incurred or to be incurred.

FINANCIAL INFORMATION

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited [REDACTED] statement of our adjusted net tangible assets 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 our net tangible assets attributable to the owners of our Company as of June 30, 2024 as if the [REDACTED] had taken place on June 30, 2024. Because of its hypothetical nature, the unaudited [REDACTED] statement of our adjusted net tangible assets may not give a true picture of our net tangible assets had the [REDACTED] been completed as of June 30, 2024 or at any future dates following the [REDACTED].

	Unaudited combined net tangible assets attributable to the owners of our Company as of June 30, 2024 ⁽¹⁾	Estimated [REDACTED] from the [REDACTED] ⁽²⁾	Unaudited [REDACTED] adjusted combined net tangible assets attributable to the owners of our Company as of June 30, 2024	Unaudited [REDACTED] adjusted combined net tangible assets per Share ⁽³⁾⁽⁵⁾	
				RMB	HK\$
	<i>(RMB in thousands)</i>				
Based on an [REDACTED] of HK\$[REDACTED] per Share.	434,097	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
Based on an [REDACTED] of HK\$[REDACTED] per Share.	434,097	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

Notes:

- (1) Our unaudited combined net tangible assets attributable to the owners of our Company as of June 30, 2024 is extracted from the Accountant’s Report set out in Appendix IA to this document, which is based on our unaudited combined net assets attributable to the owners of our Company as of June 30, 2024 of approximately RMB435,112,000, with adjustment for intangible assets as of June 30, 2024 of approximately RMB1,015,000.
- (2) The estimated net [REDACTED] from the [REDACTED] are based on [REDACTED] and the indicative [REDACTED] of HK\$[REDACTED] per [REDACTED] and HK\$[REDACTED] per [REDACTED], being low and high end of the indicative [REDACTED] range, respectively, and after deduction of the [REDACTED] and other related expenses (excluding [REDACTED] of approximately RMB[REDACTED] which have been accounted for in our combined statements of comprehensive income prior to June 30, 2024) paid/payable by our Company and takes no account of any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED], any Shares which may be issued under the Share Incentive Plan or any Shares which may be issued or repurchased by the Company under the general mandates granted to our Directors as described in “Share Capital.”
- (3) The unaudited [REDACTED] net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that [REDACTED] Shares were in issue, assuming that the [REDACTED] has been completed on June 30, 2024 but takes no account of any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED], any Shares which may be issued under the Share Incentive Plan or any Shares which may be issued or repurchased by the Company under the general mandates granted to our Directors as described “Share Capital.”

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- (4) No adjustment has been made to reflect any [REDACTED] results or other transactions of our Group entered into subsequent to June 30, 2024.
- (5) For the purpose of this unaudited [REDACTED] adjusted combined net tangible assets, the amounts stated in Renminbi are converted into Hong Kong dollars at a rate of RMB1.00 to HK\$1.0929. No representation is made that RMB amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that there has been no material adverse change in our financial or [REDACTED] position or prospects since June 30, 2024, being the end date of our latest combined financial statements set out in the Accountant’s Report included in Appendix IA to this document, and up to the date of 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 are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” for a detailed description of our future business plans and strategies.

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting estimated [REDACTED], fees and expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share, and assuming the [REDACTED] is not exercised.

We currently intend to apply the [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used to enhance our R&D capabilities and expand the application of AI across our business operations.
 - (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be invested in strengthening our research and development team. Specifically, we plan to (a) recruit professionals with extensive industry experience, especially those with expertise in AI and cloud computing, (b) establish a comprehensive talent development system and improve our training programs for technical staff through engagement of renowned academic institutions and industry experts, and (c) enhance the digitalization of our management system by upgrading office software and collaboration tools.
 - (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be invested in upgrading our technology infrastructure and improving our system security. We plan to purchase additional servers, equipment and cloud services aimed at strengthening our AI computing and data processing capabilities. Particularly, we will deploy certain key data and applications on private servers to ensure data security, and further upgrade our storage and network equipment.
 - (iii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be invested in pursuing strategic partnerships or acquisitions with companies which possess advanced technologies that complement our technological capabilities and align with our strategies. According to Frost & Sullivan, there are adequate strategic partnership or acquisition targets meeting our criteria in the market. As of the Latest Practicable Date, we had not identified any potential strategic partnership or acquisition targets.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for the expansion of our global footprints.
 - (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be used to (a) establish partnerships with local service providers in overseas markets and integrate them into our supplier network, and (b) recruit overseas talent for sales and marketing, product development and upgrade, and customer services to expand our international corporate customer base.
 - (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be invested in (a) promoting and adapting our existing products and services for overseas markets, and (b) promoting and applying new AI-powered products and tools in overseas markets.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for the enrichment and enhancement of our offerings.
 - (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be invested in introducing novel functionalities and modules for our mobile applications and back-end operations system, with the aim to deliver elevated user experience.
 - (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be invested in further enhancing our overall supply chain to improve our service quality and competitiveness. We plan to further expand our TSP network, particularly the network of quality air ticket suppliers. We also plan to collaborate with a wider variety of hospitality providers to enrich accommodation options available on our platforms.
 - (iii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, will be invested in sales and marketing efforts. We plan to implement a variety of online and offline marketing campaigns designed to amplify our market influence and brand awareness, including targeted advertising to improve penetration of our products and services and enlarge our user base, marketing activities aimed at increasing loyalty of existing users and customers, and initiatives to extend the reach of our new products and services.
- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED] million, is expected to be used for working capital and general corporate purposes.

If the net [REDACTED] from the [REDACTED] exceed the above funding requirements and, to the extent permitted by applicable laws and regulations, we will use the surplus funds for working capital. If the net [REDACTED] of the [REDACTED] are not immediately applied to the above purposes, we will only deposit those net [REDACTED] into short term interest-bearing bank accounts at licensed commercial banks or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in the PRC).

FUTURE PLANS AND USE OF [REDACTED]

If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the indicative [REDACTED] range, the net [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED] million. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the indicative [REDACTED] range, the net [REDACTED] from the [REDACTED] will decrease to approximately HK\$[REDACTED] million. The above allocation of the net [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the indicative [REDACTED] range stated in this document.

If the [REDACTED] is exercised in full, the net [REDACTED] that we will receive will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range). In the event that the [REDACTED] is exercised, we intend to apply the additional net [REDACTED] to the above purposes in the proportions stated above.

If any part of our plan does not proceed as planned for reasons such as changes government policies that would render any of our plans not viable, or the occurrence of force majeure events, our directors will carefully evaluate the situation and may [REDACTED] the net [REDACTED] from the [REDACTED].

We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX IA

ACCOUNTANT’S REPORT

The following is the text of a report set out on pages IA-[1] to IA-[3], received from the Company’s reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 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 HUOLI GROUP HOLDINGS LIMITED AND CHINA MERCHANTS SECURITIES (HK) CO., LIMITED AND CMBC INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Huoli Group Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages IA-[4] to IA-[77], which comprises the combined statements of financial position as at December 31, 2021, 2022 and 2023, the Company’s statements of financial position as at December 31, 2023, and the combined income statements, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the years ended December 31, 2021, 2022 and 2023 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages IA-[4] to IA-[77] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [Date] (the “Document”) in connection with the initial [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.

APPENDIX IA**ACCOUNTANT’S REPORT**

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, 2023 and the combined financial position of the Group as at December 31, 2021, 2022 and 2023 and of its combined financial performance and its combined cash flows for each of the years then ended in accordance with the basis of presentation and preparation set out in Notes [1.3 and 2] to the Historical Financial Information.

Review of stub period financial information

We have reviewed the stub period financial information of the Group which comprises the combined statement of financial position as at June 30, 2024, the Company’s statement of financial position as at June 30, 2024, and the combined income statements, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for the six months ended June 30, 2023 and 2024 and other explanatory information (the “Stub Period Financial Information”). The directors of the Company are responsible for the presentation and preparation of the Stub Period Financial Information in accordance with the basis of presentation and preparation set out in Notes [1.3 and 2] to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes [1.3 and 2] to the Historical Financial Information.

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ACCOUNTANT’S REPORT

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 IA-[4] have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of each of the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2024.

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
[Date]

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Set out below is the historical financial information as at December 31, 2021, 2022 and 2023 and June 30, 2024 and for the years then ended (the “Track Record Period”) (the “Historical Financial Information”) which forms an integral part of this accountant’s report.

The financial statements of the Group as at December 31, 2021, 2022 and 2023 and for the years/periods then ended, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX IA

ACCOUNTANT’S REPORT

COMBINED INCOME STATEMENTS

	<i>Note</i>	Year ended December 31,			Six months ended June 30,	
		2021	2022	2023	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Revenue	6	343,640	280,117	501,622	229,590	281,416
Cost of sales	7	(172,537)	(148,114)	(216,611)	(97,708)	(116,389)
Gross profit		<u>171,103</u>	<u>132,003</u>	<u>285,011</u>	<u>131,882</u>	<u>165,027</u>
Selling and marketing expenses	7	(94,513)	(44,098)	(115,861)	(45,550)	(62,649)
General and administrative expenses	7	(287,859)	(27,797)	(39,077)	(13,723)	(27,184)
Research and development expenses	7	(144,448)	(59,202)	(71,313)	(32,112)	(37,921)
Net impairment losses on financial assets	3.1.2	(13,030)	(10,632)	(1,634)	(5,555)	(664)
Other income	8	11,531	6,927	5,888	2,447	884
Other losses, net	9	(588)	(1,675)	(3,140)	(2,902)	(2,446)
Operating (loss)/profit		<u>(357,804)</u>	<u>(4,474)</u>	<u>59,874</u>	<u>34,487</u>	<u>35,047</u>
Finance income	11	1,610	1,670	1,320	893	343
Finance costs	11	(1,732)	(1,736)	(931)	(357)	(684)
Finance (costs)/income, net		<u>(122)</u>	<u>(66)</u>	<u>389</u>	<u>536</u>	<u>(341)</u>
Share of net loss of an associate accounted for using the equity method	18	(1,336)	—	—	—	—
(Loss)/profit before income tax		<u>(359,262)</u>	<u>(4,540)</u>	<u>60,263</u>	<u>35,023</u>	<u>34,706</u>
Income tax	12	1,721	3,782	(954)	(3,004)	(2,994)
(Loss)/profit for the year/period		<u>(357,541)</u>	<u>(758)</u>	<u>59,309</u>	<u>32,019</u>	<u>31,712</u>
(Loss)/profit attributable to:						
Owners of the Company		(337,569)	1,824	55,570	30,790	28,946
Non-controlling interests		(19,972)	(2,582)	3,739	1,229	2,766
		<u>(357,541)</u>	<u>(758)</u>	<u>59,309</u>	<u>32,019</u>	<u>31,712</u>
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)	13	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

APPENDIX IA

ACCOUNTANT'S REPORT

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended December 31,			Six months ended June 30,	
		2021	2022	2023	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	<i>(Unaudited)</i>	
(Loss)/profit for the year/period		<u>(357,541)</u>	<u>(758)</u>	<u>59,309</u>	<u>32,019</u>	<u>31,712</u>
Other comprehensive income, net of tax						
<i>Items that may be reclassified to profit or loss</i>						
Exchange differences on translation of foreign operations		-	-	(24)	-	40
<i>Items that will not be reclassified to profit or loss, net of tax</i>						
Exchange differences on translation of the Company		-	-	-	-	(78)
Changes in fair value of financial assets at fair value through other comprehensive income	21	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70</u>
Total comprehensive (loss)/income for the year/period		<u>(357,541)</u>	<u>(758)</u>	<u>59,285</u>	<u>32,019</u>	<u>31,744</u>
Total comprehensive (loss)/ income attributable to:						
Owners of the Company		(337,569)	1,824	55,546	30,790	28,978
Non-controlling interests		<u>(19,972)</u>	<u>(2,582)</u>	<u>3,739</u>	<u>1,229</u>	<u>2,766</u>
		<u>(357,541)</u>	<u>(758)</u>	<u>59,285</u>	<u>32,019</u>	<u>31,744</u>

APPENDIX IA

ACCOUNTANT’S REPORT

COMBINED STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	As at December 31,			As at
		2021	2022	2023	June 30,
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	2024
					<i>RMB’000</i>
					<i>(Unaudited)</i>
ASSETS					
Non-current assets					
Property and equipment	15	1,532	924	1,172	1,772
Right-of-use assets	16	13,427	10,791	18,394	16,290
Intangible assets	17	1,222	747	1,225	1,015
Financial assets at fair value through profit or loss	20	3,100	3,350	3,572	–
Financial assets at fair value through other comprehensive income	21	–	–	20,000	20,094
Prepayments and other receivables	24	2,200	548	2,566	5,701
Deferred income tax assets	29	44,551	48,335	48,576	45,558
Total non-current assets		<u>66,032</u>	<u>64,695</u>	<u>95,505</u>	<u>90,430</u>
Current assets					
Trade receivables	22	47,032	65,912	87,747	66,413
Other receivables of travel related services	23	80,811	91,187	136,787	155,721
Prepayments and other receivables	24	24,355	37,067	38,064	30,542
Financial assets at fair value through profit or loss	20	40,058	14,465	23,932	9,638
Restricted cash	25	29,402	24,131	49,515	57,678
Cash and cash equivalents	25	287,708	284,063	268,544	481,405
Total current assets		<u>509,366</u>	<u>516,825</u>	<u>604,589</u>	<u>801,397</u>
Total assets		<u>575,398</u>	<u>581,520</u>	<u>700,094</u>	<u>891,827</u>
EQUITY					
Combined capital	26	389,393	389,393	389,393	389,405
Reserves	27	(41,316)	(39,408)	16,353	45,707
Equity attributable to owners of the Company		<u>348,077</u>	<u>349,985</u>	<u>405,746</u>	<u>435,112</u>
Non-controlling interests		<u>11,363</u>	<u>8,785</u>	<u>12,534</u>	<u>15,316</u>
Total equity		<u>359,440</u>	<u>358,770</u>	<u>418,280</u>	<u>450,428</u>

APPENDIX IA

ACCOUNTANT’S REPORT

	<i>Note</i>	As at December 31,			As at
		2021	2022	2023	June 30,
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2024
				<i>RMB'000</i>	
					<i>(Unaudited)</i>
LIABILITIES					
Non-current liabilities					
Lease liabilities	16	6,132	3,784	11,012	8,543
Total non-current liabilities		<u>6,132</u>	<u>3,784</u>	<u>11,012</u>	<u>8,543</u>
Current liabilities					
Contract liabilities	6	11,324	6,374	13,468	16,789
Trade payables	31	23,994	34,016	23,331	28,957
Other payables of travel related services	32	74,334	88,780	118,991	161,458
Other payables and accruals	33	65,315	74,373	91,251	210,288
Current tax liabilities		38	1,468	1,547	–
Borrowings	30	28,379	7,008	15,178	8,304
Lease liabilities	16	6,442	6,947	7,036	7,060
Total current liabilities		<u>209,826</u>	<u>218,966</u>	<u>270,802</u>	<u>432,856</u>
Total liabilities		<u>215,958</u>	<u>222,750</u>	<u>281,814</u>	<u>441,399</u>
Total equity and liabilities		<u>575,398</u>	<u>581,520</u>	<u>700,094</u>	<u>891,827</u>

APPENDIX IA

ACCOUNTANT’S REPORT

COMPANY STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	<u>As at December 31,</u> <u>2023</u> <i>RMB'000</i>	<u>As at June 30,</u> <u>2024</u> <i>RMB'000</i> <i>(Unaudited)</i>
ASSETS			
Non-current assets			
Prepayments and other receivables	24	<u>1,755</u>	<u>145,428</u>
Total non-current assets		<u>1,755</u>	<u>145,428</u>
Current assets			
Prepayments and other receivables	24	2,409	299
Cash and cash equivalents		<u>716</u>	<u>21,115</u>
Total current assets		<u>3,125</u>	<u>21,414</u>
Total assets		<u>4,880</u>	<u>166,842</u>
EQUITY			
Share capital	26	–	12
Reserves	27	<u>(3,958)</u>	<u>152,141</u>
Total equity		<u>(3,958)</u>	<u>152,153</u>
LIABILITIES			
Current liabilities			
Other payables and accruals		<u>8,838</u>	<u>14,689</u>
Total liabilities		<u>8,838</u>	<u>14,689</u>
Total equity and liabilities		<u>4,880</u>	<u>166,842</u>

APPENDIX IA

ACCOUNTANT’S REPORT

COMBINED STATEMENTS OF CHANGES IN EQUITY

	<i>Note</i>	<u>Attributable to owners of the Company</u>			<u>Non- controlling interests</u>	<u>Total equity</u>
		<u>Combined capital</u>	<u>Reserves</u>	<u>Total</u>		
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>		
As at January 1, 2021.		<u>377,084</u>	<u>(143,347)</u>	<u>233,737</u>	<u>12,168</u>	<u>245,905</u>
Loss for the year		<u>–</u>	<u>(337,569)</u>	<u>(337,569)</u>	<u>(19,972)</u>	<u>(357,541)</u>
Total comprehensive losses for the year		<u>–</u>	<u>(337,569)</u>	<u>(337,569)</u>	<u>(19,972)</u>	<u>(357,541)</u>
Transactions with owners:						
Share-based compensation						
expenses	28	<u>–</u>	<u>355,734</u>	<u>355,734</u>	<u>15,342</u>	<u>371,076</u>
Capital injection by the then						
shareholders	27	<u>12,309</u>	<u>83,866</u>	<u>96,175</u>	<u>3,825</u>	<u>100,000</u>
As at December 31, 2021.		<u>389,393</u>	<u>(41,316)</u>	<u>348,077</u>	<u>11,363</u>	<u>359,440</u>
As at January 1, 2022.		<u>389,393</u>	<u>(41,316)</u>	<u>348,077</u>	<u>11,363</u>	<u>359,440</u>
Profit/(loss) for the year		<u>–</u>	<u>1,824</u>	<u>1,824</u>	<u>(2,582)</u>	<u>(758)</u>
Total comprehensive income/(losses) for the year		<u>–</u>	<u>1,824</u>	<u>1,824</u>	<u>(2,582)</u>	<u>(758)</u>
Transactions with owners:						
Share-based compensation						
expenses	28	<u>–</u>	<u>84</u>	<u>84</u>	<u>4</u>	<u>88</u>
As at December 31, 2022.		<u>389,393</u>	<u>(39,408)</u>	<u>349,985</u>	<u>8,785</u>	<u>358,770</u>

APPENDIX IA

ACCOUNTANT’S REPORT

		<u>Attributable to owners of the Company</u>				
	<i>Note</i>	<u>Combined capital</u>	<u>Reserves</u>	<u>Total</u>	<u>Non- controlling interests</u>	<u>Total equity</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at January 1, 2023.		389,393	(39,408)	349,985	8,785	358,770
Profit for the year		–	55,570	55,570	3,739	59,309
Other comprehensive income		–	(24)	(24)	–	(24)
Total comprehensive income for the year		–	55,546	55,546	3,739	59,285
Transactions with owners:						
Share-based compensation expenses	28	–	215	215	10	225
As at December 31, 2023.		389,393	16,353	405,746	12,534	418,280
(Unaudited)						
As at January 1, 2023.		389,393	(39,408)	349,985	8,785	358,770
Profit for the period		–	30,790	30,790	1,229	32,019
Total comprehensive income for the period		–	30,790	30,790	1,229	32,019
Transactions with owners:						
Share-based compensation expenses	28	–	122	122	5	127
As at June 30, 2023		389,393	(8,496)	380,897	10,019	390,916
(Unaudited)						
As at January 1, 2024.		389,393	16,353	405,746	12,534	418,280
Profit for the period		–	28,946	28,946	2,766	31,712
Other comprehensive income		–	32	32	–	32
Total comprehensive income for the period		–	28,978	28,978	2,766	31,744
Transactions with owners:						
Issuance of ordinary shares	26	12	–	12	–	12
Share-based compensation expenses	28	–	376	376	16	392
As at June 30, 2024		389,405	45,707	435,112	15,316	450,428

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COMBINED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31,			Six months ended June 30,	
		2021	2022	2023	2023	2024
		RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cash flows from operating activities						
Cash (used in)/generated from operations	34(a)	(27,260)	383	18,273	26,187	88,191
Interest received		1,610	1,670	1,320	893	343
Income taxes paid.		—	(38)	(1,945)	(1,478)	(1,655)
Net cash (used in)/generated from operating activities		<u>(25,650)</u>	<u>2,015</u>	<u>17,648</u>	<u>25,602</u>	<u>86,879</u>
Cash flows from investing activities						
Purchases of property and equipment		(395)	(14)	(573)	(417)	(822)
Proceeds from disposal of property and equipment . .		11	4	4	—	—
Purchases of intangible assets		(226)	—	(133)	—	—
Proceeds from/(payments for) acquisition of subsidiaries, net of cash	1.2	1,874	—	(496)	—	—
Payments for financial assets at fair value through profit or loss-wealth management products	3.3	(60,000)	(89,000)	(63,000)	(58,000)	(80,000)
Proceeds from disposal of financial assets at fair value through profit or loss-wealth management products	3.3	20,194	130,046	58,207	50,004	85,190
Payments for financial assets at fair value through profit or loss - debt investment	3.3	—	(15,000)	(5,000)	(5,000)	—
Proceeds from disposal of financial assets at fair value through profit or loss-debt investment	3.3	—	—	—	—	20,000
Payments for purchase of financial assets at fair value through other comprehensive income	3.3	—	—	(20,000)	—	—
Net cash (used in)/generated from investing activities		<u>(38,542)</u>	<u>26,036</u>	<u>(30,991)</u>	<u>(13,413)</u>	<u>24,368</u>
Cash flows from financing activities						
Interest paid.		(1,653)	(1,807)	(921)	(356)	(678)
Proceeds from borrowings		35,800	7,000	16,000	5,000	—
Repayments of borrowings		(30,973)	(28,300)	(7,840)	—	(6,880)
Principal elements of lease payments		(10,650)	(8,582)	(9,075)	(4,274)	(4,707)
Proceeds from capital injection	26, 27	100,000	—	—	—	164,833
Payments to existing shareholders pursuant for the reorganization	26	—	—	—	—	(50,000)
Payment for [REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net cash generated from/(used in) financing activities		<u>92,524</u>	<u>(31,689)</u>	<u>(2,145)</u>	<u>370</u>	<u>101,439</u>
Net increase/(decrease) in cash and cash equivalents .		28,332	(3,638)	(15,488)	12,559	212,686
Cash and cash equivalents at beginning of the year/period		259,411	287,708	284,063	284,063	268,544
Effect of exchange rate changes on cash and cash equivalents		(35)	(7)	(31)	—	175
Cash and cash equivalents at the end of the year/period		<u>287,708</u>	<u>284,063</u>	<u>268,544</u>	<u>296,622</u>	<u>481,405</u>

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION, REORGANIZATION AND BASIS OF PRESENTATION

1.1 General information

Huoli Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on June 29, 2023 as an exempted company with limited liability under the Companies or Act (Cap. 22, Act 3 of 1961 as or consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Sertus Chambers, Governors Square, Suite #5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company, its subsidiaries and its controlled structured entities which includes the variable interests entity (the “VIE”) and its subsidiaries (“Subsidiaries of VIE”) are collectively referred to as the “Group”. The Group is principally engaged in the provision of travel related services, including transportation ticketing, corporate travel management services, online ride hailing and accommodation reservation, and online marketing services which are operated by its mobile applications (“apps”, Flight Master (航班管家) and Train Master (高鐵管家)), and data and technology services (the “[REDACTED] Businesses”) in the People’s Republic of China (the “PRC”). The Company does not conduct any substantive operations of its own but conducts its primary businesses operations through its wholly-owned subsidiaries, VIEs and subsidiaries of VIEs in the PRC.

1.2 Reorganization of the Group

Prior to the incorporation of the Company and the completion of the reorganization as described below (the “Reorganization”), the [REDACTED] Businesses were mainly carried out by Shenzhen Huoli Tian Hui Technology Co., Ltd. (深圳市活力天匯科技股份有限公司) (“Huoli Tianhui”), a limited liability company established in Shenzhen, the PRC, and its subsidiaries (the “Operating Entities”).

Huoli Tianhui was incorporated in September 2005 with the shares were listed on the National Equities Exchange and Quotations (the “NEEQ”) under the stock code 871860 on September 11, 2017. On February 18, 2021, Huoli Tianhui was delisted from the NEEQ.

Before the Reorganization, the registered shares of Huoli Tianhui were 406,186,358 with a par value of RMB1 each share. The largest shareholder was Mr. Wang Jiang.

In preparation for the [REDACTED] and [REDACTED] of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “[REDACTED]”), the Group underwent a Reorganization, pursuant to which the [REDACTED] Businesses were transferred to the Company. The Reorganization involved the following steps:

(i) Incorporation of the Company

On June 29, 2023, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. As at the date of incorporation, the authorized capital of the Company was United States dollar (“USD”) 50,000 divided into 1,000,000,000 shares with a par value of USD0.00005 each. Upon incorporation, one ordinary share was allotted and issued to its initial subscriber, and was then immediately transferred to Non Human Limited, a BVI company wholly owned by Mr. Wang Jiang, at nominal value.

To reflect the original onshore shareholding structure of Huoli Tianhui, a total of 389,392,862 shares were/would be issued at nominal value to the then registered shareholders of Huoli Tianhui and a new investor of the Company disclosed in Note 26(a), other than Caissa Shijia Tourism Management Consulting Co., Ltd. (凱撒世嘉旅遊管理顧問股份有限公司) (“Caissa Shijia”), who holds 16,793,496 shares of Huoli Tianhui (Note 1.2(vi)).

(ii) Incorporation of an offshore subsidiary in the BVI

On July 13, 2023, New Huoli Holdings Limited (“New Huoli”), a directly wholly owned subsidiary of the Company was established in the British Virgin Islands (“BVI”) with limited liability.

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(iii) Incorporation of an offshore subsidiary in Hong Kong

On July 21, 2023, Huoli Development Limited (“Huoli Development”), a directly wholly owned subsidiary of New Huoli was established in Hong Kong with limited liability.

(iv) Establishment of the wholly owned foreign enterprises

On December 5, 2023 and January 2, 2024, Huoli Development established Beijing Huoli Xingsheng Technology Co., Ltd. (北京活力星聲科技有限公司, “Huoli Xingsheng”, or “Beijing WFOE”) and Huoli Development established Shenzhen Huoli Chunhui Technology Co., Ltd. (深圳市活力春暉科技有限公司, “Huoli Chunhui”, or “Shenzhen WFOE”) respectively under the laws of the PRC as its wholly-owned foreign enterprises in the PRC.

(v) Transfer of non-restricted businesses to Shenzhen WFOE

Certain businesses of the Group are subject to foreign investment restriction or prohibition in accordance with the prevailing PRC rules and regulations, such as value-added telecommunication services business, internet map services and outbound travel business ((the “Restricted or Prohibited Businesses”). The other businesses operated by the Group, including the businesses of ticket agent, accommodation reservation, online marketing services and data and technology services, are not subject to any foreign investment restrictions ((the “Non-restricted Businesses”).

On October 23, 2024, certain subsidiaries of Huoli Tianhui which conduct Non-restricted Businesses were transferred to Shenzhen WFOE.

(vi) Entering into of the Contractual Arrangements

The Restricted or Prohibited Businesses remain under Huoli Tianhui. As prohibitions and restrictions, the Company does not have equity interests in Huoli Tianhui.

On June 11, August 20, October 11, October 26 and October 27, 2024, Shenzhen WFOE, Huoli Tianhui and the then registered shareholders (other than Caissa Shijia) of Huoli Tianhui entered into various agreements (collectively, the “Contractual Arrangements”), under which 95.87% of the economic benefits arising from the businesses and operations of Huoli Tianhui were retained by Shenzhen WFOE. Through the Contractual Arrangements, the Company is able to effectively control the operation and recognize and receive 95.87% of the economic benefits of Huoli Tianhui. For further details of the Contractual Arrangements, please refer to Note 1.4. The other 4.13% equity interest of Huoli Tianhui belong to Caissa Shijia is treated as non-controlling interest.

Upon completion for the Reorganization, the Company became the ultimate holding company of the companies now comprising the Group.

Upon completion of the Reorganization, the Company became the holding company of subsidiaries now comprising the Group. As at the date of this report and during the Track Record Period, the Group had direct or indirect interests in the following subsidiaries:

Company name	Note	Place and date of Incorporation/ establishment and operations	Principal activities	Registered/ issued capital/ paid-up capital	Percentage of attributable equity interest				
					As at December 31,			As at	As at the date of this report
					2021	2022	2023	June 30, 2024	
Direct interests:									
New Huoli.	(c)	BVI, July 13, 2023	Investment holding	US\$1/Nil	N/A	N/A	100%	100%	100%
Indirect interests:									
Huoli Development	(c)	Hong Kong, July 21, 2023	Investment holding	HK\$10,000/Nil	N/A	N/A	100%	100%	100%
Huoli Xingsheng	(c)	PRC, December 5, 2023	Investment holding	US\$5,000,000/ US\$1,000,000	N/A	N/A	100%	100%	100%
Huoli Chunhui		PRC, January 2, 2024	Investment holding	US\$25,000,000/ US\$12,000,000	N/A	N/A	N/A	100%	100%

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Company name	Note	Place and date of incorporation/ establishment and operations	Principal activities	Registered/ issued capital/ paid-up capital	Percentage of attributable equity interest				
					As at December 31,			As at June 30,	As at the date of this report
					2021	2022	2023	2024	
Shenzhen Huoli Tourism Co., Ltd. (深圳市活力旅行社有限公司)	(d)	PRC, March 26, 2013	Travel related services	RMB1,500,000/ RMB1,500,000	100%	100%	100%	100%	100%
Huoli Century Technology (Beijing) Co., Ltd. (活力世紀科技(北京)有限公司)	(e), (f)	PRC, November 10, 2010	Technology services	RMB89,707,636/ RMB89,707,636	100%	100%	100%	100%	100%
Beijing Huoli Tourism Co., Ltd. (北京活力旅行社有限公司)	(e), (f)	PRC, January 12, 2009	Travel related services	RMB1,000,000/ RMB1,000,000	100%	100%	100%	100%	100%
Beijing Huoli Tianhui Tourism Co., Ltd. (北京活力天匯旅行社有限公司)	(c), (h)	PRC, April 29, 2004	Travel related services	RMB500,000/ RMB500,000	N/A	N/A	100%	100%	N/A
Beijing Huoli Xinghui Technology Co., Ltd. (北京活力星輝科技有限公司)	(c)	PRC, July 3, 2023	Technology services	RMB1,800,000/ RMB1,800,000	N/A	N/A	100%	100%	100%
Shenzhen Huoli Qiushi Technology Co., Ltd. (深圳市活力秋實科技有限公司)	(c)	PRC, June 30, 2023	Investment holding	RMB20,000,000/ RMB20,000,000	N/A	N/A	100%	100%	100%
Shenzhen Huoli Chunhua Technology Co., Ltd. (深圳活力春華科技有限公司)	(c)	PRC, June 30, 2023	Investment holding	RMB1,500,000/ RMB1,500,000	N/A	N/A	100%	100%	100%
Shenzhen Lvtu Lingzhou Technology Co., Ltd. (深圳市旅圖靈舟科技有限公司)	(c)	PRC, December 28, 2023	Technology services	RMB2,000,000/Nil	N/A	N/A	100%	100%	100%
Huoli HK Limited (活力香港科技有限公司)		PRC, May 31, 2024	Travel related services	US\$2,000,000/ US\$719,000	N/A	N/A	N/A	100%	100%
Entities controlled through Contractual Arrangements:									
Huoli Tianhui	(d)	PRC, 22 September 2005	Travel related services	RMB406,186,358/ RMB406,186,358	95.87%	95.87%	95.87%	95.87%	95.87%
Next Stop Information Technology (Shanghai) Co., Ltd. (下一站信息技術(上海)有限公司)	(e), (c)	PRC, 31 October 2012	Travel related services	RMB1,000,000/ RMB1,000,000	95.87%	95.87%	95.87%	95.87%	95.87%
Huoli Caissa Business Travel (Sanya) Co., Ltd. (活力凱撒商務旅行(三亞)有限公司)	(e), (f)	PRC, 21 July 2020	Travel related services	RMB4,500,000/ RMB4,500,000	57.52%	57.52%	57.52%	57.52%	57.52%
Caissa Jinghong (Beijing) Business Travel Co., Ltd. (凱撒景鴻(北京)商務旅遊有限責任公司)	(e), (f), (g)	PRC, 3 November 2009	Travel related services	RMB50,000,000/ RMB1,500,000	57.52%	57.52%	57.52%	57.52%	57.52%
Caissa Jinghong Business Travel (Beijing) Business Service Co., Ltd. (凱撒景鴻商旅(北京)商務服務有限公司)	(e), (f), (g)	PRC, 30 October 2007	Travel related services	RMB1,500,000/ RMB1,000,000	57.52%	57.52%	57.52%	57.52%	57.52%

- (a) All companies comprising the Group are limited liability companies and have adopted December 31, as their financial year end.
- (b) The English names of the subsidiaries incorporated in the PRC represent management’s best efforts in translating the Chinese names of those companies as no English names have been registered or are available.
- (c) No audited statutory financial statements have been prepared for these subsidiaries as at the year ended December 31, 2023.

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- (d) The PRC statutory financial statements of these companies for the years ended December 31, 2021, 2022 and 2023 were audited by Shenzhen Strong CPA LLP (深圳思創會計師事務所(普通合夥)).
- (e) The PRC statutory financial statements of these companies for the year ended December 31, 2021 were audited by Beijing Dongshen Dingli International CPA LLP (北京東審鼎立國際會計師事務所有限責任公司).
- The PRC statutory financial statements of these companies for the year ended December 31, 2022 were audited by Beijing Dongshen CPA LLP (北京東審會計師事務所(特殊普通合夥)).
- (f) The PRC statutory financial statements of these companies for the year ended December 31, 2023 were audited by Beijing Dongshen CPA LLP (北京東審會計師事務所(特殊普通合夥)).
- (g) In July 2020, the Group and a related party, Caissa Tongsheng Tourism (Group) Co., Ltd (凱撒同盛旅行社(集團)有限公司) (“Caissa Tongsheng Tourism”), established Huoli Caissa Business Travel (Sanya) Co., Ltd. (“Huoli Caissa”). The Group and Caissa Tongsheng Tourism hold 60% and 40% equity interest of Huoli Caissa respectively. In May 2021, Huoli Caissa acquired 100% equity interests of Caissa Jinghong (Beijing) Business Travel Co., Ltd. and 100% equity interest of Caissa Jinghong Travel Business (Beijing) Business Service Co., Ltd. (collectively the “Target Companies”) at a total cash consideration of RMB98,000 from Caissa Tongsheng Tourism and Beijing Caissa International Travel Service Co., Ltd. (北京凱撒國際旅行社有限責任公司), who are under common control of, a shareholder of Huoli Tianhui. The fair value of the total net identifiable assets of the Target Companies acquired was RMB98,000 at the acquisition date. This acquisition has no significant impact on the Group’s combined financial statements. The net cash proceed from this acquisition was RMB1,874,000.
- (h) In October 2023, the Group acquired 100% equity interests of Beijing Huoli Tianhui Tourism Co., Ltd. (formerly named “馬踏飛燕國際旅行社(北京)有限公司”) from two individuals who are third parties of the Group at a cash consideration of RMB500,000. The fair value of the net identifiable assets acquired was RMB500,000 at the acquisition date. This acquisition had no significant impact on the Group’s combined financial statements. The net cash outflow from this acquisition was RMB496,000. In September 2024, the Group transferred 100% equity interests of Beijing Huoli Tianhui Tourism Co., Ltd. to two individuals who are third parties of the Group at a cash consideration of RMB500,000.

1.3 Basis of presentation

Immediately prior to and after the Reorganization, the [REDACTED] Businesses were mainly conducted through the Operating Entities. Pursuant to the Reorganization, the Operating Entities were transferred to and held indirectly by the Company through direct equity holding and the Contractual Arrangements.

As the Company and the companies newly set up had not been involved in any other businesses prior to the Reorganization and do not meet the definition of a business, the Reorganization is merely a recapitalization of the [REDACTED] Businesses with no change in businesses substance, management of such businesses and the major shareholders of the Operating Entities remain the same. Accordingly, the Group resulting from the Reorganization is regarded as a continuation of the [REDACTED] Businesses under the Operating Entities, and for the purpose of this report, the Historical Financial Information has been prepared and presented using the carrying values under the combined financial statements of Huoli Tianhui and its subsidiaries for all periods presented.

Inter-company transactions, balances and unrealized gains/losses on transactions among group companies are eliminated on combination.

1.4 Subsidiaries controlled through Contractual Arrangements

As described in Note 1.2(vi), Shenzhen WFOE has entered into the Contractual Arrangements with Huoli Tianhui and its registered shareholders other than Caissa Shijia which holds 4.13% equity interest of Huoli Tianhui after completed the Reorganization, which enable Shenzhen WFOE and the Group to:

- Exercise effective control over the Operating Entities;
- Exercise 95.87% equity holders’ voting rights of the Operating Entities;

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- Receive substantially 95.87% of the economic interests and returns generated by the Operating Entities in consideration for the technical support, consulting and other services provided exclusively by Shenzhen WFOE, at Shenzhen WFOE’s discretion;
- Obtain an irrevocable and exclusive right to purchase 95.87% equity interests in Huoli Tianhui will from its registered shareholders other than Caissa Shijia at a nominal consideration unless the relevant government authorities request that another amount be used as the purchase consideration and in which case the purchase consideration shall be such amount. Where the purchase consideration is required by the relevant government authorities to be an amount other than a nominal amount, the registered shareholders other than Caissa Shijia of Huoli Tianhui shall return the amount of purchase consideration they have received to Shenzhen WFOE. At Shenzhen WFOE’s request, the registered shareholders other than Caissa Shijia of Huoli Tianhui will promptly and unconditionally transfer their respective equity interests of Huoli Tianhui to Shenzhen WFOE (or its designee within the Group) after Shenzhen WFOE exercises its purchase right.
- Obtain pledges over the 95.87% equity interests in Huoli Tianhui from its registered shareholders other than Caissa Shijia to secure, among others, performance of their obligations under the Contractual Arrangement.

The Group does not have any equity interest in Huoli Tianhui. However, as a result of the Contractual Arrangement, the Group has rights to variable returns from its involvement with Huoli Tianhui and has the ability to affect those returns through its power over Huoli Tianhui and is considered to control Huoli Tianhui. Consequently, the Company regards Huoli Tianhui and its subsidiaries as controlled structure entities and combined the financial position and results of operations of these entities in the Historical Financial Information of the Group during the Track Record Period.

Nevertheless, there are still uncertainties regarding the interpretation and application of current and future PRC laws and regulations. The directors of the Group, based on the advice of its legal counsel, consider that the use of Contractual Arrangements does not constitute a breach of relevant laws and regulations.

2 BASIS OF PREPARATION

The Historical Financial Information of the Group has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial assets at fair value through other comprehensive income (“FVOCI”) and financial assets at fair value through profit or loss (“FVPL”), which are carried at fair values.

The preparation of the Historical Financial Information in conformity with HKFRSs 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.

2.1 New and amended standards and interpretations

(a) *New and amended standards adopted by the Group*

In preparing the Historical Financial Information, the Group has consistently adopted all applicable new and amended HKFRSs throughout all the years and periods presented except for any new or interpretation that are not yet effective.

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(b) New and amended standards and interpretations not yet adopted

New standards, amendments and interpretations that have been issued but not yet effective and have not been early adopted by the Group, are set out below:

		<u>Effective for annual periods beginning on or after</u>
Amendments to HKAS 21	Lack of exchangeability	January 1, 2025
Amendments to HKFRS 9 and HKFRS 7	Amendments to the classification and measurements of financial instruments	January 1, 2026
HKFRS 18	Presentation and disclosure in financial statements	January 1, 2027
HKFRS 19	Subsidiaries without public accountability: disclosures	January 1, 2027
HK Int 5	Hong Kong Interpretation 5 Presentation of financial statements-classification by the borrower of a term loan that contains a repayment on demand clause (amendments)	January 1, 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate	To be determined

The Group has commenced an assessment of the impact of these new and amended standards and interpretation certain of which are relevant to the Group. According to the preliminary assessment made by the management of the Group, 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, interest rate risk and security price risk), credit risk and liquidity risk. The Group’s overall risk management procedures focus on the unpredictability of financial markets and seek to minimize potential adverse effects on the Group’s financial performance.

3.1.1 Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the entity’s functional currency. The Group’s monetary assets and liabilities dominated in a currency that is not the functional currency of the relevant group entities mainly consist of cash and cash equivalents of the Company. During the Track Record Period, the Group has not entered into any derivative instruments to hedge its foreign exchange exposures.

The functional currency of the Company is Hong Kong dollars (“HKD”), which is exposed to foreign currency risk with respect to the Company’s monetary assets and liabilities denominated in USD. For balances denominated in USD are reasonably stable with the Hong Kong dollars under the Linked Exchange Rate System, the directors are of the opinion that the Company does not have significant foreign exchange risk.

(ii) Interest rate risk

The Group’s interest rate risk primarily arises from interest-bearing borrowings. Financial assets and liabilities with floating rate expose the Group to cash flow interest rate risk and financial assets and liabilities with fixed rate expose the Group to fair value interest risk.

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The exposure of the Group’s borrowings to interest rate changes at the end of the reporting period were as follow:

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Floating rate borrowings	–	7,008	7,008	–
Fixed rates borrowings	28,379	–	8,170	8,304
	<u>28,379</u>	<u>7,008</u>	<u>15,178</u>	<u>8,304</u>

As at December 31, 2022 and 2023, if interest rates for the floating rate borrowings had been 50 basis points higher or lower with all other variables held constant, the Group’s profit before income tax for the years then ended would have been lower or higher approximately RMB35,000 and RMB35,000, respectively.

The interest rate risk of cash in bank and other financial assets and liabilities carried at fixed rate is not significant for the Group.

(iii) Security price risk

The Group is exposed to equity price risk mainly arising from investments held by the Group that are classified as financial assets at FVPL (Note 20) and financial assets at FVOCI (Note 21). The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing the Group’s liquidity level simultaneously. Each investment is managed by senior management of the Group on a case-by-case basis.

Sensitivity analysis is performed by management to assess the exposure of the Group’s financial results to equity price risk of FVPL and FVOCI at the end of each reporting period. If prices of the respective security instruments held by the Group had increased/decreased by 10% with all other variable held constant as at December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024, the profit before income tax would increase/decrease approximately RMB310,000, RMB347,000, RMB419,000, RMB334,000 and RMB1,082,000 respectively, the comprehensive gain or loss before income tax would increase/decrease approximately nil, nil, RMB2,000,000, nil and RMB2,009,000 respectively.

3.1.2 Credit risk

The Group is exposed to credit risk primarily in relation to its cash and cash equivalents, restricted cash, trade and other receivables. The carrying amounts of each class of the above financial assets represent the Group’s maximum exposure to credit risk in relation to financial assets.

To manage credit risk, cash and cash equivalents and restricted cash are mainly placed with state-owned or reputable financial institutions in the PRC, and there has been no recent history of default in relation to these financial institutions. Thus, the credit risk related to cash and cash equivalents and restricted cash was insignificant.

To manage the risk arising from trade and other receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of its counterparties.

The Group has concentrations of credit risk which arise from trade receivables from its customers. Trade receivables from the Group’s five largest customers in aggregate account for 43%, 57%, 51% and 44% of the Group’s total trade receivables as at December 31, 2021, 2022 and 2023 and June 30, 2024, respectively. If these customers experience financial difficulties in paying the Group, the Group’s receivables might be adversely affected in terms of recoverability. To manage this risk, the Group assesses the credit quality of the customers, taking into account their financial position, past trading and payment experience and forward-looking factors.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability based on historical settlement records and past experience, as well as forward-looking factors.

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(i) *Trade receivables*

The Group applies the simplified approach to provide for the expected credit loss prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the expected credit losses, trade receivables have been assessed on individual basis or collective basis which grouped based on shared credit risk characteristics and the aging of receivables. The expected loss rates are based on the corresponding historical credit losses. The expected credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group had identified the consumer price index of the PRC, Monetary Product Research (“M2”) and fixed asset investment in which it sold its goods and services to be the most relevant factors, and accordingly adjusted the historical loss rates based on expected changes in these factors during the Track Record Period.

Set out below is the information about credit risk exposure on the Group’s trade receivables:

Trade receivables — assessed based on collective

	<u>Up to 3 months</u>	<u>3 to 6 months</u>	<u>6 to 12 months</u>	<u>Over 1 year</u>	<u>Total</u>
As at December 31, 2021					
Expected loss rate	1.27%	1.48%	3.67%	36.69%	2.84%
Gross carrying amount . . .	29,085	10,940	6,762	1,619	48,406
Loss allowance provision .	370	162	248	594	1,374
As at December 31, 2022					
Expected loss rate	1.95%	2.66%	6.75%	38.54%	5.66%
Gross carrying amount . . .	48,697	9,964	4,966	6,241	69,868
Loss allowance provision .	951	265	335	2,405	3,956
As at December 31, 2023					
Expected loss rate	2.53%	4.67%	10.14%	50.21%	4.08%
Gross carrying amount . . .	70,668	13,418	5,979	1,414	91,479
Loss allowance provision .	1,789	627	606	710	3,732
As at June 30, 2024					
(Unaudited)					
Expected loss rate	1.76%	4.49%	10.03%	18.11%	3.62%
Gross carrying amount . . .	50,349	9,127	6,244	3,191	68,911
Loss allowance provision .	884	410	626	578	2,498

Trade receivables — assessed based on individual

	<u>As at December 31,</u>			<u>As at June 30,</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Expected loss rate	100%	100%	100%	100%
Gross carrying amount	1,238	1,261	1,165	959
Loss allowance provision	1,238	1,261	1,165	959

Trade receivables are written off when there is no reasonable expectation of recovery.

Impairment losses on trade receivables are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

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During the years of 2021, 2022 and 2023 and six months ended 2023 and 2024, the movement of loss allowances provision of trade receivables is as follow:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Loss allowance provision:					
At beginning of the year/period	1,775	2,612	5,217	5,217	4,897
Increase/(decrease) in allowance recognized in profit or loss	477	2,627	(305)	3,410	(1,396)
Written off	(1)	(22)	(15)	–	(44)
Others	361	–	–	–	–
At the end of the year/period	<u>2,612</u>	<u>5,217</u>	<u>4,897</u>	<u>8,627</u>	<u>3,457</u>

(ii) *Other receivables*

Other receivables comprise other receivables of travel related services (Note 23) and other receivables (Note 24). The Group considers the probability of default upon initial recognition of the assets and whether there has been significant increase in credit risk on an ongoing basis throughout each reporting 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.

It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtors’ ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtors;
- significant increases in credit risk on other financial instruments of the same debtors;
- significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors; or
- external credit rating, etc.

To measure the expected credit loss (“ECL”), other receivables have been grouped based on shared credit risk characteristics. The Group also made individual assessment on the recoverability of other receivables for certain customer. Over the term of the financial assets, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis.

3-stages general approach ECL model has been applied for other receivables. The Group assesses whether their credit risk has increased significantly since their initial recognition and applies a 3-stages impairment model to calculate their impairment allowance and recognize their ECL.

In calculating the expected credit loss rates, the Group considered historical loss rates for each category of debtors and adjusts for forward-looking macroeconomic data. Due to the cash in transit of other receivables (Note 24(b)) are receivables from banks and other payment channels and would be collected in the next day, the credit risk was remote and the ECL rate of this group was nil during the Track Record Period.

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The credit losses assessed based on other groups and individual of other receivables except cash in transit group as follows:

	Stage 1	Stage 2	Stage 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Assessed based on collective:				
Other groups				
As at December 31, 2021				
Expected loss rate	1.20%	–	–	1.20%
Gross carrying amount	83,777	–	–	83,777
Loss allowance provision	(1,009)	–	–	(1,009)
As at December 31, 2022				
Expected loss rate	1.47%	–	–	1.47%
Gross carrying amount	95,137	–	–	95,137
Loss allowance provision	(1,403)	–	–	(1,403)
As at December 31, 2023				
Expected loss rate	1.59%	–	–	1.59%
Gross carrying amount	141,087	–	–	141,087
Loss allowance provision	(2,243)	–	–	(2,243)
(Unaudited)				
As at June 30, 2024				
Expected loss rate	1.05%	–	–	1.05%
Gross carrying amount	162,301	–	–	162,301
Loss allowance provision	(1,709)	–	–	(1,709)
Assessed based on individual:				
As at December 31, 2021				
Expected loss rate	–	–	74.56%	74.56%
Gross carrying amount	–	–	29,547	29,547
Loss allowance provision (i)	–	–	(22,031)	(22,031)
As at December 31, 2022				
Expected loss rate	–	–	77.93%	77.93%
Gross carrying amount	–	–	37,972	37,972
Loss allowance provision (i)	–	–	(29,591)	(29,591)
As at December 31, 2023				
Expected loss rate	–	–	71.37%	71.37%
Gross carrying amount	–	–	42,997	42,997
Loss allowance provision (i)	–	–	(30,689)	(30,689)
(Unaudited)				
As at June 30, 2024				
Expected loss rate	–	–	100.00%	100.00%
Gross carrying amount	–	–	12,457	12,457
Loss allowance provision (i)	–	–	(12,457)	(12,457)

(i) The Group individually assessed the recoverability of the balance with certain customers as at December 31, 2021, 2022 and 2023 and June 30, 2024 as significant increase in credit risk were identified. For details of major other receivables assessed individually see Note 36(e).

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During the years of 2021, 2022 and 2023 and six months ended 2023 and 2024, the movement of loss allowance provision of other receivables is as follow:

	Other receivables				
	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Loss allowance provision:					
At beginning of the year/period	10,989	23,040	30,994	30,994	32,932
Increase in allowance recognized in profit or loss . .	12,553	8,005	1,939	2,145	2,060
Written off	(502)	(51)	(1)	–	(20,826)
At the end of the year/period .	<u>23,040</u>	<u>30,994</u>	<u>32,932</u>	<u>33,139</u>	<u>14,166</u>

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. 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.

The table below analyses the Group’s financial liabilities into relevant maturity groupings based on their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Carrying value
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at December 31, 2021					
Borrowings	29,097	–	–	29,097	28,379
Trade payables	23,994	–	–	23,994	23,994
Other payables of travel related services	74,334	–	–	74,334	74,334
Other payables and accruals (excluding accrued payroll, welfare, taxes payable and accrued expenses)	38,231	–	–	38,231	38,231
Lease liabilities	7,283	5,915	392	13,590	12,574
	<u>172,939</u>	<u>5,915</u>	<u>392</u>	<u>179,246</u>	<u>177,512</u>
As at December 31, 2022					
Borrowings	7,088	–	–	7,088	7,008
Trade payables	34,016	–	–	34,016	34,016
Other payables of travel related services	88,780	–	–	88,780	88,780
Other payables and accruals (excluding accrued payroll, welfare, taxes payable and accrued expenses)	43,523	–	–	43,523	43,523
Lease liabilities	7,598	3,071	815	11,484	10,731
	<u>181,005</u>	<u>3,071</u>	<u>815</u>	<u>184,891</u>	<u>184,058</u>

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	On demand or less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total	Carrying value
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
As at December 31, 2023					
Borrowings	15,416	–	–	15,416	15,178
Trade payables	23,331	–	–	23,331	23,331
Other payables of travel related services	118,991	–	–	118,991	118,991
Other payables and accruals (excluding accrued payroll, welfare, taxes payable and accrued expenses)	47,440	–	–	47,440	47,440
Lease liabilities	7,692	6,926	4,496	19,114	18,048
	<u>212,870</u>	<u>6,926</u>	<u>4,496</u>	<u>224,292</u>	<u>222,988</u>
(Unaudited)					
As at June 30, 2024					
Borrowings	8,471	–	–	8,471	8,304
Trade payables	28,957	–	–	28,957	28,957
Other payables of travel related services	161,458	–	–	161,458	161,458
Other payables and accruals (excluding accrued payroll, welfare, taxes payable and accrued expenses)	167,740	–	–	167,740	167,740
Lease liabilities	7,718	6,962	1,928	16,608	15,603
	<u>374,344</u>	<u>6,962</u>	<u>1,928</u>	<u>383,234</u>	<u>382,062</u>

3.2 Capital 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 shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders’ value in the long term.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as liquid liabilities, which are borrowing and lease liabilities, less cash and cash equivalents, restricted cash, and liquid investments which are investments in wealth management products included in financial assets at FVPL. Total capital is calculated as “equity” as shown in the combined statements of financial position plus net debts. As at December 31, 2021, 2022 and 2023 and June 30, 2024, the Group has a net cash position. In the opinion of the directors of the Company, the Group’s capital risk is low.

3.3 Fair value estimation

3.3.1 Fair value hierarchy

The table below analyses the Group’s financial instruments carried at fair value as at December 31, 2021, 2022 and 2023 and June 30, 2024 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follow:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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As at December 31, 2021, 2022 and 2023 and June 30, 2024, the financial assets measured at fair value on a recurring basis by the above three levels were analyzed below:

	Level 1	Level 2	Level 3	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at December 31, 2021				
Financial assets at FVPL				
Investment in an unlisted entity (Note 20)	–	–	3,100	3,100
Investments in wealth management products (Note 20)	–	–	40,058	40,058
	<u>–</u>	<u>–</u>	<u>43,158</u>	<u>43,158</u>
	<u>–</u>	<u>–</u>	<u>43,158</u>	<u>43,158</u>
As at December 31, 2022				
Financial assets at FVPL				
Investment in a listed entity (Note 20)	115	–	–	115
Investment in an unlisted entity (Note 20)	–	–	3,350	3,350
Debt investment (Note 20)	–	–	14,350	14,350
	<u>115</u>	<u>–</u>	<u>17,700</u>	<u>17,815</u>
	<u>115</u>	<u>–</u>	<u>17,700</u>	<u>17,815</u>
As at December 31, 2023				
Financial assets at FVPL				
Investment in a listed entity (Note 20)	85	–	–	85
Investment in an unlisted entity (Note 20)	–	–	3,572	3,572
Investments in wealth management products (Note 20)	–	–	5,037	5,037
Debt investment (Note 20)	–	–	18,810	18,810
	<u>85</u>	<u>–</u>	<u>27,419</u>	<u>27,504</u>
	<u>85</u>	<u>–</u>	<u>27,419</u>	<u>27,504</u>
Financial assets at FVOCI				
Investment in an unlisted entity (Note 21)	–	–	20,000	20,000
	<u>–</u>	<u>–</u>	<u>20,000</u>	<u>20,000</u>
	<u>–</u>	<u>–</u>	<u>20,000</u>	<u>20,000</u>
(Unaudited)				
As at June 30, 2024				
Financial assets at FVPL				
Investment in listed entities (Note 20)	6,761	–	–	6,761
Investment in an unlisted entity (Note 20)	–	–	2,877	2,877
	<u>6,761</u>	<u>–</u>	<u>2,877</u>	<u>9,638</u>
	<u>6,761</u>	<u>–</u>	<u>2,877</u>	<u>9,638</u>
Financial assets at FVOCI				
Investment in an unlisted entity (Note 21)	–	–	20,094	20,094
	<u>–</u>	<u>–</u>	<u>20,094</u>	<u>20,094</u>
	<u>–</u>	<u>–</u>	<u>20,094</u>	<u>20,094</u>

There was no transfer of fair value hierarchy levels during the Track Record Period.

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3.3.2 Valuation techniques used to determine fair value

The financial assets subject to Level 1 fair value measurement were the investments in listed entities, the fair value of which is determined at the quoted market price.

The financial assets subject to Level 3 fair value measurement were mainly included investments in entities, wealth management and debt investments, which are not traded in an active market and the fair value is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow model, equity allocation model and market approach, etc. The judgment of Level 3 of the fair value hierarchy is based on the materiality of unobservable inputs towards calculation of whole fair value. The mainly inputs of the valuation technique include expected rate of return, risk-free rate, expected volatility, financial data of target companies and market multiple of comparable companies.

The Group did not change any valuation techniques in determining the level 3 fair values during the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024.

3.3.3 Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024:

	Financial assets at FVPL			Financial assets at FVOCI
	Investments in wealth management products	Debt investment	Investment in an unlisted entity	Investment in an unlisted entity
	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2021	–	–	2,560	–
Additions	60,000	–	–	–
Disposals	(20,194)	–	–	–
Changes in fair value	252	–	540	–
As at December 31, 2021	<u>40,058</u>	<u>–</u>	<u>3,100</u>	<u>–</u>
As at January 1, 2022	40,058	–	3,100	–
Additions	89,000	15,000	–	–
Disposals	(130,046)	–	–	–
Changes in fair value	988	(650)	250	–
As at December 31, 2022	<u>–</u>	<u>14,350</u>	<u>3,350</u>	<u>–</u>
As at January 1, 2023	–	14,350	3,350	–
Additions	63,000	5,000	–	20,000
Disposals	(58,207)	–	–	–
Changes in fair value	244	(540)	222	–
As at December 31, 2023	<u>5,037</u>	<u>18,810</u>	<u>3,572</u>	<u>20,000</u>
(Unaudited)				
As at January 1, 2023	–	14,350	3,350	–
Additions	58,000	5,000	–	–
Disposals	(50,004)	–	–	–
Changes in fair value	67	(1,629)	(110)	–
As at June 30, 2023	<u>8,063</u>	<u>17,721</u>	<u>3,240</u>	<u>–</u>
(Unaudited)				
As at January 1, 2024	5,037	18,810	3,572	20,000
Additions	80,000	–	–	–
Disposals	(85,190)	(20,000)	–	–
Transfer (Note 20(b))	–	(1,697)	–	–
Changes in fair value	153	2,887	(695)	94
As at June 30, 2024	<u>–</u>	<u>–</u>	<u>2,877</u>	<u>20,094</u>

3.3.4 Valuation inputs and relationships to fair value (level 3)

The financial manager of the Group performs the valuations of financial instruments, including the Level 3 fair values. The financial manager reports directly to the Chief Financial Officer (“CFO”). External valuation experts will be involved when necessary. Discussions of valuation processes and results are held between the CFO, the financial manager and the external valuation experts.

At each valuation day the financial manager:

- verifies all major inputs to the valuation report;
- assesses valuation movements when compared to the prior year valuation report; and
- holds discussions with the CFO and external valuation experts.

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The following table summarizes the quantitative information about the significant unobservable inputs of major financial assets used in level 3 fair value measurements:

Description	Fair value			Valuation technique(s)	Unobservable inputs	Range of inputs (average)			Relationship of unobservable inputs to fair value		
	As at December 31,		As at June 30,			As at December 31,		As at June 30,			
	2021	2022	2023			2024	2021	2022		2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000							
	40,058	-	5,037	-	Discounted cash flows	Expected rate of return	2.78%~3.85%	2.50%~4.05%	1.30%~3.63%	N/A	The higher the expected rate of return, the higher the fair value
Investments in wealth management products											
	-	14,350	18,810	-	Discounted cash flows	Expected rate of return	N/A	8.00%	8.00%	N/A	The higher the expected rate of return, the higher the fair value
Debt investment at FVPL											
						Market rates	N/A	27.20%	44.98%	N/A	The higher the market rates, the lower the fair value
	3,100	3,350	3,572	2,877	Equity allocation model	Risk-free rate	2.42%	2.23%	2.08%	1.63%	The higher the risk-free rate, the lower the fair value
Investment in an unlisted entity at FVPL						Expected volatility	43.76%	50.10%	52.46%	53.11%	The higher the expected volatility, the higher the fair value
					Market approach	Discounts for lack of marketability (“DLOM”)	23.40%	22.10%	19.50%	20.00%	The higher the DLOM, the lower the fair value
					P/S ratio	P/S ratio	2.36	1.92	2.45	1.56	The higher the P/S ratio, the higher the fair value

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Description	Fair value			Valuation technique(s)	Unobservable inputs	Range of inputs (average)			Relationship of unobservable inputs to fair value
	As at December 31,		As at June 30,			As at December 31,		As at June 30,	
	2021	2022	2023			2024	2022	2023	
	RMB'000	RMB'000	RMB'000	RMB'000					
									(Unaudited)
Investment in an unlisted entity at FVOCI	-	-	20,000	20,094	Consensus pricing	Offered quotes	N/A	N/A	N/A
					Equity allocation model	Risk-free rate	N/A	N/A	1.89%
						Expected volatility	N/A	N/A	50.02%
					Market approach	Discounts for lack of marketability (“DLOM”)	N/A	N/A	20.86%
						P/S ratio	N/A	N/A	5.72

There were no significant inter-relationships between unobservable inputs that materially affect the fair values.

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Historical Financial Information requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments 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 1.4, the Group exercises control over certain structured entities and has the right to recognize and receive 95.87% the economic benefits from them through the Contractual Arrangements. The directors consider that the Group controls these structured entities notwithstanding that it does not have direct or indirect legal ownership in equity of these entities as the Group has power over the financial and operating policies of these entities and receives substantially all the economic interest returns generated from the business activities of these entities through these Contractual Arrangements. Accordingly, all these structured entities are accounted for as controlled structured entities and their financial statements have also been combined by the Group throughout the year.

(b) Revenue recognition on a gross or net basis

The Group offers a variety of travel related service to its customers using different business models, which involves the assessment of revenue recognition on a gross or net basis, i.e. principal or agent assessment in different business models. The Group follows the accounting guidance for principal-agent considerations to assess whether the Group controls the specified service before it is transferred to the end customer, the indicators of which including but not limited to (i) whether the Group is primarily responsible for fulfilling the promise to provide the specified service; (ii) whether the Group has inventory risk before the specified service has been transferred to a customer; and (iii) whether the Group has discretion in establishing the prices for the specified goods or service. The management considers the above factors in totality, as none of the factors individually are considered presumptive or determinative and applies judgment when assessing the indicators depending on each different circumstance.

(c) Allocation of selling price of each distinct performance obligation

As disclosed in Note 6, contracts with customers may include multiple performance obligations. When the performance obligations are assessed to be distinct, the Group allocates revenue to each performance obligation based on their relative standalone selling prices. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating whether the performance obligations are distinct and the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

(d) Expected credit losses of trade receivables and other receivables

The Group follows the guidance of HKFRS 9 when assessing the expected credit losses of trade receivables and other receivables. This determination requires significant judgment and estimation. In making this judgment and estimation, the Group evaluates, among other factors, the aging of these receivables and the financial position and collection history of debtors and expected future changes in credit risks, including the consideration of factors such as the consumer price index of the PRC, M2 and fixed asset investment etc. Further details are included in Note 3.1.2.

(e) Fair value measurement of financial assets at level 3 fair value hierarchy

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets at level 3 hierarchy see Note 3.3.

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(f) Recognition of share-based compensation expenses

The fair value of share options is determined by the Black-Scholes option-pricing model at the grant date, and is expected to be expensed over the respective vesting period. Significant estimate on assumptions, including underlying equity value, risk-free interest rate, expected volatility, dividend yield, and terms, are made by the directors and external valuation experts.

(g) Income taxes and deferred taxations

There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgments are required from the Group in determining the provisions for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognizes deferred income tax assets based on estimates that it is probable to generate sufficient taxable profits in the foreseeable future against which the deductible losses will be utilized. The recognition of deferred income tax assets mainly involves management’s judgments and estimations about the timing and the amount of taxable profits of the companies who has tax losses.

5 SEGMENT INFORMATION

The Group is principally engaged in the provision of travel related services as well as online marketing services, data and technology services and others.

The Chief Operating Decision Maker (“CODM”) has been identified as the executive director, who reviews the Group’s internal reporting in order to assess performance and allocate resources. The CODM assesses the performance of the Group’s business activities as a whole on a regular basis and the directors of the Company consider that the Group has only one reportable segment. Accordingly, no segment information is presented.

The Company is domiciled in the Cayman Islands while the Group operates its business in the PRC and earns substantially all of the revenues from customers attributed to the PRC. As at December 31, 2021, 2022 and 2023 and June 30, 2024, substantially all of the non-current assets of the Group were located or raised from transactions as conducted in the PRC. Therefore, no geographical segments are presented.

6 REVENUE

6.1 Analysis of the Group’s revenue is as follow:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000 (Unaudited)
Travel related services					
– Transportation ticketing services	244,866	175,479	343,842	168,381	205,765
– Corporate travel management services	22,377	56,744	83,785	31,068	38,208
– Online ride hailing services	11,384	3,876	7,991	4,038	2,982
– Accommodation reservation services and others	7,372	4,402	6,524	2,986	4,881
	<u>285,999</u>	<u>240,501</u>	<u>442,142</u>	<u>206,473</u>	<u>251,836</u>
Online marketing services . . .	40,110	21,266	40,998	16,988	19,712
Data and technology services .	17,531	18,350	18,482	6,129	9,868
	<u>343,640</u>	<u>280,117</u>	<u>501,622</u>	<u>229,590</u>	<u>281,416</u>

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The timing of revenue recognition of the Group’s revenue is as below:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(Unaudited)</i>	<i>RMB’000</i> <i>(Unaudited)</i>
At point time:					
– Travel related services . . .	251,876	177,321	351,153	171,203	209,179
– Online marketing service . .	13,325	11,070	27,452	10,778	16,857
– Data and technology services and others	10,777	11,367	11,945	2,955	5,813
Over time:					
– Travel related services . . .	34,123	63,180	90,989	35,270	42,657
– Online marketing service . .	26,785	10,196	13,546	6,210	2,855
– Data and technology services	6,754	6,983	6,537	3,174	4,055
	<u>343,640</u>	<u>280,117</u>	<u>501,622</u>	<u>229,590</u>	<u>281,416</u>

Information of the major customer which individually contributed more than 10% of the total revenue of the Group for the Track Record Period is as below:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(Unaudited)</i>	<i>RMB’000</i> <i>(Unaudited)</i>
Numbers of major customers . .	–	1	–	–	–
Total revenue from major customers	–	<u>38,118</u>	–	–	–

6.2 Liabilities related to contracts with customers

The Group has recognized the following liabilities related to contracts with customers:

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(Unaudited)</i>
Current portion.	<u>11,324</u>	<u>6,374</u>	<u>13,468</u>	<u>16,789</u>

Contract liabilities primarily consists of the Group’s obligations arising from the unused portion of various membership and other value-added travel products sold to users, for which implied obligations are to be provided by the Group in a point time.

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(i) Revenue recognized in relation to contract liabilities

The following table shows how much of the revenue recognized during the reporting periods relates to carried-forward contract liabilities.

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Revenue recognized that was included in the balance of contract liabilities at the beginning of the year/period	9,776	8,717	5,378	4,626	10,222

All contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6.3 Accounting policies of revenue recognition

Revenue is recognized when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group’s performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the asset.

If contracts involve the sale of multiple services, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Incremental costs incurred to obtain a contract, if recoverable, are capitalized as contract assets and subsequently amortized when the related revenue is recognized.

(a) Travel related services

The Group offers a variety of travel related services including transportation ticketing, corporate travel management, online ride hailing and accommodation reservation.

(i) Transportation ticketing services

Transportation ticketing services primarily consist of the reservation of air and train tickets, provision of access to travel insurance services, membership services and other ancillary value-added travel products and services. In these transactions, the Group presents revenue from reservation of air and train tickets and provision of access to travel insurance services on net basis as the supplier is primarily responsible for providing the underlying travel services and the Group does not control the service provided by the supplier prior to its transfer to the user. The Group recognized revenue from membership services and other ancillary value-added travel products and services on gross basis as the Group is primarily responsible for providing the underlying services and control the services before it transfer to the user.

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Revenue generated from transportation ticketing and access to travel insurance services are recognized at a point in time upon the issuance of the tickets or the travel insurance, net of estimated cancellations, as this is when performance obligation of the Group is satisfied.

Revenue generated from membership services and other ancillary value-added products and services are recognized differently depending on the terms of the contract and the laws that apply to the contracts, if control of the promised services is transferred over time, revenues are recognized over the periods of the contracts by reference to the progress towards complete satisfaction of those performance obligations. Otherwise, revenue is recognized at a point time when the customer obtains control of the promised services.

(ii) Corporate travel management services

The Group also offers customized tours to meet various travel needs of both leisure and business travelers. In such transactions, the Group integrates the underlying resources such as transportations, accommodations, entertainments, meals, tour guide and other services from selected suppliers, directs the selected vendors to provide services on behalf of the Group, caters to user's evolving demands, and is primarily responsible for fulfilling the promise of the whole packaged tours service. Hence, revenue generated from packaged tours is recognized on a gross basis overtime when the relevant services are rendered, and the customer simultaneously receives and consumes the benefits provided by the Group.

(iii) Online ride hailing services

The Group provides a variety of ride hailing services on its apps. For each of service offerings, revenues are recognized differently depending on who the customer is and whether we are the principal or agent in providing the service. The Group recognize revenues (i) on a gross basis upon the relevant services are rendered when the Group is the principal in providing the service and (ii) on a net basis upon the service provided by the actual ride hailing operators when the Group is the agent in providing the service.

(iv) Accommodation reservation services

The Group generates revenue as a result of the booking of travel services on its apps and derives its revenue mainly from the commissions earned from intermediating services for facilitating reservations of hotel accommodations. Revenue from accommodation reservation services is recognized at a point in time when the accommodation reservations placed by users through the Group become non-cancellable when the relevant services were performed.

(b) Online marketing services

The Group provides various online marketing services for customers to display their advertisement within the apps of the Group, aiming to drive traffic to their proprietary sites, including but not limited to pay for performance marketing services on which the customers are charged through market-based mechanism based on effective clicks on certain information or other performance requirement and display marketing services that allow customers to place promotion information online.

Revenue from marketing services is recognized when relevant specified performance measures are fulfilled. Revenue from display-based are recognized ratably over the contractual service period. The online marketing services revenue is recorded on a gross basis when the Group is the principal to customers in the respective arrangements.

(c) Data and technology services

The Group offers customized air and air cargo data services to allow their customers to have access to customized air and air cargo data over the contract period, generally on either a subscription or consumption basis. Revenue related to data customization services provided on a subscription basis is recognized ratably over the contract period. Revenue related to data customization services provided on a consumption basis, such as the amount used in a period, is recognized based on the customer utilization of such resources.

The Group also provides system implementation services, operation and maintenance support services based on customers' demands and business operations. Revenue of system implementation service is recognized when the Group satisfies a performance obligation by transferring the control of promised goods or services to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for that goods or services at either a point in time or over time with support by progress reports acknowledged by the customers. The corresponding implementation costs are recognized as incurred under cost of sales.

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(d) Contract asset and contract liability

When either party of a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group’s performance and the customer’s payment. A contract asset is the Group’s right to consideration in exchange for products or services that the Group has transferred to its customer. A contract liability is the Group’s obligation to transfer products or services to a customer for which the Group has received consideration from the customer.

Incremental costs incurred to obtain a contract, if recoverable, are capitalized and subsequently amortized when the related revenue is recognized. The Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

(e) Incentive to transacting users

When incentives provided to transacting users that are considered as customers from accounting perspective, the incentives are recorded as a reduction of revenue if there is no exchange of a distinct good or service to the Group. Otherwise, despite the absence of any explicit contractual obligations to incentivize the transacting users on behalf of customers, the Group further evaluates the varying features of different incentive programs to determine that whether the incentives represent implicit obligations to transacting users on behalf of customers. If so, it will be recorded as a reduction of revenues, otherwise recorded as “selling and marketing expenses” (Note 7).

7 EXPENSE BY NATURE

Expenses included in cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses are further analyzed as follow:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Employee benefits					
expenses (Note 10)	126,416	117,370	133,489	59,035	72,151
Share-based compensation					
expenses (Note 10)	371,076	88	225	127	392
Cost of travel related					
services (a)	38,141	61,515	92,080	38,883	48,512
Marketing and promotion					
expenses	22,992	11,138	76,575	28,481	41,235
Order processing cost (b)	43,188	23,209	52,719	25,397	26,564
Cost of data	21,126	14,919	14,876	8,220	9,471
Bandwidth and servers fee	15,576	11,540	13,652	5,487	7,718
Traffic costs of marketing					
services	16,898	5,736	11,040	4,763	8,261
Depreciation and amortization	12,638	10,452	9,419	4,839	4,802
Travelling and entertainment					
expenses	6,438	3,379	8,598	3,689	4,086
Telephone and communication	3,640	2,780	5,543	2,351	3,119
Professional services fees	6,006	3,956	6,636	1,130	5,284
Office expenses	2,084	2,004	4,343	1,200	1,190
Itinerary printing and					
mailing costs	4,068	1,247	2,676	1,612	373
Rental and utility fees	2,637	3,297	2,552	752	931
Tax and surcharges	1,315	1,308	2,367	1,019	1,635
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	5,118	5,273	3,964	2,108	1,531
	<u>699,357</u>	<u>279,211</u>	<u>442,862</u>	<u>189,093</u>	<u>244,143</u>

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- (a) Cost of travel related services consists primarily of payments to (i) travel related suppliers in relation to corporate travel management services; (ii) third-party ride hailing operators and drivers in relation to online ride hailing services, and (iii) train ticket providers in relation to value-added train ticketing services.
- (b) Order processing cost represented the fees paid to banks and online payment channels for processing user payments.
- (c) No research and development expenses had been capitalized during the Track Record Period.

8 OTHER INCOME

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Government grants (a)	8,629	4,662	3,905	1,372	724
Tax additional deduction (b)	2,634	1,994	1,816	944	–
Others	268	271	167	131	160
	<u>11,531</u>	<u>6,927</u>	<u>5,888</u>	<u>2,447</u>	<u>884</u>

- (a) The government grants mainly represent research and development subsidies awarded by the local governments to support the Group’s operations. There were no unfulfilled conditions or contingencies attached to these grants.
- (b) Some subsidiaries of the Group were in the industries of postal services, telecommunication services and modern services, that were allowed to enjoy an additional 10%, 10% and 5% input VAT super-credit against their VAT payable for the years ended December 31, 2021, 2022 and 2023, respectively. And some subsidiaries of the Group were in industries of consumer services, that were allowed to enjoy an additional 15%, 15% and 10% input VAT super-credit against their VAT payable for the years ended 31 December 2021, 2022 and 2023, respectively. Such input VAT super-credit treatment was recorded as “Other income”.

9 OTHER LOSSES, NET

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Net gains/(losses) on financial asset at FVPL	792	506	(104)	(1,689)	2,260
Net (losses)/gains on disposal of property and equipment and right-of-use assets	(1)	(18)	(8)	(2)	3
Net foreign exchange (losses)/gains	(35)	(7)	(6)	–	213
Reorganization cost (Note 26)	–	–	–	–	(3,167)
Others	<u>(1,344)</u>	<u>(2,156)</u>	<u>(3,022)</u>	<u>(1,211)</u>	<u>(1,755)</u>
	<u>(588)</u>	<u>(1,675)</u>	<u>(3,140)</u>	<u>(2,902)</u>	<u>(2,446)</u>

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10 EMPLOYEE BENEFIT EXPENSES

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Wages, salaries and bonuses . . .	103,518	97,335	110,637	48,226	59,276
Share-based compensation expenses	371,076	88	225	127	392
Pension costs – defined contribution plan (a)	11,315	7,940	13,650	6,371	7,732
Other social security costs, housing benefits and other employee benefits	9,504	11,395	8,941	4,292	4,870
Termination benefits	2,079	700	261	146	273
	<u>497,492</u>	<u>117,458</u>	<u>133,714</u>	<u>59,162</u>	<u>72,543</u>

(a) Defined contribution plan

Employees of the subsidiaries in the PRC participate in employee social insurance plans established in the PRC, which cover pension, medical and other welfare benefits. The plans are organized and administered by the government authorities. Except for the contributions made to these social insurance plans, the Group has no other commitments owing to the employees. According to the relevant regulations, the contributions that should be borne by the companies within the Group as required by the above social insurance plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. These contributions are expensed as incurred.

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 Group was not entitled to any forfeited contributions to reduce the Group’s future contributions during the Track Record Period.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for each of the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024 include 3, 4, 3, 3 and 3 directors, respectively whose emoluments are disclosed in the Note 10(c). The aggregate amounts of emoluments for the remaining 2, 1, 2, 2 and 2 highest paid individuals for each of the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024, respectively, are as follow:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Wages, salaries, and bonuses . . .	1,356	946	2,531	989	948
Share-based compensation expenses	40,225	–	–	–	–
Pension costs - defined contribution plans	81	50	108	54	54
Other social security costs, housing benefits and other employee benefits	85	49	106	53	53
	<u>41,747</u>	<u>1,045</u>	<u>2,745</u>	<u>1,096</u>	<u>1,055</u>

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The emoluments of the above individuals fell within the following bands:

	Number of individuals				
	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
			(Unaudited)	(Unaudited)	
Emoluments bands:					
HKD500,000 to HKD1,000,000	–	–	–	2	2
HKD1,000,000 to HKD1,500,000	–	1	1	–	–
HKD1,500,000 to HKD2,000,000	–	–	1	–	–
HKD15,000,000 to HKD20,000,000	1	–	–	–	–
HKD20,000,000 to HKD25,000,000	1	–	–	–	–
	2	1	2	2	2
	=	=	=	=	=

No payment as inducement fee to join or upon joining the Group or compensation for loss of office was paid or payable to any of these individuals for the Track Record Period.

(c) Directors’ remuneration

Directors’ remuneration for the Track Record Period is as follow:

	Wages, salaries, and bonuses	Share-based compensation expenses	Pension costs - defined contribution plan	Other social security costs, housing benefits and other employee benefits	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Year ended December 31, 2021					
Executive directors					
Mr. Wang Jiang	953	–	36	34	1,023
Mr. Yi Bing	953	45,449	39	43	46,484
Mr. Zhang Lin	1,195	73,066	36	37	74,334
Non-executive directors					
Mr. Li Lijun	953	–	39	43	1,035
Independent non-executive directors					
Ms. Wang Xiaowei	–	–	–	–	–
Mr. Yang Jinfang	–	–	–	–	–
Mr. Lu Haitian	–	–	–	–	–
Total	4,054	118,515	150	157	122,876

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	Wages, salaries, and bonuses	Share-based compensation expenses	Pension costs - defined contribution plan	Other social security costs, housing benefits and other employee benefits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended December 31, 2022					
Executive directors					
Mr. Wang Jiang	760	–	42	51	853
Mr. Yi Bing	760	–	45	51	856
Mr. Zhang Lin	950	–	36	37	1,023
Non-executive directors					
Mr. Li Lijun	760	–	45	51	856
Independent non-executive directors					
Ms. Wang Xiaowei	—	—	—	—	—
Mr. Yang Jinfang	—	—	—	—	—
Mr. Lu Haitian	—	—	—	—	—
Total	<u>3,230</u>	<u>–</u>	<u>168</u>	<u>190</u>	<u>3,588</u>

	Wages, salaries, and bonuses	Share-based compensation expenses	Pension costs - defined contribution plan	Other social security costs, housing benefits and other employee benefits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended December 31, 2023					
Executive directors					
Mr. Wang Jiang	951	–	43	51	1,045
Mr. Yi Bing	951	–	46	51	1,048
Mr. Zhang Lin	1,637	–	36	37	1,710
Non-executive directors					
Mr. Li Lijun	951	–	44	51	1,046
Independent non-executive directors					
Ms. Wang Xiaowei	—	—	—	—	—
Mr. Yang Jinfang	—	—	—	—	—
Mr. Lu Haitian	—	—	—	—	—
Total	<u>4,490</u>	<u>–</u>	<u>169</u>	<u>190</u>	<u>4,849</u>

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	Wages, salaries, and bonuses	Share-based compensation expenses	Pension costs - defined contribution plan	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)					
Six months ended June 30, 2023					
Executive directors					
Mr. Wang Jiang	431	—	21	26	478
Mr. Yi Bing	431	—	22	26	479
Mr. Zhang Lin	539	—	18	19	576
Non-executive directors					
Mr. Li Lijun	431	—	22	26	479
Independent non-executive directors					
Ms. Wang Xiaowei	—	—	—	—	—
Mr. Yang Jinfang	—	—	—	—	—
Mr. Lu Haitian	—	—	—	—	—
Total	<u>1,832</u>	<u>—</u>	<u>83</u>	<u>97</u>	<u>2,012</u>

	Wages, salaries, and bonuses	Share-based compensation expenses	Pension costs - defined contribution plan	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
(Unaudited)					
Six months ended June 30, 2024					
Executive directors					
Mr. Wang Jiang	411	—	23	23	457
Mr. Yi Bing	414	—	25	23	462
Mr. Zhang Lin	513	—	18	19	550
Non-executive directors					
Mr. Li Lijun	411	—	23	25	459
Independent non-executive directors					
Ms. Wang Xiaowei	—	—	—	—	—
Mr. Yang Jinfang	—	—	—	—	—
Mr. Lu Haitian	—	—	—	—	—
Total	<u>1,749</u>	<u>—</u>	<u>89</u>	<u>90</u>	<u>1,928</u>

- (i) Mr. Wang Jiang was appointed as executive director and chairman of the board of directors of the Company in June 2024.
- (ii) Mr. Yi Bing and Mr. Zhang Lin were appointed as executive directors of the Company in September 2024.
- (iii) Mr. Li Lijun was appointed as non-executive director of the Company in September 2024.
- (iv) Ms. Wang Xiaowei, Mr. Yang Jinfang and Mr. Lu Haitian were appointed as independent non-executive directors of the Company with effect from the [REDACTED].
- (v) The remunerations shown above represent remunerations received from the Operating Entities by these directors in their capacity as employees to Operating Entities and no directors waived any emoluments during each of the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024.

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(d) Directors’ retirement and termination benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries’ undertaking during the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024.

No payment was made to the directors as compensation for early termination of appointment during the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024.

(e) Consideration provided to third parties for making available directors’ services

No payment was made to any former employers of the directors for making available the services of them as a director of the Company during the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024.

(f) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As disclosed in Note 36 there were no loans, quasi-loans or other dealings entered into in favor of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

(g) Directors’ material interests in transactions, arrangements or contracts

As disclosed in Note 36, there were 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 during the Track Record Period.

11 FINANCE (COSTS)/INCOME, NET

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(Unaudited)</i>	<i>RMB’000</i> <i>(Unaudited)</i>
Finance income					
– Interest income from bank deposits	1,610	1,670	1,320	893	343
Finance costs					
– Interest expenses on borrowings	(951)	(1,082)	(419)	(134)	(284)
– Interest expenses on lease liabilities	(781)	(654)	(512)	(223)	(400)
	<u>(1,732)</u>	<u>(1,736)</u>	<u>(931)</u>	<u>(357)</u>	<u>(684)</u>
Finance (costs)/income – net . .	<u>(122)</u>	<u>(66)</u>	<u>389</u>	<u>536</u>	<u>(341)</u>

12 INCOME TAX

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(Unaudited)</i>	<i>RMB’000</i> <i>(Unaudited)</i>
Current income tax	38	2	1,361	10	–
Deferred income tax (Note (29))	(1,759)	(3,784)	(407)	2,994	2,994
	<u>(1,721)</u>	<u>(3,782)</u>	<u>954</u>	<u>3,004</u>	<u>2,994</u>

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The tax on the Group’s (loss)/profit before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the Track Record Period. The differences are analyzed as follow:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(Unaudited)</i>	<i>RMB’000</i> <i>(Unaudited)</i>
(Loss)/profit before income tax	<u>(359,262)</u>	<u>(4,540)</u>	<u>60,263</u>	<u>35,023</u>	<u>34,706</u>
Tax calculated at the PRC statutory tax rate 25%	(89,816)	(1,135)	15,066	8,756	8,677
Effects of different tax rates applicable to subsidiaries	176	2,014	(879)	(834)	(2,339)
Expenses not deductible for tax purpose	85,661	1,651	3,105	1,057	2,340
Additional deductible for research and development expenses	(9,630)	(9,216)	(15,348)	(6,376)	(5,823)
Tax losses and temporary differences not recognized as deferred tax assets	12,426	3,194	539	973	667
Previously unrecognized tax losses and temporary differences now recouped to reduce current tax expense	<u>(538)</u>	<u>(290)</u>	<u>(1,529)</u>	<u>(572)</u>	<u>(528)</u>
Income tax	<u><u>(1,721)</u></u>	<u><u>(3,782)</u></u>	<u><u>954</u></u>	<u><u>3,004</u></u>	<u><u>2,994</u></u>

(a) Cayman Islands Income Tax

Under the current laws of the Cayman Islands, entities incorporated in the Cayman Islands are not subject to tax on income or capital gain. In addition, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

(b) BVI Income Tax

Under the current laws of the BVI, entities incorporated in the BVI are not subject to tax on income or capital gains. In addition, the BVI Islands does not impose a withholding tax on payments of dividends to shareholders.

(c) Hong Kong Income Tax

The Hong Kong income tax rate is 16.5%. No Hong Kong profits tax was provided as there was no estimated assessable profit that was subject to Hong Kong profits tax during the Track Record Period.

(d) PRC Enterprise income tax (“EIT”)

EIT in the PRC is calculated based on the statutory profit or loss of subsidiaries incorporated in the PRC in accordance with the PRC tax laws and regulations, after adjusting certain income and expense items, which are not assessable or deductible for income tax purposes.

Huoli Tianhui was established in mainland China, it was eligible for preferential tax policies applicable for the qualification of “High and New Technology Enterprises” and was entitled to a preferential income tax rate of 15% during the Track Record Period.

The Company’s subsidiaries in PRC other than Huoli Tianhui are subject to enterprise income tax at the rate of 25%.

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(e) Additional deduction for research and development expense

The State Taxation Administration of the PRC announced that manufacturing enterprises in mainland China engage in research and development activities would entitle to claim 200% of their research and development expenses as additional deduction in calculating the EIT since October 1, 2022 (prior deduction rate: 175%). The Group has made its best estimate for the additional deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the Track Record Period.

(f) 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 combined financial statements. However, deferred income tax liabilities are not recognized 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of each reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

(g) Unused tax losses for which no deferred income tax asset has been recognized

The tax losses will expire in the following years:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
2022.	17,197	—	—	—	—
2023.	23,179	22,782	—	—	—
2024.	15,370	14,842	13,500	14,842	—
2025.	1,668	1,433	1,433	1,433	1,433
2026.	33,963	33,963	33,963	33,963	33,963
2027.	—	1,286	1,649	766	649
2028.	—	—	861	934	861
2029.	—	—	—	—	19,049
	<u>91,377</u>	<u>74,306</u>	<u>50,406</u>	<u>51,938</u>	<u>55,955</u>

The unused tax losses were incurred by subsidiaries that is not likely to generate taxable income in the foreseeable future. The tax losses shall expire in five from year of occurrence under current tax legislation.

13 EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful due to the group reorganization and the preparation of the results for the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024 on a combined basis as disclosed in Note 1.3.

14 DIVIDENDS

No dividend has been paid or declared by the Company or the companies now comprising the Group during the Track Record Period.

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15 PROPERTY AND EQUIPMENT

	Computer equipment	Furniture and office equipment	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at January 1, 2021				
Cost	11,552	1,471	6,366	19,389
Accumulated depreciation	<u>(8,790)</u>	<u>(1,169)</u>	<u>(5,933)</u>	<u>(15,892)</u>
Net book amount	<u>2,762</u>	<u>302</u>	<u>433</u>	<u>3,497</u>
Year ended December 31, 2021				
Opening net book amount	2,762	302	433	3,497
Additions	255	–	140	395
Disposal	(14)	(2)	–	(16)
Depreciation charge	<u>(1,843)</u>	<u>(52)</u>	<u>(449)</u>	<u>(2,344)</u>
Closing net book amount	<u>1,160</u>	<u>248</u>	<u>124</u>	<u>1,532</u>
As at December 31, 2021				
Cost	11,740	1,446	6,506	19,692
Accumulated depreciation	<u>(10,580)</u>	<u>(1,198)</u>	<u>(6,382)</u>	<u>(18,160)</u>
Net book amount	<u>1,160</u>	<u>248</u>	<u>124</u>	<u>1,532</u>
Year ended December 31, 2022				
Opening net book amount	1,160	248	124	1,532
Additions	14	–	–	14
Disposal	(5)	–	–	(5)
Depreciation charge	<u>(547)</u>	<u>(24)</u>	<u>(46)</u>	<u>(617)</u>
Closing net book amount	<u>622</u>	<u>224</u>	<u>78</u>	<u>924</u>
As at December 31, 2022				
Cost	11,655	1,428	6,506	19,589
Accumulated depreciation	<u>(11,033)</u>	<u>(1,204)</u>	<u>(6,428)</u>	<u>(18,665)</u>
Net book amount	<u>622</u>	<u>224</u>	<u>78</u>	<u>924</u>
Year ended December 31, 2023				
Opening net book amount	622	224	78	924
Additions	558	15	–	573
Disposal	(7)	(5)	–	(12)
Depreciation charge	<u>(252)</u>	<u>(14)</u>	<u>(47)</u>	<u>(313)</u>
Closing net book amount	<u>921</u>	<u>220</u>	<u>31</u>	<u>1,172</u>
As at December 31, 2023				
Cost	12,103	1,392	6,506	20,001
Accumulated depreciation	<u>(11,182)</u>	<u>(1,172)</u>	<u>(6,475)</u>	<u>(18,829)</u>
Net book amount	<u>921</u>	<u>220</u>	<u>31</u>	<u>1,172</u>
(Unaudited)				
As at January 1, 2023				
Cost	11,655	1,428	6,506	19,589
Accumulated depreciation	<u>(11,033)</u>	<u>(1,204)</u>	<u>(6,428)</u>	<u>(18,665)</u>
Net book amount	<u>622</u>	<u>224</u>	<u>78</u>	<u>924</u>

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	Computer equipment	Furniture and office equipment	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended June 30, 2023				
Opening net book amount	622	224	78	924
Additions	417	–	–	417
Disposal	(1)	(1)	–	(2)
Depreciation charge	(111)	(7)	(23)	(141)
Closing net book amount	<u>927</u>	<u>216</u>	<u>55</u>	<u>1,198</u>
As at June 30, 2023				
Cost	12,062	1,416	6,507	19,985
Accumulated depreciation	(11,135)	(1,200)	(6,452)	(18,787)
Net book amount	<u>927</u>	<u>216</u>	<u>55</u>	<u>1,198</u>
(Unaudited)				
As at January 1, 2024				
Cost	12,103	1,392	6,506	20,001
Accumulated depreciation	(11,182)	(1,172)	(6,475)	(18,829)
Net book amount	<u>921</u>	<u>220</u>	<u>31</u>	<u>1,172</u>
Six months ended June 30, 2024				
Opening net book amount	921	220	31	1,172
Additions	479	–	343	822
Disposal	–	–	–	–
Depreciation charge	(153)	(9)	(60)	(222)
Closing net book amount	<u>1,247</u>	<u>211</u>	<u>314</u>	<u>1,772</u>
As at June 30, 2024				
Cost	12,582	1,392	6,849	20,823
Accumulated depreciation	(11,335)	(1,181)	(6,535)	(19,051)
Net book amount	<u>1,247</u>	<u>211</u>	<u>314</u>	<u>1,772</u>

(i) Depreciation expenses were charged to profit or loss as follow:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Cost of sales	1,465	400	64	38	18
Selling and marketing expenses	62	62	53	26	27
General and administrative expenses	592	85	78	33	106
Research and development expenses	225	70	118	44	71
	<u>2,344</u>	<u>617</u>	<u>313</u>	<u>141</u>	<u>222</u>

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(ii) Depreciation methods and useful lives

Property and equipment are stated at historical costs less accumulated depreciation and accumulated impairment charges. Historical costs include expenditures that are directly attributable to the acquisition of the items.

Depreciation of property and equipment is calculated using the straight-line method to allocate their costs to their residual values, over their estimated useful lives or, in the case of leasehold improvements, the shorter lease term as follow:

- Furniture and office equipment 5 years
- Computer equipment 3 years
- Leasehold improvements Shorter of estimated useful lives and remaining lease terms

See Note 39.4 for the other accounting policies relevant to property and equipment.

16 LEASES

This Note provides information for leases where the Group is a lessee.

(a) Amounts recognized in the statements of financial position

The combined statements of financial position show the following amounts relating to leases:

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Right-of-use assets				
– Buildings	13,427	10,791	18,394	16,290
Lease liabilities				
– Current	6,442	6,947	7,036	7,060
– Non-current	6,132	3,784	11,012	8,543
	12,574	10,731	18,048	15,603

(b) Amounts recognized in profit or loss

The combined income statements shows the following amounts relating to leases:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Depreciation charge of					
right-of-use assets	9,808	9,360	8,789	4,563	4,370
Interest expense (<i>Note 11</i>)	781	654	512	223	400
Expense relating to short-term					
leases	668	634	610	270	214

The total cash outflow from financing activities for leases for the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024 were approximately RMB11,431,000, RMB9,236,000, RMB9,587,000, RMB4,497,000 and RMB5,107,000 respectively, and the total cash outflow from operating activities for leases for the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024 were approximately RMB668,000, RMB634,000, RMB610,000, RMB270,000 and RMB214,000, respectively.

(c) No material operating lease proceeds after the date of statement of financial position.

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17 INTANGIBLE ASSETS

	Software	Patents and copy rights	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at January 1, 2021				
Cost	1,982	6,182	–	8,164
Accumulated amortization	(1,020)	(6,110)	–	(7,130)
Net book amount	<u>962</u>	<u>72</u>	<u>–</u>	<u>1,034</u>
Year ended December 31, 2021				
Opening net book amount	962	72	–	1,034
Acquisitions through business combinations	–	–	448	448
Additions	226	–	–	226
Amortization charge	(408)	(21)	(57)	(486)
Closing net book amount	<u>780</u>	<u>51</u>	<u>391</u>	<u>1,222</u>
As at December 31, 2021				
Cost	2,208	6,182	448	8,838
Accumulated amortization	(1,428)	(6,131)	(57)	(7,616)
Net book amount	<u>780</u>	<u>51</u>	<u>391</u>	<u>1,222</u>
Year ended December 31, 2022				
Opening net book amount	780	51	391	1,222
Amortization charge	(356)	(21)	(98)	(475)
Closing net book amount	<u>424</u>	<u>30</u>	<u>293</u>	<u>747</u>
As at December 31, 2022				
Cost	2,208	6,182	448	8,838
Accumulated amortization	(1,784)	(6,152)	(155)	(8,091)
Net book amount	<u>424</u>	<u>30</u>	<u>293</u>	<u>747</u>
Year ended December 31, 2023				
Opening net book amount	424	30	293	747
Acquisitions through business combinations	–	–	662	662
Additions	133	–	–	133
Amortization charge	(164)	(22)	(131)	(317)
Closing net book amount	<u>393</u>	<u>8</u>	<u>824</u>	<u>1,225</u>
As at December 31, 2023				
Cost	2,341	6,182	1,110	9,633
Accumulated amortization	(1,948)	(6,174)	(286)	(8,408)
Net book amount	<u>393</u>	<u>8</u>	<u>824</u>	<u>1,225</u>
As at January 1, 2023				
Cost	2,208	6,182	448	8,838
Accumulated amortization	(1,784)	(6,152)	(155)	(8,091)
Net book amount	<u>424</u>	<u>30</u>	<u>293</u>	<u>747</u>
(Unaudited)				
Six months ended June 30, 2023				
Opening net book amount	424	30	293	747
Amortization charge	(75)	(11)	(49)	(135)
Closing net book amount	<u>349</u>	<u>19</u>	<u>244</u>	<u>612</u>

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	Software	Patents and copy rights	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
(Unaudited)				
As at June 30 2023				
Cost	2,208	6,182	448	8,838
Accumulated amortization	<u>(1,859)</u>	<u>(6,163)</u>	<u>(204)</u>	<u>(8,226)</u>
Net book amount	<u>349</u>	<u>19</u>	<u>244</u>	<u>612</u>
As at January 1, 2024				
Cost	2,341	6,182	1,110	9,633
Accumulated amortization	<u>(1,948)</u>	<u>(6,174)</u>	<u>(286)</u>	<u>(8,408)</u>
Net book amount	<u>393</u>	<u>8</u>	<u>824</u>	<u>1,225</u>
(Unaudited)				
Six months ended June 30, 2024				
Opening net book amount	393	8	824	1,225
Amortization charge	<u>(88)</u>	<u>(8)</u>	<u>(114)</u>	<u>(210)</u>
Closing net book amount	<u>305</u>	<u>–</u>	<u>710</u>	<u>1,015</u>
(Unaudited)				
As at June 30, 2024				
Cost	2,341	6,182	1,110	9,633
Accumulated amortization	<u>(2,036)</u>	<u>(6,182)</u>	<u>(400)</u>	<u>(8,618)</u>
Net book amount	<u>305</u>	<u>–</u>	<u>710</u>	<u>1,015</u>

(i) Amortization expenses were charged to profit or loss as follow:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Cost of sales	127	127	141	64	76
Selling and marketing expenses	70	120	153	60	126
General and administrative expenses	<u>289</u>	<u>228</u>	<u>23</u>	<u>11</u>	<u>8</u>
	<u>486</u>	<u>475</u>	<u>317</u>	<u>135</u>	<u>210</u>

(ii) **Amortization methods and periods**

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

- Software 5-10 years
- Parents and copy rights 5-10 years
- Others 4-5 years

See Note 39.6 for the other accounting policies relevant to intangible assets.

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18 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments accounted for using the equity method represents investment in an associate which analysed as follow:

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
At beginning of the year/period . . .	1,336	–	–	–
Share of loss of an associate, net (a)	(1,336)	–	–	–
At end of the year/period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

- (a) The Group holds 30% equity interest in Shenzhen Huoli Selection Technology Co., Ltd (深圳市夥力精選科技有限公司, “Huoli Selection”) at an investment cost of RMB1,500,000 and has significant influence through the board representation. The carrying amount is decreased to zero to recognize the Group’s share of the loss of the Huoli Selection under the equity method.
- (b) The associate of the Group has been accounted for using equity method based on the financial information of the associate prepared under the accounting policies generally consistent with those of the Group.
- (c) There are no commitment or contingent liabilities relating to the Group’s interest in this associate.

19 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Financial assets				
Financial assets at amortized cost				
– Trade receivables (Note 22)	47,032	65,912	87,747	66,413
– Other receivables of travel related services (Note 23)	80,811	91,187	136,787	155,721
– Other receivables (Note 24)	18,946	21,910	26,081	18,221
– Cash and cash equivalents (Note 25) . .	287,708	284,063	268,544	481,405
– Restricted cash (Note 25)	29,402	24,131	49,515	57,678
	<u>463,899</u>	<u>487,203</u>	<u>568,674</u>	<u>779,438</u>
Financial assets at fair value				
– Financial assets at FVPL (Note 20) . . .	43,158	17,815	27,504	9,638
– Financial assets at FVOCI (Note 21) . .	–	–	20,000	20,094
	<u>507,057</u>	<u>505,018</u>	<u>616,178</u>	<u>809,170</u>

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	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Financial liabilities				
Financial liabilities at amortized cost				
– Trade payables (Note 31)	23,994	34,016	23,331	28,957
– Other payables of travel related services (Note 32)	74,334	88,780	118,991	161,458
– Other payables (excluding accrued payroll, welfare, other taxes payables and accrued expenses) (Note 33)	38,231	43,523	47,440	167,740
– Lease liabilities (Note 16)	12,574	10,731	18,048	15,603
– Borrowings (Note 30)	28,379	7,008	15,178	8,304
	<u>177,512</u>	<u>184,058</u>	<u>222,988</u>	<u>382,062</u>

- (a) Trade payables, borrowings, lease liabilities and other payables are carried at amortized cost.
- (b) The Group’s exposure to various risks associated with the financial instruments is discussed in Note 3.1.2. The maximum exposure to credit risk at the end of the reporting periods is the carrying amount of each class of financial assets mentioned above.

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Investment in an unlisted entity (a)	3,100	3,350	3,572	2,877
Debt investment (b)	–	14,350	18,810	–
Investments in wealth management products	40,058	–	5,037	–
Investments in listed entities	–	115	85	6,761
	<u>43,158</u>	<u>17,815</u>	<u>27,504</u>	<u>9,638</u>
Less: non-current portion				
Investments in an unlisted entity	<u>(3,100)</u>	<u>(3,350)</u>	<u>(3,572)</u>	<u>–</u>
	<u>40,058</u>	<u>14,465</u>	<u>23,932</u>	<u>9,638</u>

- (a) The fair value of investment in an unlisted entity is measured using a valuation technique with unobservable inputs and hence classified as Level 3 of the fair value hierarchy. The major assumptions used in the valuation refer to Note 3.3.
- (b) On July 15, 2022, the Group entered into a share purchase agreement with a shareholder of a certain company (the “Debtor”) and planned to acquire 1.99% equity interest of the Debtor from the shareholder. Meanwhile, the Group also entered into a debt agreement with the Debtor and granted a credit line to the Debtor with a principal amount up to RMB20,000,000 at a fixed interest rate of 8%. All of the interest would be waived if the Group acquires 1.99% equity interest from the shareholder. Since the debt instrument was not held for collection of contractual cash flows nor for selling, it was measured as financial asset at fair value through profit or loss.

On June 30, 2024, the share purchase agreement cancelled. And on March 14, 2024, the Group negotiated with the Debtor to repay the aforementioned debt and agreed to reduce the interest rate from 8% to 5%. As at June 30, 2024, the principal of RMB20,000,000 has been settled, and the interest of RMB1,697,000 has been transferred to other receivables and settled on July 10, 2024.

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21 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group’s financial assets at FVOCI is investment in an unlisted entity, which represents the investment in a certain privately owned company. For the fair value estimation, please refer to Note 3.3 for details.

The movement of financial assets at FVOCI is as follow:

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)
At the beginning of the year/period	–	–	–	20,000
Additions (a)	–	–	20,000	–
Unrealized changes in fair value	–	–	–	94
At the end of the year/period	–	–	20,000	20,094
	=	=	=	=

(a) During the year ended December 31, 2023, the Group entered into a share purchase agreement to acquire 1% issued shares of an unlisted entity at a consideration of RMB20,000,000. Since the Group has no significant influence in investee, which is not held for trading, this equity investment was accounted for as financial assets at fair value through other comprehensive income.

22 TRADE RECEIVABLES

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)
Trade receivables	49,644	71,129	92,644	69,870
Less: loss allowance (Note 3.1.2)	(2,612)	(5,217)	(4,897)	(3,457)
Trade receivables, net	47,032	65,912	87,747	66,413
	=	=	=	=

The carrying amounts of trade receivables approximate their fair value. The Group’s trade receivables are mainly denominated in RMB.

(a) Sales are generally made with prescribed credit terms in the sales contracts, usually 1-3 months to settle the receivables. The ageing analysis of the trade receivables based on invoice date is as follow:

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)
Below 3 months	29,160	48,697	70,808	50,493
Between 3 and 6 months	11,000	10,060	13,472	9,202
Between 6 months and 1 year	6,953	5,023	6,162	6,244
Between 1 and 2 years	1,479	5,516	538	2,558
Over 2 years	1,052	1,833	1,664	1,373
	49,644	71,129	92,644	69,870
	=	=	=	=

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(b) Classification as trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within three months or a normal operating cycle and therefore all classified as current.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.1.2 for a description of the Group’s impairment policies.

23 OTHER RECEIVABLES OF TRAVEL RELATED SERVICES

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Receivables from travel related services customers (a)	47,933	41,464	75,346	67,389
Deposits for travel related services (b)	33,873	51,106	63,661	89,990
Less: loss allowance (Note 3.1.2)	(995)	(1,383)	(2,220)	(1,658)
	<u>80,811</u>	<u>91,187</u>	<u>136,787</u>	<u>155,721</u>

- (a) The amounts mainly represent receivables from corporation customers for the payments of ticketing and accommodation fee which have been paid on behalf of these customers by the Group.
- (b) The amounts mainly represent deposits for travel related services made to the suppliers for transportation ticketing and accommodation reservation services, which will be settled as payments for potential future orders or refunded when the deposits unused or the agreements in due.

24 PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Prepayment to suppliers (a)	6,074	14,104	8,712	11,629
Deferred [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other tax recoverable	1,008	825	1,515	1,867
Others	<u>527</u>	<u>776</u>	<u>4,013</u>	<u>3,088</u>
Total non-financial assets	<u>7,609</u>	<u>15,705</u>	<u>14,549</u>	<u>18,022</u>
Cash in transit (b)	9,473	10,982	11,716	13,350
Other receivables due from related parties (Note 36(e))	29,300	37,783	10,418	10,811
Others (c)	2,218	2,756	34,659	6,568
Less: loss allowance (Note 3.1.2)	(22,045)	(29,611)	(30,712)	(12,508)
Total financial assets	<u>18,946</u>	<u>21,910</u>	<u>26,081</u>	<u>18,221</u>

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	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)
Less: non-current prepayments and other receivables	(2,200)	(548)	(2,566)	(5,701)
Total prepayments and other receivables.	<u>24,355</u>	<u>37,067</u>	<u>38,064</u>	<u>30,542</u>

- (a) The amounts mainly represent prepayments to suppliers for purchase of travel related services and professional services which to be recognized when the services are provided to the Group.
- (b) The amounts mainly represent cash in transit based on the T+1 settlement arrangement with banks and other payment channels, that the Group receives payment for tickets by users on the following day.
- (c) On December 22, 2023, Mr. Chen Xiaobing, a director of the Group, is no longer the ultimate controlling shareholder of Caissa Tosun Development Co., Ltd. As a result, receivables from Caissa Tosun Development Co., Ltd. and its subsidiaries (the “Caissa Tosun Group”) were not receivables due from related party anymore and disclosed in others.
- (d) The carrying amounts of the Group’s other receivables approximated to their fair values as at December 31, 2021, 2022, 2023 and June 30, 2024.

The Company

	As at December 31, 2023	As at June 30, 2024
	RMB’000	RMB’000 (Unaudited)
Prepayment to suppliers	2,409	299
Deferred [REDACTED]	[REDACTED]	[REDACTED]
Total non-financial assets	<u>2,718</u>	<u>1,737</u>
Other receivables due from subsidiaries (a)	1,446	143,990
Less: non-current prepayments and other receivables	(1,755)	(145,428)
Current prepayments and other receivables.	<u>2,409</u>	<u>299</u>

- (a) It represents the amounts due from New Huoli and Huoli Development and the Company does not intend to collect in near future.

25 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)
Cash at bank and in hand	205,564	215,977	209,471	403,548
Cash held in other financial institutions (b).	111,546	92,217	108,588	135,535
Less: restricted cash (c)	(29,402)	(24,131)	(49,515)	(57,678)
Cash and cash equivalents.	<u>287,708</u>	<u>284,063</u>	<u>268,544</u>	<u>481,405</u>

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- (a) The carrying amount of the Group’s cash and cash equivalents approximated to its fair value as at December 31, 2021, 2022 and 2023 and June 30, 2024.
- (b) Cash held in other financial institutions represent cash balances in third-party payment platforms which can be withdrawn at any time at the Group’s discretion.
- (c) Restricted cash mainly comprised of guaranteed deposits required by business partners and commercial banks and deposits sitting in escrow bank accounts. In compliance with the regulatory requirements, the Group set up escrow accounts to receive and distribute business fund to protect the rights and interests of internet users.
- (d) Cash at bank and on hand was denominated in the following currencies:

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000 (Unaudited)
RMB	317,110	308,194	315,910	457,481
USD	–	–	2,149	81,228
HKD	–	–	–	374
	<u>317,110</u>	<u>308,194</u>	<u>318,059</u>	<u>539,083</u>

- (e) Classification as cash equivalents

For the purpose of presentation in the combined statements of cash flows, cash and cash equivalents includes cash in hand, cash held in other financial institutions.

26 COMBINED CAPITAL AND SHARE CAPITAL OF THE COMPANY

Combined capital

The Reorganization has not been completed as at June 30, 2024. As mentioned in Note 1.3, the Historical Financial Information has been prepared as if the Group structure after the Reorganization had been in existence throughout the Track Record Period.

For the purpose of the Historical Financial Information, the combined capital as at December 31, 2021, 2022 and 2023 and June 30, 2024 represented the combined share capital of the companies now comprising the Group, after elimination of the inter-company investment.

Share capital of the Company

	Number of shares	Nominal value of	Equivalent nominal
		shares	value of shares
		US\$’000	RMB’000
Authorized:			
Ordinary shares of US\$0.00005 each	1,000,000,000	50	—
Issued and fully paid:			
As at June 29, 2023 (date of incorporation)	1	–	–
As at December 31, 2023	<u>1</u>	<u>–</u>	<u>–</u>
Issuance of ordinary shares (a)	34,165,177	1.7	12
As at June 30, 2024	<u>34,165,178</u>	<u>1.7</u>	<u>12</u>

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- (a) During the Reorganization, certain then shareholders (the “Existing shareholders”) of Huoli Tianhui determined to sell their shares to a new investor, Fontus SPC-CPIC CMBC Equity Opportunity Fund SP (“Fontus”), the total transferred shares were 34,165,177 at a cash consideration of RMB168,000,000. On May 23, 2024, Fontus paid the cash consideration of USD23,184,000 (equivalent to RMB164,833,000) to the Company, accordingly the Company issued 34,165,177 shares to Fontus, and recognized RMB12,000 share capital and RMB164,821,000 share premium. Then Shenzhen WFOE would need to pay the cash consideration RMB168,000,000 to the Existing shareholders. The difference of RMB3,167,000 between the consideration received by the Company and the consideration paid to the Existing shareholders was treated as reorganization cost and recognized in “other losses, net”. At as June 30, 2024, RMB50,000,000 was paid, and the remaining consideration of RMB118,000,000 recognized in other payable and has been settled before September 30, 2024.
- (b) On August 30, 2024, another then shareholder of Huoli Tianhui determined to sell it shares to Fontus, the total transferred shares were 3,219,494 at a cash consideration of RMB15,000,000. Fontus paid the cash consideration of USD2,106,000 to the Company, accordingly the Company issued 3,219,494 shares to Fontus. Then Shenzhen WFOE would need to pay the cash consideration RMB15,000,000 to the then shareholder.

27 RESERVES

The Group

	Capital reserve	Other reserves	Accumulated deficits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at January 1, 2021	244,494	–	(387,841)	(143,347)
Loss for the year	–	–	(337,569)	(337,569)
Share-based compensation expenses	–	355,734	–	355,734
Capital injection by then shareholders (a)	83,866	–	–	83,866
As at December 31, 2021	<u>328,360</u>	<u>355,734</u>	<u>(725,410)</u>	<u>(41,316)</u>
As at January 1, 2022	328,360	355,734	(725,410)	(41,316)
Loss for the year	–	–	1,824	1,824
Share-based compensation expenses	–	84	–	84
As at December 31, 2022	<u>328,360</u>	<u>355,818</u>	<u>(723,586)</u>	<u>(39,408)</u>
As at January 1, 2023	328,360	355,818	(723,586)	(39,408)
Profit for the year	–	–	55,570	55,570
Other comprehensive income	–	(24)	–	(24)
Share-based compensation expenses	–	215	–	215
As at December 31, 2023	<u>328,360</u>	<u>356,009</u>	<u>(668,016)</u>	<u>16,353</u>
(Unaudited)				
As at January 1, 2023	328,360	355,818	(723,586)	(39,408)
Profit for the period	–	–	30,790	30,790
Share-based compensation expenses	–	122	–	122
As at June 30, 2023	<u>328,360</u>	<u>355,940</u>	<u>(692,796)</u>	<u>(8,496)</u>
(Unaudited)				
As at January 1, 2024	328,360	356,009	(668,016)	16,353
Profit for the period	–	–	28,946	28,946
Share-based compensation expenses	–	376	–	376
Other comprehensive income	–	32	–	32
As at June 30, 2024	<u>328,360</u>	<u>356,417</u>	<u>(639,070)</u>	<u>45,707</u>

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The Company

	Capital reserve	Other reserves	Accumulated deficits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at June 29, 2023				
(date of incorporation)	–	–	–	–
Loss for the period	–	–	(3,934)	(3,934)
Other comprehensive income	–	(24)	–	(24)
As at December 31, 2023	<u>–</u>	<u>(24)</u>	<u>(3,934)</u>	<u>(3,958)</u>
(Unaudited)				
As at January 1, 2024	<u>–</u>	<u>(24)</u>	<u>(3,934)</u>	<u>(3,958)</u>
Loss for the period	–	–	(8,916)	(8,916)
Issuance of ordinary shares				
(Note 26(a))	164,821	–	–	164,821
Other comprehensive income	–	194	–	194
As at June 30, 2024	<u>164,821</u>	<u>170</u>	<u>(12,850)</u>	<u>152,141</u>

(a) On February 18, 2021, Shenzhen Linghui Cornerstone Equity Investment Fund Partnership Enterprise (Limited Partnership) (深圳市領匯基石股權投資基金合夥企業(有限合夥)) and Mr. Wang Yaohai (王耀海) acquired 12,308,678 new ordinary shares issued by Huoli Tianhui at total cash of RMB100,000,000, the registered capital of Huoli Tianhui increased from RMB393,877,680 to RMB406,186,358, and recognized RMB83,866,000 and RMB3,825,000 share premium and non-controlling interest, respectively.

28 SHARE-BASED COMPENSATION

Before the Reorganization

The Group’s equity-settled share-based compensation plans in 2016 (the “2016 ESOP”) was adopted pursuant to the written resolutions of then shareholders of Huoli Tianhui in April 2016 for the purpose of providing incentives and rewards to its directors, senior managers and employees (“Grantees”). Under 2016 ESOP, a maximum aggregate amount of 63,310,016 ordinary shares of Huoli Tianhui were reserved for future issuance in the form of share options.

On April 30, 2021 and December 31, 2021, Huoli Tianhui granted 62,940,272 share options (the “First Option”) and 91,776 share options (the “Second Option”) to its Grantees pursuant to the 2016 ESOP respectively and such share options were immediately vested.

On January 31, 2022, October 31, 2023 and April 1, 2024, Huoli Tianhui granted 53,168 share options (the “Third Option”) and 144,800 share options (the “Fourth Option”) and 80,000 share options (the “Fifth Option”) to its Grantees pursuant to the 2016 ESOP, respectively. All of the options shall vest over a period of 4 years from the grant date, with one-fourth of the options shall vest upon the first anniversary and the remaining three-fourths (3/4) of the options shall vest over a period of 3 years from the first anniversary, with one-sixteenth (1/16) vesting upon completion of each full quarter of service.

The share-based compensation expenses recognized during the Track Record Period were summarized as follow:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Share-based compensation expenses	<u>371,076</u>	<u>88</u>	<u>225</u>	<u>127</u>	<u>392</u>

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Movements of share options outstanding and their related weighted average exercise prices are as follow:

	Exercise price	Number of share options	Equivalent number of share options of the Company
Outstanding balance as at January 1, 2021	—	—	—
Granted during the year	RMB3.01	63,032,048	63,032,048
Vested during the year	RMB3.01	(63,032,048)	(63,032,048)
Outstanding balance as at December 31, 2021		—	—
Exercisable balance as at December 31, 2021		63,032,048	63,032,048
Granted during the year	RMB3.01	53,168	53,168
Outstanding balance as at December 31, 2022		53,168	53,168
Exercisable balance as at December 31, 2022		63,032,048	63,032,048
Granted during the year	RMB3.01	144,800	144,800
Vested during the year	RMB3.01	(23,261)	(23,261)
Outstanding balance as at December 31, 2023		174,707	174,707
Exercisable balance as at December 31, 2023		63,055,309	63,055,309
(Unaudited)			
Granted during the period	RMB3.01	80,000	80,000
Vested during the period	RMB3.01	(6,646)	(6,646)
Outstanding balance as at June 30, 2024		248,061	248,061
Exercisable balance as at June 30, 2024		63,061,955	63,061,955

The weighted-average remaining contract life for outstanding share options was nil, 1.29 years, 2.04 years and 1.62 years as at December 31, 2021, 2022 and 2023 and June 30, 2024, respectively.

Fair value of options

The Group has used the Black-Scholes option-pricing model to determine the fair value of the options as at the respective grant dates, which is to be expensed over the relevant vesting period. The fair value of the First Option, the Second Option, the Third Option, the Fourth Option and the Fifth Option was estimated at RMB370,799,000, RMB277,000, RMB166,000, RMB441,000 and RMB241,000 by an independent valuer on respective grant dates.

Other than the exercise price mentioned above, significant judgment on parameters, such as underlying equity value, risk free interest rate, dividend yield, expected volatility, and terms, are required to be made by the directors in applying the Black-Scholes option-pricing model, which are summarized as below.

	First Option	Second Option	Third Option	Fourth Option	Fifth Option
Underlying equity value	8.12	5.07	5.07	4.84	4.82
Risk free interest rate.	2.95%-3.03%	2.60%	2.47%-2.65%	2.57%-2.69%	2.23%-2.34%
Dividend yield.	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	46.41%-46.76%	47.57%	45.87%-46.55%	48.70%-51.66%	49.00%-51.70%

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of the vesting periods of the share options (the “Expected Retention Rate”) in order to determine the amount of share-based compensation expenses charged to the combined statements of comprehensive income. As at December 31, 2021, 2022 and 2023 and June 30, 2024, the Expected Retention Rate were assessed to be nil, 100%, 100% and 100%, respectively.

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ESOP plan of the Company

As part of the Reorganization, pursuant to a resolution of the board on October 17, 2024, the 2016 ESOP of Huoli Tianhui was replaced by the newly adopted ESOP plan (“Pre-[REDACTED] share incentive plan”) of the Company, which was established to recognize and reward the contribution of the participants to the growth and development of the Group. The 2016 ESOP was terminated as a result of the adoption of the Pre-[REDACTED] share incentive plan. And there was no incremental benefit with same vesting period, condition and exercise price granted to the employee under the Pre-[REDACTED] share incentive plan.

29 DEFERRED INCOME TAX

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Deferred income tax assets:				
– Deferred income tax assets to be recovered after more than 12 months	45,783	46,981	44,919	48,056
– Deferred income tax assets to be recovered within 12 months	1,614	3,648	7,545	852
Total deferred income tax assets	<u>47,397</u>	<u>50,629</u>	<u>52,464</u>	<u>48,908</u>
Set-off of deferred income tax liabilities pursuant to set-off provision	(2,846)	(2,294)	(3,888)	(3,350)
Net deferred income tax assets	<u>44,551</u>	<u>48,335</u>	<u>48,576</u>	<u>45,558</u>
Deferred income tax liabilities:				
– Deferred income tax liability to be recovered after more than 12 months	(1,381)	(992)	(2,450)	(2,960)
– Deferred income tax liability to be recovered within 12 months	(1,465)	(1,302)	(1,438)	(390)
Total deferred income tax liabilities	<u>(2,846)</u>	<u>(2,294)</u>	<u>(3,888)</u>	<u>(3,350)</u>
Set-off of deferred income tax assets pursuant to set-off provision	2,846	2,294	3,888	3,350
Net deferred income tax liabilities	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

The movement in deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follow:

	As at January 1, 2021	Acquisition of subsidiaries	Credited to profit or loss	As at December 31, 2021
	RMB'000	RMB'000	RMB'000	RMB'000
The balance comprises temporary differences attributable to:				
Deferred income tax assets				
– Tax losses	41,072	–	1,668	42,740
– Impairment provisions	2,054	–	159	2,213
– Lease liabilities	2,465	–	(21)	2,444
	<u>45,591</u>	<u>–</u>	<u>1,806</u>	<u>47,397</u>
Deferred income tax liabilities				
– Right-of-use assets	(2,422)	–	82	(2,340)
– Intangible assets	–	(112)	14	(98)
– Change in fair value of financial assets at FVPL	(265)	–	(143)	(408)
	<u>(2,687)</u>	<u>(112)</u>	<u>(47)</u>	<u>(2,846)</u>

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	As at January 1, 2022	Acquisition of subsidiaries	Credited to profit or loss	As at December 31, 2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The balance comprises temporary differences attributable to:				
Deferred income tax assets				
– Tax losses	42,740	–	3,396	46,136
– Impairment provisions	2,213	–	320	2,533
– Lease liabilities	2,444	–	(602)	1,842
– Change in fair value of financial assets at FVPL	–	–	118	118
	<u>47,397</u>	<u>–</u>	<u>3,232</u>	<u>50,629</u>
Deferred income tax liabilities				
– Right-of-use assets	(2,340)	–	582	(1,758)
– Intangible assets	(98)	–	24	(74)
– Change in fair value of financial assets at FVPL	(408)	–	(54)	(462)
	<u>(2,846)</u>	<u>–</u>	<u>552</u>	<u>(2,294)</u>
	As at January 1, 2023	Acquisition of subsidiaries	Credited to profit or loss	As at December 31, 2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
The balance comprises temporary differences attributable to:				
Deferred income tax assets				
– Tax losses	46,136	–	85	46,221
– Impairment provisions	2,533	–	266	2,799
– Lease liabilities	1,842	–	1,395	3,237
– Change in fair value of financial assets at FVPL	118	–	89	207
	<u>50,629</u>	<u>–</u>	<u>1,835</u>	<u>52,464</u>
Deferred income tax liabilities				
– Right-of-use assets	(1,758)	–	(1,396)	(3,154)
– Intangible assets	(74)	(166)	33	(207)
– Change in fair value of financial assets at FVPL	(462)	–	(65)	(527)
	<u>(2,294)</u>	<u>(166)</u>	<u>(1,428)</u>	<u>(3,888)</u>

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	As at January 1, 2023	Acquisition of subsidiaries	Credited to profit or loss	As at June 30, 2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
The balance comprises temporary differences attributable to:				
Deferred income tax assets				
– Tax losses	46,136	–	(3,820)	42,316
– Impairment provisions	2,533	–	576	3,109
– Lease liabilities	1,842	–	(774)	1,068
– Change in fair value of financial assets at FVPL	118	–	249	367
	<u>50,629</u>	<u>–</u>	<u>(3,769)</u>	<u>46,860</u>
Deferred income tax liabilities				
– Right-of-use assets	(1,758)	–	735	(1,023)
– Intangible assets	(74)	–	12	(62)
– Change in fair value of financial assets at FVPL	(462)	–	28	(434)
	<u>(2,294)</u>	<u>–</u>	<u>775</u>	<u>(1,519)</u>

	As at January 1, 2024	Credited to Reserves	Credited to profit or loss	As at June 30, 2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
The balance comprises temporary differences attributable to:				
Deferred income tax assets				
– Tax losses	46,221	–	(2,840)	43,381
– Impairment provisions	2,799	–	(111)	2,688
– Lease liabilities	3,237	–	(432)	2,805
– Change in fair value of financial assets at FVPL	207	–	(173)	34
	<u>52,464</u>	<u>–</u>	<u>(3,556)</u>	<u>48,908</u>
Deferred income tax liabilities				
– Right-of-use assets	(3,154)	–	350	(2,804)
– Intangible assets	(207)	–	29	(178)
– Change in fair value of financial assets at FVPL	(527)	–	183	(344)
– Change in fair value of financial assets at FVOCI	–	(24)	–	(24)
	<u>(3,888)</u>	<u>(24)</u>	<u>562</u>	<u>(3,350)</u>

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefits through the future taxable profits is probable. Management will continue to assess the recognition of deferred income tax assets in future reporting periods.

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30 BORROWINGS

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Current				
Unsecured borrowings				
– Guaranteed by certain subsidiaries of the Group	19,362	7,008	15,178	3,298
– Unguaranteed	9,017	–	–	5,006
	<u>28,379</u>	<u>7,008</u>	<u>15,178</u>	<u>8,304</u>

(a) The Group’s fixed-rate bank loans amounting to RMB28,379,000, nil, RMB8,170,000 and RMB8,304,000 carried interest rates ranging from 3.5% to 6%, nil, 3.8% and 4.25% per annum as at December 31, 2021, 2022 and 2023 and June 30, 2024 respectively. The remaining borrowings amounting to nil, RMB7,008,000, RMB7,008,000 and nil were carried at variable rates with effective interest rates of nil, 3.8%, 3.8% and nil per annum as at December 31, 2021, 2022 and 2023 and June 30, 2024 respectively. All the bank loans were denominated in RMB.

(b) The carrying amounts of borrowings approximate their fair values due to their short maturities.

31 TRADE PAYABLES

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Payables to third parties	22,908	32,937	23,331	28,957
Payables to related parties	1,086	1,079	–	–
	<u>23,994</u>	<u>34,016</u>	<u>23,331</u>	<u>28,957</u>

As at December 31, 2021, 2022 and 2023 and June 30, 2024, the aging analysis of the trade payables based on invoice date were are follows:

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Aging				
Up to 3 months	16,883	25,761	20,494	25,330
3 to 6 months	4,536	549	378	192
6 months to 1 year	1,523	4,493	1,150	1,477
Over 1 year	1,052	3,213	1,309	1,958
	<u>23,994</u>	<u>34,016</u>	<u>23,331</u>	<u>28,957</u>

The carrying amounts of the trade payables approximate their fair values due to their short-term maturities.

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32 OTHER PAYABLES OF TRAVEL RELATED SERVICES

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Payables in respect of travel related service (a)	30,459	37,002	57,193	86,051
Advances from customers (b)	43,875	51,778	61,798	75,407
	<u>74,334</u>	<u>88,780</u>	<u>118,991</u>	<u>161,458</u>

- (a) The amounts mainly represent the cash paid by the users and corporation customers for transportation ticketing and accommodation reservation, after deducting the commission fee entitled by the Group, it will be remitted back to relevant suppliers. As such amount is paid to ticket distributors and hotels, who are the Group’s customers instead of suppliers, recognized as “Other payables”.
- (b) The amounts mainly represent advances received from customers for future ticket and accommodation reservations that can be withdrawn at any time by users.

33 OTHER PAYABLES AND ACCRUALS

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Credits to users (a)	28,508	29,546	30,817	31,070
Accrued payroll and welfare	23,720	29,973	35,893	31,063
Other taxes payables	2,603	524	4,400	5,889
Accrued expenses	761	353	3,518	5,596
Deposits payables (b)	2,497	3,567	2,287	1,997
Payables due to related party (Note 36(e))	1,366	2,152	2,490	2,365
Payables due to the then Shareholders pursuant to the Reorganization (Note 26) (Note 36(e))	–	–	–	118,000
Others	5,860	8,258	11,846	14,308
	<u>65,315</u>	<u>74,373</u>	<u>91,251</u>	<u>210,288</u>

- (a) The amounts mainly represent the balance in the user’s app account that can be used in the future in relation to travel related services.
- (b) The amounts mainly represent deposits received from the cooperation partners.

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34 CASH FLOW INFORMATION

(a) Cash (used in)/generated from operations

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
(Loss)/profit before income tax	(359,262)	(4,540)	60,263	35,023	34,706
Adjustments for:					
– Share-based compensation expenses (<i>Note 28</i>)	371,076	88	225	127	392
– Share of net loss of an associate accounted for using the equity (<i>Note 18</i>)	1,336	–	–	–	–
– Depreciation of property and equipment (<i>Note 15</i>)	2,344	617	313	141	222
– Amortization of intangible assets (<i>Note 17</i>)	486	475	317	135	210
– Depreciation of right-of-use assets (<i>Note 16</i>)	9,808	9,360	8,789	4,563	4,370
– Net losses/(gains) on disposal of property and equipment and right-of-use assets (<i>Note 9</i>)	1	18	8	2	(3)
– Net (gains)/losses on financial asset at FVPL (<i>Note 9</i>)	(792)	(506)	104	1,689	(2,260)
– Interest income on bank deposits (<i>Note 11</i>)	(1,610)	(1,670)	(1,320)	(893)	(343)
– Interest expenses on lease liabilities (<i>Note 11</i>)	781	654	512	223	400
– Interest expenses on borrowings (<i>Note 11</i>)	951	1,082	419	134	284
– Net impairment losses on financial assets	13,030	10,632	1,634	5,555	664
– Reorganization cost (<i>Note 9</i>)	–	–	–	–	3,167
– Net exchange difference (<i>Note 9</i>)	35	7	6	–	(213)
Operating cashflows before changes in working capital	<u>38,184</u>	<u>16,217</u>	<u>71,270</u>	<u>46,699</u>	<u>41,596</u>
Changes in working capital:					
– Restricted cash	(20,077)	5,271	(25,384)	(6,655)	(8,163)
– Trade receivables	77,483	(21,704)	(21,530)	(17,539)	15,969
– Prepayments and other receivables	(51,072)	(29,441)	(50,411)	(51,499)	(13,781)
– Contract liabilities	(22,194)	(4,950)	7,094	8,299	3,321
– Trade payables	(46,355)	10,022	(10,685)	(1,234)	5,626
– Other payables and accruals	(3,229)	24,968	47,919	48,116	43,623
Cash (used in)/generated from operations	<u>(27,260)</u>	<u>383</u>	<u>18,273</u>	<u>26,187</u>	<u>88,191</u>

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(b) Non-cash investing and financing activities

There were no material non-cash investing and financing transactions except for the additions of the right-of-use assets (Note 16(a)) for the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024.

(c) Net cash reconciliation

This section sets out an analysis of net cash and the movements in net cash for the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024.

	As at December 31,			As at June 30,	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cash and cash equivalents	287,708	284,063	268,544	296,622	481,405
Restricted cash	29,402	24,131	49,515	30,786	57,678
Liquid investments (Note i)	40,058	–	5,037	8,063	–
Borrowings	(28,379)	(7,008)	(15,178)	(12,009)	(8,304)
Lease liabilities	(12,574)	(10,731)	(18,048)	(6,766)	(15,603)
Net cash	<u>316,215</u>	<u>290,455</u>	<u>289,870</u>	<u>316,696</u>	<u>515,176</u>

(i) Liquid investments comprise the Group’s investments in wealth management products included in financial assets at FVPL (Note 20).

	Cash and cash equivalents	Restricted cash	Liquid investments	Borrowings	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Net cash as at January 1,						
2021	259,411	9,325	–	(23,473)	(15,516)	229,747
Cash flows	28,332	20,077	39,806	(4,827)	10,650	94,038
Interest paid	–	–	–	872	781	1,653
Foreign exchange adjustments	(35)	–	–	–	–	(35)
Fair value changes	–	–	252	–	–	252
Non-cash movement (a)	–	–	–	(951)	(8,489)	(9,440)
Net cash as at December 31,						
2021	<u>287,708</u>	<u>29,402</u>	<u>40,058</u>	<u>(28,379)</u>	<u>(12,574)</u>	<u>316,215</u>
Net cash as at January 1,						
2022	287,708	29,402	40,058	(28,379)	(12,574)	316,215
Cash flows	(3,638)	(5,271)	(41,046)	21,300	8,582	(20,073)
Interest paid	–	–	–	1,153	654	1,807
Foreign exchange adjustments	(7)	–	–	–	–	(7)
Fair value changes	–	–	988	–	–	988
Non-cash movement (a)	–	–	–	(1,082)	(7,393)	(8,475)
Net cash as at December 31,						
2022	<u>284,063</u>	<u>24,131</u>	<u>–</u>	<u>(7,008)</u>	<u>(10,731)</u>	<u>290,455</u>

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	Cash and cash equivalents	Restricted cash	Liquid investments	Borrowings	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash as at January 1,						
2023	284,063	24,131	–	(7,008)	(10,731)	290,455
Cash flows	(15,488)	25,384	4,793	(8,160)	9,075	15,604
Interest paid	–	–	–	409	512	921
Foreign exchange adjustments	(31)	–	–	–	–	(31)
Fair value changes.	–	–	244	–	–	244
Non-cash movement (a)	–	–	–	(419)	(16,904)	(17,323)
Net cash as at December 31,						
2023	<u>268,544</u>	<u>49,515</u>	<u>5,037</u>	<u>(15,178)</u>	<u>(18,048)</u>	<u>289,870</u>
(Unaudited)						
Net cash as at January 1,						
2023	284,063	24,131	–	(7,008)	(10,731)	290,455
Cash flows	12,559	6,655	7,996	(5,000)	4,274	26,484
Interest paid	–	–	–	133	223	356
Fair value changes.	–	–	67	–	–	67
Non-cash movement (a)	–	–	–	(134)	(532)	(666)
Net cash as at June 30,						
2023	<u>296,622</u>	<u>30,786</u>	<u>8,063</u>	<u>(12,009)</u>	<u>(6,766)</u>	<u>316,696</u>
(Unaudited)						
Net cash as at January 1,						
2024	268,544	49,515	5,037	(15,178)	(18,048)	289,870
Cash flows	212,686	8,163	(5,190)	6,880	4,707	227,246
Interest paid	–	–	–	278	400	678
Foreign exchange adjustments	175	–	153	–	–	328
Non-cash movement (a)	–	–	–	(284)	(2,662)	(2,946)
Net cash as at June 30,						
2024	<u>481,405</u>	<u>57,678</u>	<u>–</u>	<u>(8,304)</u>	<u>(15,603)</u>	<u>515,176</u>

(a) The non-cash movement included lease liability mainly resulted from the new leases contract entered and borrowing resulted from accrued interest during the Track Record Period.

35 COMMITMENTS

The Group did not have any material commitment as at December 31, 2021, 2022 and 2023 and June 30, 2024.

36 SIGNIFICANT RELATED PARTIES’ TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, 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 subject to common control or joint control. Members of key management and their close family members of the Group are also considered as related parties.

As disclosed elsewhere in this report, the directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group for the years ended December 31, 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024. In opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

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(a) Names and relationships with related parties

Name of related parties	Relationship with the Group
Caissa Tosun Group*	Entity under control by a director of the Group*
Huoli Selection	Associate of the Group
Mr. Wang Jiang	Director and the largest shareholder
Zhitu Xingzhou Technology	Entity controlled by a director

* On December 22, 2023, Mr. Chen Xiaobing, a director of the Group, is no longer the ultimate controlling shareholder of Caissa Tosun Development Co., Ltd. The related party transactions disclosed in the financial statements refer to the transaction amounts for the period from January 2021 to December 2023.

(b) Rendering of services

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Caissa Tosun Group	4,308	902	—	—	—
Huoli Selection	—	3	83	47	15
	<u>4,308</u>	<u>905</u>	<u>83</u>	<u>47</u>	<u>15</u>

(c) Purchase of services

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Caissa Tosun Group	648	30	36	—	—
	<u>648</u>	<u>30</u>	<u>36</u>	<u>—</u>	<u>—</u>

(d) Loans to related parties

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Caissa Tosun Group	2,000	—	—	—	—
Huoli Selection	—	—	1,000	—	350
	<u>2,000</u>	<u>—</u>	<u>1,000</u>	<u>—</u>	<u>350</u>

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(e) Balance with related parties

	As at December 31,			As at June 30,
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)
Trade receivables – trade in nature				
Caissa Tosun Group.	–	150	–	–
Less: loss allowance	–	(2)	–	–
	<u>–</u>	<u>148</u>	<u>–</u>	<u>–</u>
Contract liabilities – trade in nature				
Caissa Tosun Group.	–	275	–	–
	<u>–</u>	<u>275</u>	<u>–</u>	<u>–</u>
Other receivables – trade in nature				
Caissa Tosun Group.	16,791	25,935	–	–
Less: loss allowance (i)	(10,075)	(18,154)	–	–
	<u>6,716</u>	<u>7,781</u>	<u>–</u>	<u>–</u>
Huoli Selection	10,509	9,848	9,412	9,428
Less: loss allowance (ii)	(10,432)	(9,714)	(9,332)	(9,333)
	<u>77</u>	<u>134</u>	<u>80</u>	<u>95</u>
	<u>6,793</u>	<u>7,915</u>	<u>80</u>	<u>95</u>
Other receivables – non-trade in nature				
Caissa Tosun Group.	2,000	2,000	–	–
Huoli Selection	–	–	1,006	1,383
	<u>2,000</u>	<u>2,000</u>	<u>1,006</u>	<u>1,383</u>
Less: loss allowance (i), (ii)	(1,200)	(1,400)	(1,006)	(1,383)
	<u>800</u>	<u>600</u>	<u>–</u>	<u>–</u>
Trade payables – trade in nature				
Caissa Tosun Group.	1,086	1,079	–	–
	<u>1,086</u>	<u>1,079</u>	<u>–</u>	<u>–</u>
Other payables – non-trade in nature				
Wang Jiang	–	–	2,196	2,209
Zhitu Xingzhou Technology (Note 26)	–	–	–	118,000
Huoli Selection	174	1,439	294	156
	<u>174</u>	<u>1,439</u>	<u>2,490</u>	<u>120,365</u>
Other payables – non-trade in nature				
Caissa Tosun Group.	1,192	713	–	–
	<u>1,192</u>	<u>713</u>	<u>–</u>	<u>–</u>

- (i) The Group provided travel related services to Caissa Tosun Group. The claims of Caissa Tosun Group began to default in July 2021 and the Group estimated the expected loss rate based on ongoing communication with Caissa Tosun Group and other creditors. In December 2023, based on the reorganization plan of Caissa Tosun Group approved by the Sanya Intermediate People’s Court of Hainan, Caissa Tosun Group agreed to settle the remaining balance of RMB19,964,000 by cash of RMB4,164,000 and shares of Caissa Tosun Group at value of RMB6,761,000.
- (ii) Based on the poor financial performance and low liquidity of Huoli Selection since 2020, the Group assessed that Huoli Selection lacks payment ability and estimated the expected loss rate of other receivables to be close to 100%.

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(f) Key management compensation

Key management includes directors, supervisors and senior management of the Group. The compensations paid or payable by the Group to key management for employee services are shown below:

	Year ended December 31,			Six months ended June 30,	
	2021	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Share-based compensation expenses	171,915	–	–	–	–
Wages, salaries, and bonuses	6,244	5,643	8,774	3,300	3,159
Pension costs – defined contribution plans	273	308	316	155	165
Other social security costs, housing benefits and other employee benefits	291	340	347	178	168
	<u>178,723</u>	<u>6,291</u>	<u>9,437</u>	<u>3,633</u>	<u>3,492</u>

	As at December 31,			As at June 30,	
	2021	2022	2023	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	
Accrued payroll and employee benefit expenses		<u>908</u>	<u>501</u>	<u>2,541</u>	<u>541</u>

37 CONTINGENT LIABILITIES

The Group had no material contingent liabilities outstanding as at December 31, 2021, 2022 and 2023 and June 30, 2024.

38 SUBSEQUENT EVENTS

[Saved as disclosed above, there have been no material events subsequent to the Track Record Period, which require adjustment or disclosure in accordance with HKFRS.]

39 SUMMARY OF OTHER ACCOUNTING POLICIES

39.1 Principles of combination and equity accounting

(a) 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 combined from the date on which control is transferred to the Group. They are decombined from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 39.2).

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized 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.

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Non-controlling interests in the results and equity of subsidiaries are shown separately in the combined income statements, combined statement of comprehensive income, combined statement of changes in equity and combined statement of financial position respectively.

(b) 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 (see (c) below), after initially being recognized at cost.

(c) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize 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 are recognized 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 recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized 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.

39.2 Business combinations

The acquisition method of accounting is used to account for all business combinations, 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 recognizes 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 recognized directly in profit or loss as a 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 recognized in profit or loss.

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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 recognized in profit or loss.

39.3 Foreign currency translation

(a) *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 Functional Currency of the Company is HKD. The Company’s primary subsidiaries are incorporated in the PRC and these subsidiaries consider RMB as their functional currency. As the major operations of the Group are within the PRC, the Group has determined RMB as its presentation currency and presented its combined financial statement in RMB (unless otherwise stated).

(b) *Transaction and balances*

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing 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 recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the combined statements of comprehensive income, within finance costs. All other foreign exchange gains and losses impacting profit or loss are presented in the combined statements of comprehensive income within “other gains, net”.

Translation differences on non-monetary financial assets and liabilities such as equities held at FVPL, are recognized in the combined statements of financial position as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as financial assets at FVOCI, are included in other comprehensive income.

(c) *Group companies*

The results and financial position of all the Group entities (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 follow:

- assets and liabilities for each statement of financial position of the Group’s entities are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement of the Group’s entities are translated at average exchange rates (unless this average 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 recognized in other comprehensive income.

On combination, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the combined income statements and combined statements of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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ACCOUNTANT'S REPORT

39.4 Property and equipment

The Group's accounting policy for property and equipment is explained in Note 15. All property and equipment are stated at historical costs less accumulated depreciation and accumulated impairment charges. Historical costs include expenditures that are 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 asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the combined statement of comprehensive income during the periods in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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 39.7).

Gains and losses on disposal are determined by comparing the proceeds with the carrying amounts. These are included in the combined statement of comprehensive income.

39.5 Leases

The Group as the lessee:

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, 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.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

There were no variable payment terms contained in the leases of the Group.

There were no residual value guarantees are provided in relation to leases.

Leases are recognized 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.

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:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment 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 Group under residual value guarantees;
- the exercise price of a purchase option if the Group 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.

No lease payments to be made under reasonably certain extension options are included in the measurement of the liability.

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Lease payments are allocated between 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.

Payments associated with short-term leases and leases of low-value assets are recognized 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. Low-value assets comprise machinery with value below RMB35,000.

Right-of-use assets are measured at cost comprising the following:

- 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 lives and the lease terms on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

39.6 Intangible assets

(a) Software

Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining software are recognized as expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software or database controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software or database so that it will be available for use;
- management intends to complete the software or database, and use or sell it;
- there is an ability to use or sell the software or database;
- it can be demonstrated how the software or database will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software or database are available; and
- the expenditure attributable to the software or database during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use. There were no development costs meeting these criteria and capitalized as intangible assets during the Track Record Period.

(b) Research and development expenditures

Research and development expenditures that do not meet the criteria in (a) above are recognized as expenses as incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent period.

(c) Amortization method and period

The Group amortizes software licenses using the straight-line method over 5 years which is the best estimation under current business needs.

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39.7 Impairment of non-financial assets

Assets that have an indefinite useful life or are not yet available for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized 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 purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

39.8 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. 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 FVOCI.

See Note 20 and Note 21 for details of each type of financial assets.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized 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.

(c) *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:

- **Amortized 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 amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses), net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statements.

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- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses), 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 gains/(losses), net, and impairment expenses are presented as separate line item in the income statements.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses), net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in "other (losses)/gains", net in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

39.9 Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and 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.

Restricted and pledged bank deposits are not included in cash and cash equivalents.

39.10 Share capital and capital reserve

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

39.11 Trade and other payables

These amounts represent liabilities for products and services provided to the Group prior to the end of each reporting period which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

39.12 Provisions

Provisions for legal claims are recognized 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 recognized 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 recognized 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 recognized as interest expense.

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39.13 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 tax assets and liabilities attributable to temporary differences and to unused tax losses.

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 subsidiaries and associates 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.

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 tax liabilities are not recognized 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 substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future (Note 12).

Offsetting

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and 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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

39.14 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave 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 recognized 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 in the statement of financial position.

(b) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC 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 year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

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Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes 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 recognizes costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination 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 their present value.

(c) Basic pensions

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to prescribed bases and percentage by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognized as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(d) Share-based benefits of the Group

Share-based payments can be distinguished into equity-settled share-based payments and cash-settled share-based payments. Equity-settled share-based payments are transactions of the Group settled through the payment of shares or other equity instruments in consideration for receiving services.

Equity-settled share-based payments made in exchange for services rendered by employees are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and the capital reserve is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Group at each date of the end of the reporting period during the pending period. The fair value of equity instruments is determined using the binomial option pricing model. For details see Note 28. Share-based payment.

No expense is recognized for awards that do not ultimately vest due to non-fulfillment of non-market conditions and/or vesting conditions. For the market or non-vesting condition under the share-based payments agreement, it should be treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that other performance condition and/or vesting conditions are satisfied.

Where the terms of an equity-settled share-based payment are modified, as a minimum, services obtained are recognized as if the terms had not been modified. In addition, an expense is recognized for any modification which increases the total fair value of the instrument granted or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. Where employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the pending period, equity-settled share-based payments are deemed cancelled. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the new awards are treated as if they were a modification of the original award.

39.15 Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the Historical Financial Information in the period in which the dividends are approved by the entities' shareholders or directors, where appropriate.

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39.16 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

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).

39.17 Government grants

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

39.18 Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) Has control or joint control of the reporting entity;
 - (ii) Has significant influence over the reporting entity; or
 - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate of the other entity (or an associate of a member of a group of which the other entity is a member).
 - (iii) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (iv) The entity is controlled or jointly controlled by a person identified in (a).
 - (v) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (vi) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2023 and up to the date of this report.

APPENDIX IB

[REDACTED]

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

**SUMMARY OF THE CONSTITUTION OF THE
COMPANY AND CAYMAN ISLANDS COMPANIES LAW**

SUMMARY OF THE CONSTITUTION OF THE COMPANY

1 Memorandum of Association

The Memorandum of Association of the Company was conditionally adopted on [●] and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Cayman Companies Act or any other law of the Cayman Islands.

The Memorandum of Association is available for inspection at the address specified in Appendix V in the section headed "Documents Delivered to the Registrar of Companies and Available on Display."

2 Articles of Association

The Articles of Association of the Company were conditionally adopted on [●] and include provisions to the following effect:

2.1 *Classes of Shares*

The share capital of the Company consists of ordinary shares. The authorized share capital of the Company at the date of adoption of the Articles is US\$50,000 divided into 1,000,000,000 shares of US\$0.00005 each.

2.2 *Directors*

(a) Power to allot and issue Shares

Subject to the provisions of the Cayman Companies Act and the Memorandum and Articles of Association, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Cayman Companies Act and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

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**SUMMARY OF THE CONSTITUTION OF THE
COMPANY AND CAYMAN ISLANDS COMPANIES LAW**

(b) Power to dispose of the assets of the Company or any subsidiary

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association or the Cayman Companies Act expressly directed or required to be exercised or done by the Company in general meeting, but subject nevertheless to the provisions of the Cayman Companies Act and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(c) Compensation or payment for loss of office

Payment to any 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 entitled) must first be approved by the Company in general meeting.

(d) Loans to Directors

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(e) Financial assistance to purchase Shares

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

(f) Disclosure of interest in contracts with the Company or any of its subsidiaries

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise

APPENDIX III

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interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realized by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving to such Director or any of his close associates of any security or indemnity 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;
- (ii) 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 any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) 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 any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or

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- (B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both 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 any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(g) Remuneration

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, 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 amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. 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.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of traveling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

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(h) Retirement, appointment and removal

The number of Directors shall not be less than two.

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director).

The Company may by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed. The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after this appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors and which Directors who are to retire by rotation at such meeting.

No person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of the Company notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors. The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;

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- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association;
- (vi) if he is removed from office by a notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles of Association.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) Borrowing powers

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

(j) Proceedings of the Board

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. 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.

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2.3 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

2.4 Variation of rights of existing shares or classes of shares

If at any time the share capital of the 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 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 meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorized representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.5 Alteration of capital

The Company may, from time to time, whether or not all the shares for the time being authorized shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be questioned, and so

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that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares ratably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

- (b) 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 diminish the amount of its share capital by the amount of the shares so canceled subject to the provisions of the Cayman Companies Act; and
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Cayman Companies Act, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorized and subject to any conditions prescribed by the Cayman Companies Act.

2.6 Special resolution-majority required

A "special resolution" is defined in the Articles of Association to have the meaning ascribed thereto in the Cayman Companies Act, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorized representatives, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution signed by all members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly appointed representatives), and any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign.

In contrast, an "ordinary resolution" is defined in the Articles of Association to mean 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, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorized representatives, at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

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2.7 Voting rights

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member (except the holder of treasury share(s) (as defined under the Companies Act, the "**Treasury Share(s)**")) 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 for each share registered in his name in the register of members of the Company.

Where 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.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorized in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

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If a recognized clearing house (or its nominee(s)) is a member of the Company it may authorize such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any meeting of the Company (including general meeting and creditors meeting of the Company) or at any general 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 pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognized clearing house (or its nominee(s)) which he represents as that recognized clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorization, including, where a show of hands is allowed, the right to vote individually on a show of hands.

All members for the time being entitled to receive notice of and to attend and vote at general meetings (or, in the case of a member being a corporation, its duly authorised representative), shall have the right to speak at any general meetings of the Company.

A Treasury Share shall not be voted, directly or indirectly, at any general meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the Articles of Association or the Companies Act.

2.8 Annual general meetings and extraordinary general meetings

The Company must hold a general meeting as its annual general meeting each financial year. Such meeting must be held within six months after the end of the Company's financial year. The annual general meeting shall be specified as such in the notices calling it.

Extraordinary general meetings may be convened on the requisition of one or more shareholders (or any one member which is a recognized clearing house (or its nominee(s)) 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.

2.9 Accounts and audit

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Cayman Companies Act.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection by members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Cayman Companies Act or any other relevant law or regulation or as authorized by the Directors or by the Company in general meeting.

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The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a statement of financial position as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

The appointment, removal and remuneration of an auditor or auditors of the Company shall require the approval of an ordinary resolution of the members in general meeting. The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting and fix the remuneration of such auditor(s) being appointed. The removal of any auditor before the expiration of his period of office shall be approved at a general meeting; and the members shall at that meeting appoint new auditor in its place for the remainder of the term. Subject to compliance with the Listing Rules, the Board may fill any casual vacancy in the office of auditor, but while any such vacancy continues, the surviving or continuing Auditor or Auditors, if any, may act.

2.10 Notice of meetings and business to be conducted thereat

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 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 shall specify the time, place (except in the case of a virtual meeting held in accordance with the Articles of Association) and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

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Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and
- (b) 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, being a majority together holding not less than 95% in nominal value of the shares giving that right.

2.11 Transfer of shares

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may, in its absolute discretion, and without assigning any reason, refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be canceled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (e) the shares concerned are free of any lien in favor of the Company; and
- (f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

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If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.12 Power of the Company to purchase its own shares

The Company is empowered by the Cayman Companies Act and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. The holder of the shares being purchased shall be bound to deliver up to the Company at its principal place of business in Hong Kong or such other place as the Directors shall specify the certificate(s) thereof, if any, and thereupon the Company shall pay to him the purchase or redemption monies in respect thereof. The Board shall have the discretion to cancel such certificate(s).

Subject to the Listing Rules, the Directors may, prior to the purchase, redemption or surrender of any share, determine that such share shall be held as a Treasury Share or canceled, and may resolve to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper.

2.13 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

2.14 Dividends and other methods of distribution

Subject to the Cayman Companies Act and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

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Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, installments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company 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 Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of

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members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. 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.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend may be paid or declared, the Directors may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

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 declared or paid in respect of a Treasury Share. Notwithstanding the foregoing, nothing in the Articles of Association prevent an allotment of shares as fully paid up bonus shares in respect of a Treasury Share and shares allotted as fully paid up bonus shares in respect of a Treasury Share shall be treated as Treasury Shares.

2.15 Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

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Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favor of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorized in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.16 Calls on shares and forfeiture of shares

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by installments and shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and installments due in respect of such share or other monies due in respect thereof.

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If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

If any call or installment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or installment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or installment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, 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 Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.17 Inspection of register of members

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as

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the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

2.18 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, but the absence of a quorum shall not preclude the appointment of a chairman which shall not be treated as part of the business of the meeting.

Two members of the Company (excluding the holder of a Treasury Share) present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorized representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.19 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.20 Procedure on liquidation

Subject to the Cayman Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.

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If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Cayman Companies Act, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Cayman Companies Act, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.21 Untraceable members

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

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SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Cayman Companies Act is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Cayman Companies Act and the current Companies Act of England. Set out below is a summary of certain provisions of the Cayman Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on June 29, 2023 under the Cayman Companies Act. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is 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 size of its authorized share capital.

3 Share Capital

The Cayman Companies Act permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Cayman Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the "share premium account." At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancelation of shares in any other company and issued at a premium. The Cayman Companies Act provides that the share premium account may be applied by a 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:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Companies Act);
- (d) writing-off the preliminary expenses of the company;

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- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

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.

The Cayman Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands, 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, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Cayman Companies Act, 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 shareholder. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorized either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. 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 member of the company holding shares. 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.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

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4 Dividends and Distributions

With the exception of section 34 of the Cayman Companies Act, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Cayman Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands 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 into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands 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.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 Disposal of Assets

The Cayman Companies Act contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

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8 Accounting and Auditing Requirements

The Cayman Companies Act requires that a company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the company; and
- (c) the assets and liabilities of the company.

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.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Cayman Companies Act for an exempted company to make any returns of members to the Registrar of Companies of 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.

10 Inspection of Books and Records

Members of a company will have no general right under the Cayman Companies Act 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.

11 Special Resolutions

The Cayman Companies Act provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person 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, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorized by the articles of association of the company.

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12 Subsidiary Owning Shares in Parent

The Cayman Companies Act does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Cayman Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of each constituent company and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) a majority in number representing 75% in value of creditors, or (ii) a majority of 75% in value of shareholders or class of shareholders, as the case may be, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is 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 shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

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15 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 the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand 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 shareholders.

16 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, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, ratably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

18 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

19 Taxation

Pursuant to section 6 of the Tax Concessions Act (2018 Revision) of the Cayman Islands, the Company may obtain an undertaking from the Financial Secretary of the Cayman Islands:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

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- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (i) on or in respect of the shares, debentures or other obligations of the Company;
or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (2018 Revision).

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 certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

21 Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Act, 2018 (“**ES Law**”) that came into force on January 1, 2019, a “relevant entity” is required to satisfy the economic substance test set out in the ES Law. A “relevant entity” includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, if an exempted company incorporated in the Cayman Islands is tax resident outside the Cayman Islands, it will not be required to satisfy the economic substance test set out in the ES Law.

22 General

Campbells, the Company’s legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarizing aspects of Cayman Islands company law. This letter, together with a copy of the Cayman Companies Act, is available for inspection as referred to in the section headed “Documents Delivered to the Registrar of Companies and 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/she is more familiar is recommended to seek independent legal advice.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was incorporated under the Cayman Companies Act on June 29, 2023 as an exempted company with limited liability. Our registered office is located at Office of Sertus Incorporations (Cayman) Limited, Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands.

Our Company has established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai Hong Kong and [has been registered with the Registrar of Companies in Hong Kong] as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance. Mr. Ng Tung Ching Raphael (吳東澄) has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong under Part 16 of the Companies Ordinance. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As we were established in the Cayman Islands, our corporate structure and Memorandum and Articles of Association are subject to relevant laws and regulations of the Cayman Islands. A summary of relevant laws and regulations of the Cayman Islands and the Memorandum and Articles of Association is set out in the section headed “Appendix III — Summary of the Constitution of the Company and Cayman Islands Companies Law” in this document.

2. Changes in the Share Capital of Our Company

On June 29, 2023, being the date of incorporation of our Company, our authorized share capital was US\$50,000, divided into 1,000,000,000 ordinary shares of a par value of US\$0.00005 each.

Save as disclosed herein and in “History, Reorganization and Corporate Structure,” there has been no alteration in the share capital of our Company during the two years preceding the date of this document.

Immediately prior to the [REDACTED] and pursuant to the Memorandum of Association, each Preferred Share will be re-classified and re-designated into one Share.

3. Changes in the Share Capital of Our Subsidiaries and the Consolidated Affiliated Entities

Save as disclosed below and in “History, Reorganization and Corporate Structure” of this document, there has been no alteration in the share capital of any of our subsidiaries or the Consolidated Affiliated Entities within the two years immediately preceding the date of this document.

Beijing Huoli Xinghui Technology Co., Ltd. (北京活力星輝科技有限公司)

On July 3, 2023, Beijing Huoli Xinghui Technology Co., Ltd. was established under the laws of the PRC with a registered capital of RMB1,800,000.

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4. Resolutions Passed by Our Shareholders of the Company

Resolutions of our Shareholders were passed on [●], pursuant to which, among others, conditional upon the conditions of the [REDACTED] (as set out in this document) being fulfilled or waived:

- (a) the Memorandum and the Articles were approved and adopted effective conditional on and immediately prior to the [REDACTED] on the [REDACTED];
- (b) the [REDACTED], [REDACTED] and [REDACTED] were approved, and our Directors were authorized to negotiate and agree the [REDACTED] and to [REDACTED] and [REDACTED] the [REDACTED] (including pursuant to the [REDACTED]);
- (c) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and [REDACTED] with Shares 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, otherwise than pursuant to the [REDACTED] or pursuant to a right issue or pursuant to the exercise of any subscription rights attaching to any warrants or any option scheme or similar arrangement which may be allotted and issued by our Company from time to time on a specific authority granted by the Shareholders in general meeting or, pursuant to the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles, Shares not exceed [REDACTED]% of the aggregate number of issued Shares (excluding treasury shares) immediately following completion of the [REDACTED], such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any applicable laws, or until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever is the earliest. References to an allotment, issue, and [REDACTED] of Shares or securities herein shall include a sale or transfer of treasury shares;
- (d) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase its own Shares on the Stock Exchange or on any other approved 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 in accordance with all applicable laws and the requirements of the Listing Rules and of any other stock exchange (as applicable), such number of Shares will represent up to [REDACTED]% of the number of the Shares in issue (excluding treasury shares) immediately following the completion of the [REDACTED], such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any applicable laws, or until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever occurs first;

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- (e) the general mandate as mentioned in paragraph (c) above be extended by the addition to the number of Shares which may be allotted, issued or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the number of Shares repurchased by the Company pursuant to the Repurchase Mandate referred to in paragraph (d) above; and
- (f) immediately prior to the [REDACTED], each Preferred Share will be re-classified and re-designated into one Share on a one-to-one basis.

5. Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(a) *Provision of the Listing Rules*

The Listing Rules permit companies with a primary [REDACTED] on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) *Shareholders' Approval*

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary [REDACTED] on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on [●], 2024, the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to [REDACTED] its own Shares on the Stock Exchange or on any other approved 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 will represent up to 10% of the number of the Shares in issue (excluding treasury shares) immediately following the completion of the [REDACTED], such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any applicable laws, or until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever occurs first.

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(ii) Source of Funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and the Articles and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities 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.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to 10% of the aggregate number of shares in issue (excluding treasury shares). A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, 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. The Listing Rules also prohibit a listed company from repurchasing its securities if the 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. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

Pursuant to the Listing Rules, the shares repurchased by an issuer shall be held as treasury shares or canceled. The listing of all shares which are held as treasury shares shall be retained. The issuer shall ensure that treasury shares are appropriately identified and segregated. The listing of all repurchased securities (whether on the Stock Exchange or otherwise) but not held as treasury shares is automatically canceled upon repurchase and our Company must apply for listing of any further Shares in the normal way. The relative certificates must be canceled and destroyed as soon as reasonably practicable following settlement of any such repurchase. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital of our Company under the Cayman Companies Act.

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(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of 30 days immediately preceding the earlier of (a) 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 a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's 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), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following Business Day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person," that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell its securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a 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.

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(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Memorandum and Articles of Association and the applicable laws of the Cayman Islands. Our Directors may not [REDACTED] the 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. Any payment for the repurchases of Shares will be drawn from the profits of our Company or from a fresh issue of shares made for the purpose of the repurchase or, if authorized by the 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 repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Memorandum and Articles of Association and subject to Cayman Companies Act, out of capital.

However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for our Company.

(d) General

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), could accordingly result in up to [REDACTED] Shares being repurchased by our Company during the period prior to the earliest of:

- (i)* the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- (ii)* the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or
- (iii)* the date when it is varied or revoked by an ordinary resolution of the Shareholders in general meeting.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

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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.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Group within the two years preceding the date of this document and are, or may be, material:

- (a) an amended and restated exclusive consultation and service agreement (修訂與重述的獨家業務合作協議) dated October 26, 2024 entered into between Huoli Tianhui and Shenzhen WFOE;
- (b) the exclusive option agreements (獨家購買權協議) dated October 11, October 26 and October 27, 2024 entered into among Shenzhen WFOE, Huoli Tianhui and each of the Registered Shareholders;
- (c) the equity pledge agreements (股權質押協議) dated October 11, October 26 and October 27, 2024 entered into among Shenzhen WFOE, Huoli Tianhui and each of the Registered Shareholders;
- (d) the shareholder voting rights entrustment agreements (股東表決權委託協議) dated October 11, October 26 and October 27, 2024 entered into among Shenzhen WFOE, Huoli Tianhui and each of the Registered Shareholders;
- (e) a loan agreement (借款協議) dated June 11, 2024 entered into between Shenzhen WFOE and Zhitu Xingzhou Technology;
- (f) a loan agreement (借款協議) dated August 20, 2024 entered into between Shenzhen WFOE and Zhitu Xingzhou Technology; and
- (g) [REDACTED].

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2. Material Intellectual Property Rights



As of the Latest Practical Date, we had registered or has applied for the registration of the following intellectual property rights which we consider to be material in relation to the business of our Group.

(a) Trademarks

As of the Latest Practical Date, we had registered the following trademarks which we consider to be material in relation to the business of our Group:

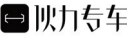


No.	Trademark	Registration Number	Class	Registration Date	Expiry Date	Registered Owner	Place of Registration
1. . .		69482131	9	August 14, 2023	August 13, 2033	Huoli Tianhui	PRC
2. . .		69485766	35	August 14, 2023	August 13, 2033	Huoli Tianhui	PRC
3. . .		69470973	42	August 14, 2023	August 13, 2033	Huoli Tianhui	PRC
4. . .		56581300	35	September 14, 2022	September 13, 2032	Huoli Tianhui	PRC
5. . .		51988422	9	August 21, 2021	August 20, 2031	Huoli Tianhui	PRC
6. . .		51986804	38	August 21, 2021	August 20, 2031	Huoli Tianhui	PRC
7. . .		51966144	42	June 7, 2022	June 6, 2032	Huoli Tianhui	PRC
8. . .		24166825	39	September 7, 2018	September 6, 2028	Huoli Tianhui	PRC
9. . .	火力商旅	50915595	39	October 7, 2021	October 6, 2031	Huoli Tianhui	PRC
10. .	火力商旅	50911216	42	July 28, 2021	July 27, 2031	Huoli Tianhui	PRC
11. .	火力商旅	50902175	9	June 28, 2021	June 27, 2031	Huoli Tianhui	PRC

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No.	Trademark	Registration Number	Class	Registration Date	Expiry Date	Registered Owner	Place of Registration
12.	 行程助手	47283358	9	February 28, 2021	February 27, 2031	Huoli Tianhui	PRC
13.	 行程助手	47280321	38	March 14, 2021	March 13, 2031	Huoli Tianhui	PRC
14.	 行程助手	47284121	39	May 21, 2021	May 20, 2031	Huoli Tianhui	PRC
15.	 伙力商旅	46610311	35	January 28, 2021	January 27, 2031	Huoli Tianhui	PRC
16.	 伙力商旅	46633704	38	January 21, 2021	January 20, 2031	Huoli Tianhui	PRC
17.	 伙力商旅	46636089	39	April 7, 2021	April 6, 2031	Huoli Tianhui	PRC
18.	 伙力商旅	46636117	42	April 7, 2021	April 6, 2031	Huoli Tianhui	PRC
19.	活力天汇	39375096	42	March 28, 2020	March 27, 2030	Huoli Tianhui	PRC
20.	活力天汇	39380563	38	April 7, 2020	April 6, 2030	Huoli Tianhui	PRC
21.		32936837	39	September 28, 2019	September 27, 2029	Huoli Tianhui	PRC
22.		32926203	35	June 14, 2019	June 13, 2029	Huoli Tianhui	PRC
23.	 伙力专车	32929343	35	June 21, 2019	June 20, 2029	Huoli Tianhui	PRC

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No.	Trademark	Registration Number	Class	Registration Date	Expiry Date	Registered Owner	Place of Registration
24.	 伙力专车	32937906	39	September 28, 2019	September 27, 2029	Huoli Tianhui	PRC
25.	航班管家	28768034	9	December 28, 2018	December 27, 2028	Huoli Tianhui	PRC
26.	 航班管家	28771595	9	December 21, 2018	December 20, 2028	Huoli Tianhui	PRC
27.	伙力	27943449	30	January 21, 2019	January 20, 2029	Huoli Tianhui	PRC
28.	伙力	27940037	32	November 14, 2018	November 13, 2028	Huoli Tianhui	PRC
29.	伙力	27947502	7	November 14, 2018	November 13, 2028	Huoli Tianhui	PRC
30.	伙力	24166982	39	September 7, 2018	September 6, 2028	Huoli Tianhui	PRC
31.	伙力	15632932	35	December 21, 2015	December 20, 2025	Huoli Tianhui	PRC
32.	伙力	15632840	9	December 21, 2015	December 20, 2025	Huoli Tianhui	PRC
33.	伙力	15633119	38	December 21, 2015	December 20, 2025	Huoli Tianhui	PRC
34.	伙力	15634121	42	December 21, 2015	December 20, 2025	Huoli Tianhui	PRC
35.	伙力·高铁管家	24166495	35	May 7, 2018	May 6, 2028	Huoli Tianhui	PRC
36.	伙力·高铁管家	24166726	39	May 14, 2018	May 13, 2028	Huoli Tianhui	PRC
37.	伙力·高铁管家	24166563	38	May 14, 2018	May 13, 2028	Huoli Tianhui	PRC
38.	伙力·高铁管家	24166578	42	May 14, 2018	May 13, 2028	Huoli Tianhui	PRC
39.	伙力·高铁管家	24166253	9	May 14, 2018	May 13, 2028	Huoli Tianhui	PRC
40.	 伙力·高铁管家	24166843	39	May 14, 2018	May 13, 2028	Huoli Tianhui	PRC
41.	HLCRH	24166921	39	May 14, 2018	May 13, 2028	Huoli Tianhui	PRC
42.	伙力出行	20434308	39	August 14, 2017	August 13, 2027	Huoli Tianhui	PRC






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No.	Trademark	Registration Number	Class	Registration Date	Expiry Date	Registered Owner	Place of Registration
43.	伙力出行	20434176	9	August 14, 2017	August 13, 2027	Huoli Tianhui	PRC
44.	伙力出行	20434220	35	August 14, 2017	August 13, 2027	Huoli Tianhui	PRC
45.	伙力出行	20434254	38	August 14, 2017	August 13, 2027	Huoli Tianhui	PRC
46.	伙力出行	20434208	42	August 14, 2017	August 13, 2027	Huoli Tianhui	PRC
47.	伙力旅行	20433876	38	August 14, 2017	August 13, 2027	Huoli Tianhui	PRC
48.	伙力旅行	20434079	42	August 14, 2017	August 13, 2027	Huoli Tianhui	PRC
49.	伙力旅行	20434021	39	August 14, 2017	August 13, 2027	Huoli Tianhui	PRC
50.	伙力旅行	20433676	9	August 14, 2017	August 13, 2027	Huoli Tianhui	PRC
51.	伙力旅行	20433809	35	August 14, 2017	August 13, 2027	Huoli Tianhui	PRC
52.	 航班管家	20189895	39	July 21, 2017	July 20, 2027	Huoli Tianhui	PRC
53.	伙力专车	18980756	42	February 28, 2017	February 27, 2027	Huoli Tianhui	PRC
54.	伙力专车	18980823	38	February 28, 2017	February 27, 2027	Huoli Tianhui	PRC
55.	伙力专车	18980653	35	February 28, 2017	February 27, 2027	Huoli Tianhui	PRC
56.	伙力专车	18980698	39	March 7, 2017	March 6, 2027	Huoli Tianhui	PRC
57.	伙力专车	18980773	9	February 28, 2017	February 27, 2027	Huoli Tianhui	PRC
58.	活力高铁管家	12892890	42	December 21, 2014	December 20, 2034	Huoli Tianhui	PRC
59.	活力高铁管家	12892892	35	December 21, 2014	December 20, 2034	Huoli Tianhui	PRC
60.	活力高铁管家	12892891	38	December 14, 2014	December 13, 2034	Huoli Tianhui	PRC
61.	活力高铁管家	12892893	9	December 21, 2014	December 20, 2034	Huoli Tianhui	PRC
62.	HLCRH	12892888	35	December 7, 2014	December 6, 2034	Huoli Tianhui	PRC

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No.	Trademark	Registration Number	Class	Registration Date	Expiry Date	Registered Owner	Place of Registration
63.	HLCRH	12892889	9	November 28, 2014	November 27, 2034	Huoli Tianhui	PRC
64.	HLCRH	12892887	38	November 28, 2014	November 27, 2034	Huoli Tianhui	PRC
65.	HLCRH	12892886	42	November 28, 2014	November 27, 2034	Huoli Tianhui	PRC
66.		12892884	35	December 14, 2014	December 13, 2034	Huoli Tianhui	PRC
67.		12892882	42	November 28, 2014	November 27, 2034	Huoli Tianhui	PRC
68.		12892883	38	November 28, 2014	November 27, 2034	Huoli Tianhui	PRC
69.		12892885	9	April 7, 2015	April 6, 2025	Huoli Tianhui	PRC
70.		11100440	42	November 7, 2013	November 6, 2033	Huoli Tianhui	PRC
71.	航班管家	10144413	35	November 21, 2013	November 20, 2033	Huoli Tianhui	PRC
72.	航班管家	10122880	42	November 21, 2013	November 20, 2033	Huoli Tianhui	PRC
73.	航班管家	8822025	38	November 21, 2013	November 20, 2033	Huoli Tianhui	PRC
74.		10144415	9	December 28, 2013	December 27, 2033	Huoli Tianhui	PRC
75.		9437866	35	May 28, 2012	May 27, 2032	Huoli Tianhui	PRC
76.		9437882	38	May 28, 2012	May 27, 2032	Huoli Tianhui	PRC

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No.	Trademark	Registration Number	Class	Registration Date	Expiry Date	Registered Owner	Place of Registration
77.		9437906	9	May 28, 2012	May 27, 2032	Huoli Tianhui	PRC
78.		9437832	42	May 28, 2012	May 27, 2032	Huoli Tianhui	PRC
79.	酒店管家	9437965	9	July 21, 2012	July 20, 2032	Huoli Tianhui	PRC
80.		8821905	42	November 21, 2011	November 20, 2031	Huoli Tianhui	PRC
81.		8821865	38	November 21, 2011	November 20, 2031	Huoli Tianhui	PRC
82.		8815521	35	December 7, 2011	December 6, 2031	Huoli Tianhui	PRC
83.		7896466	9	April 7, 2011	April 6, 2031	Huoli Tianhui	PRC
84.		7545480	9	February 14, 2011	February 13, 2031	Huoli Tianhui	PRC
85.	下一站>>>	10530014	42	April 14, 2013	April 13, 2033	Next Stop Information	PRC
86.	下一站>>>	10529980	9	April 14, 2013	April 13, 2033	Next Stop Information	PRC

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(b) Copyrights

As of the Latest Practical Date, our Group owned the following copyrights which we consider to be material in relation to the business of our Group:

No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
1.	2024SR0169646	Huoli Century	Search Bar Intelligent Recommendation System (搜索欄智能推薦系統)	Computer software	PRC	June 2, 2023
2.	2024SR0165867	Huoli Century	Air Ticket Search and Price Comparison Analysis System (機票搜索比價分析系統)	Computer software	PRC	July 1, 2023
3.	2017SR348822	Shenzhen Huoli Tourism	Flight Master App (iOS) (航班管家軟件(iOS版))	Computer software	PRC	May 15, 2017
4.	2024SR0775643	Huoli Tianhui	Flight Master and Flight Change Management Notification System (航班管家航班變化管理通知系統)	Computer software	PRC	January 17, 2024
5.	2024SR0707565	Huoli Tianhui	Airport Arrival Forecasting System Based on Multi-Dimensional Data Integration and Serving Application Scenarios (基於多維數據集成、服務於應用場景的機場到港預測系統)	Computer software	PRC	January 20, 2024
6.	2024SR0608997	Huoli Tianhui	Flight Master App (iOS) (航班管家軟件(iOS版))	Computer software	PRC	February 21, 2024
7.	2024SR0609002	Huoli Tianhui	Flight Master Pro App (航班管家Pro軟件)	Computer software	PRC	February 21, 2024
8.	2024SR0609030	Huoli Tianhui	Flight Master App (Android) (航班管家軟件(Android版))	Computer software	PRC	February 29, 2024
9.	2024SR0293010	Huoli Tianhui	Business Jet Charter Business Management System (公務機包機業務管理系統)	Computer software	PRC	November 15, 2023

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
10.	2024SR0292269	Huoli Tianhui	Business Jet Operator Management System (Mini Program) (公務機運營商管理系統(小程序版))	Computer software	PRC	June 21, 2023
11.	2023SR1418137	Huoli Tianhui	Front-end Anomaly Analysis System Based on Rapid Positioning and Response (基於快速定位、響應的前端異常分析系統)	Computer software	PRC	August 18, 2023
12.	2023SR1417762	Huoli Tianhui	Front-end Performance Monitoring Platform Based on Rapid Positioning and Response (基於快速定位、響應的前端性能監控平台)	Computer software	PRC	August 18, 2023
13.	2023SR1093926	Huoli Tianhui	Flight Master Service Monitoring System (航班管家服務監控系統)	Computer software	PRC	June 22, 2023
14.	2023SR0974587	Huoli Tianhui	Domestic Air Ticket Mailing Management System (國內機票郵寄管理系統)	Computer software	PRC	May 31, 2023
15.	2023SR0974422	Huoli Tianhui	Domestic Air Ticket AV Route Coverage Analysis System (國內機票AV航線覆蓋度分析系統)	Computer software	PRC	May 30, 2023
16.	2023SR0918774	Huoli Tianhui	New Air Ticket Pre-Sale Product Management Platform (新型機票預售產品管理平台)	Computer software	PRC	May 10, 2023
17.	2023SR0885784	Huoli Tianhui	Train Master Data-driven Analysis System (高鐵管家數據驅動分析系統)	Computer software	PRC	May 24, 2023

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
18.	2023SR0887121	Huoli Tianhui	Online Air Ticket Upgrade Platform (Version H5) (機票在線便捷升艙平台(H5版))	Computer software	PRC	April 24, 2023
19.	2023SR0887103	Huoli Tianhui	Intelligent Risk Control Management System (智能風控管理系統)	Computer software	PRC	April 10, 2023
20.	2023SR0824381	Huoli Tianhui	Huoli Business Trip App (H5 Version) (夥力商旅軟件(H5版))	Computer software	PRC	March 23, 2023
21.	2023SR0824351	Huoli Tianhui	Train Master App (iOS) (高鐵管家軟件(iOS版))	Computer software	PRC	April 27, 2023
22.	2023SR0824350	Huoli Tianhui	Dast Data Enquiry System (Web Version) (Dast數據查詢系統(Web版))	Computer software	PRC	February 8, 2023
23.	2023SR0824380	Huoli Tianhui	Huoli Business Trip App (PC Version) (夥力商旅軟件(PC版))	Computer software	PRC	May 5, 2023
24.	2023SR0824338	Huoli Tianhui	Train Master App (Android) (高鐵管家軟件(Android版))	Computer software	PRC	May 4, 2023
25.	2023SR0824352	Huoli Tianhui	Train Master Pro App (iOS) (高鐵管家Pro軟件(iOS版))	Computer software	PRC	April 27, 2023
26.	2023SR0694131	Huoli Tianhui	Exhibition Participant Management System (會展單團管理系統)	Computer software	PRC	January 3, 2023
27.	2023SR0680948	Huoli Tianhui	Airport Big Screen System for Flight Status (航班動態機場大屏系統)	Computer software	PRC	March 9, 2023
28.	2023SR0680949	Huoli Tianhui	Flight Master Membership Service and Management Platform (航班管家會員服務與管理平台)	Computer software	PRC	March 17, 2023
29.	2023SR0680865	Huoli Tianhui	Airport Operation Status Intelligent Decision-making Management Platform (機場運行態勢智能決策管理平台)	Computer software	PRC	March 25, 2023

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
30.	2023SR0680866	Huoli Tianhui	Flight Arrival Time Prediction System Based on Big Data Processing and Machine Learning (基於大數據處理和機器學習的航班到港時間預測系統)	Computer software	PRC	March 10, 2023
31.	2023SR0583575	Huoli Tianhui	Intelligent Customer Service Customized Behavior System (智能客服自定義行為系統)	Computer software	PRC	January 30, 2023
32.	2023SR0583574	Huoli Tianhui	Intelligent Customer Service Data Signage System (智能客服數據看板系統)	Computer software	PRC	January 30, 2023
33.	2023SR0583724	Huoli Tianhui	User Alarm System Platform (用戶告警體系平台)	Computer software	PRC	March 13, 2023
34.	2023SR0583578	Huoli Tianhui	Flight Master Multi-Function Electronic Invoice Management System (航班管家多功能電子發票管理系統)	Computer software	PRC	February 20, 2023
35.	2023SR0583576	Huoli Tianhui	Intelligent and Efficient Customer Service Operation Platform (智能高效客服運營平台)	Computer software	PRC	January 20, 2023
36.	2023SR0532866	Huoli Tianhui	Train Master App (Android) (高鐵管家軟件(Android版))	Computer software	PRC	January 13, 2023
37.	2023SR0400131	Huoli Tianhui	Train Master App (iOS) (高鐵管家軟件(iOS版))	Computer software	PRC	January 13, 2023
38.	2022SR1572080	Huoli Tianhui	Huoli Travel App (Android) (夥力出行軟件(Android版))	Computer software	PRC	Not launched
39.	2022SR1448456	Huoli Tianhui	Train Master Pro App (iOS) (高鐵管家Pro軟件(iOS版))	Computer software	PRC	September 9, 2022
40.	2022SR1448454	Huoli Tianhui	Train Master App (Android) (高鐵管家軟件(Android版))	Computer software	PRC	September 9, 2022

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
41.	2022SR1448455	Huoli Tianhui	Train Master App (iOS) (高鐵管家軟件(iOS版))	Computer software	PRC	September 9, 2022
42.	2022SR1409268	Huoli Tianhui	Huoli Fleet Driver App (Android) (夥力車隊司機端軟件(Android版))	Computer software	PRC	July 20, 2022
43.	2022SR1409283	Huoli Tianhui	Huoli Fleet Driver App (iOS) (夥力車隊司機端軟件(iOS版))	Computer software	PRC	August 19, 2022
44.	2022SR1409282	Huoli Tianhui	Huoli Intelligent Fleet Dispatching Management Platform (Web Version) (夥力智慧車隊調度管理平台 (Web版))	Computer software	PRC	June 20, 2022
45.	2022SR1409289	Huoli Tianhui	Huoli Intelligent Fleet Dispatching Management Platform (Android) (夥力智慧車隊調度管理平台 (Android版))	Computer software	PRC	August 6, 2022
46.	2022SR1409290	Huoli Tianhui	Huoli Intelligent Fleet Dispatching Management Platform (iOS) (夥力智慧車隊調度管理平台(iOS版))	Computer software	PRC	August 12, 2022
47.	2022SR1409287	Huoli Tianhui	Huoli Business Trip App (Android) (夥力商旅軟件(Android版))	Computer software	PRC	May 6, 2022
48.	2022SR1409288	Huoli Tianhui	Huoli Business Trip App (iOS) (夥力商旅軟件(iOS版))	Computer software	PRC	May 6, 2022
49.	2022SR1367933	Huoli Tianhui	Customer Service Quality Inspection System Based on Big Data Platform (基於大數據平台的 客服質檢系統)	Computer software	PRC	June 7, 2022
50.	2022SR1367932	Huoli Tianhui	DAST Data Enquiry System (H5 Version) (DAST數據查詢系統 (H5版))	Computer software	PRC	May 28, 2022

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
51.	2022SR1368063	Huoli Tianhui	Special Air Ticket Recommendation App (H5 Version) (特價機票推薦軟件(H5版))	Computer software	PRC	May 13, 2022
52.	2022SR1368085	Huoli Tianhui	Management System Based on DAST Traffic Data Analysis Platform (基於DAST交通數據分析平台的管理系統)	Computer software	PRC	April 28, 2022
53.	2022SR1367931	Huoli Tianhui	Huoli Travel App (Mini Program) (夥力出行軟件(小程序版))	Computer software	PRC	February 24, 2022
54.	2022SR1368064	Huoli Tianhui	Huoli Chauffeured Car App (Mini Program) (夥力專車軟件(小程序版))	Computer software	PRC	April 14, 2022
55.	2022SR1367934	Huoli Tianhui	Customer Service Performance Appraisal System Based on Big Data Platform (基於大數據平台的客服績效考核系統)	Computer software	PRC	May 26, 2022
56.	2022SR1348032	Huoli Tianhui	Vehicle-based New Intelligent Information Service System (基於車載的新型智能信息服務系統)	Computer software	PRC	March 31, 2022
57.	2022SR1080247	Huoli Tianhui	Huoli Chauffeured Car Driver App (Android) (夥力專車司機端軟件(Android版))	Computer software	PRC	March 31, 2022
58.	2022SR1080249	Huoli Tianhui	Dast Data Enquiry System (Web Version) (Dast數據查詢系統(Web版))	Computer software	PRC	March 28, 2022
59.	2022SR1080248	Huoli Tianhui	Exhibition Background Efficient Management System (會展後台高效管理系統)	Computer software	PRC	February 16, 2022

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
60.	2022SR1080313	Huoli Tianhui	Customer Service Data Center Platform Based on Big Data Platform (基於大數據平台的客服數據中心平台)	Computer software	PRC	June 22, 2022
61.	2022SR1034248	Huoli Tianhui	User Activity and Quality Assessment Visualization System (用戶活躍與質量評估可視化系統)	Computer software	PRC	April 12, 2022
62.	2022SR0976477	Huoli Tianhui	API Fully Automated Testing System for Air Ticket Recommendation System (機票推薦系統 API全自動化測試系統)	Computer software	PRC	March 3, 2022
63.	2022SR0950738	Huoli Tianhui	Intelligent Air Ticket Distribution Management Platform (智能機票分銷管理平台)	Computer software	PRC	March 15, 2022
64.	2022SR0947841	Huoli Tianhui	Flight Master Pro App (iOS) (航班管家Pro軟件 (iOS版))	Computer software	PRC	April 21, 2022
65.	2022SR0770005	Huoli Tianhui	Flight Master Business Jet Management System (航班管家公務機管理系統)	Computer software	PRC	March 30, 2022
66.	2022SR0770006	Huoli Tianhui	Flight Master App (Android) (航班管家軟件(Android版))	Computer software	PRC	April 21, 2022
67.	2022SR0770008	Huoli Tianhui	Business Jet Management Assistant App (Mini Program) (公務機管理助手軟件(小程序版))	Computer software	PRC	March 9, 2022
68.	2022SR0770007	Huoli Tianhui	Flight Master Business Jet App (Mini Program) (航班管家公務機軟件(小程序版))	Computer software	PRC	March 17, 2022
69.	2022SR0770004	Huoli Tianhui	Flight Master App (iOS) (航班管家軟件(iOS版))	Computer software	PRC	April 21, 2022
70.	2022SR0466006	Huoli Tianhui	Huoli Driver App (夥力司駕軟件)	Computer software	PRC	February 20, 2022

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
71.	2021SR1993684	Huoli Tianhui	Flight Master Pro App (iOS) (航班管家Pro軟件(iOS版))	Computer software	PRC	August 15, 2021
72.	2021SR1993685	Huoli Tianhui	Flight Master App (iOS) (航班管家軟件(iOS版))	Computer software	PRC	August 15, 2021
73.	2021SR1986914	Huoli Tianhui	Flight Master Care Edition Management Platform (航班管家關懷版管理平台)	Computer software	PRC	August 30, 2021
74.	2021SR1986915	Huoli Tianhui	Flight Master App (Android) (航班管家軟件(Android版))	Computer software	PRC	August 15, 2021
75.	2021SR1789777	Huoli Tianhui	Huoli Multi-Functional Enterprise Business Trip Management and Control System (夥力多功能企業商旅管控系統)	Computer software	PRC	September 6, 2021
76.	2021SR1789778	Huoli Tianhui	A Smart Inquiry Platform for National Pandemic Tourism Policies (全國疫情出行政策智能查詢平台)	Computer software	PRC	February 7, 2021
77.	2021SR1789779	Huoli Tianhui	Real-Time Inquiry System Based on Airline Policy of Refund and Change (基於航司退改簽政策實時查詢系統)	Computer software	PRC	December 27, 2020
78.	2021SR1578289	Huoli Tianhui	Huoli Business Trip Efficient and Convenient Management Service System (夥力商旅高效便捷管理服務系統)	Computer software	PRC	February 14, 2021
79.	2021SR1424321	Huoli Tianhui	Huoli Business Trip App (iOS) (夥力商旅軟件(iOS版))	Computer software	PRC	July 15, 2021
80.	2021SR1424322	Huoli Tianhui	Huoli Business Trip App (Android) (夥力商旅軟件(Android版))	Computer software	PRC	July 15, 2021

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
81.	2021SR1400120	Huoli Tianhui	Corporate Business Trip Operation and Management System (企業商旅運營管理系統)	Computer software	PRC	February 1, 2021
82.	2021SR1400118	Huoli Tianhui	Train Master Pro App (iOS) (高鐵管家Pro軟件(iOS版))	Computer software	PRC	March 11, 2021
83.	2021SR1400119	Huoli Tianhui	Huoli Chauffeured Car Driver App (Android) (夥力專車司機端軟件(Android版))	Computer software	PRC	July 12, 2021
84.	2021SR1040748	Huoli Tianhui	Corporate Business Trip Management System (企業商旅管理系統)	Computer software	PRC	February 10, 2021
85.	2021SR0940063	Huoli Tianhui	Real-Time Update Engine for Air-Rail Intermodal Freight Rates (空鐵聯運運價實時更新引擎)	Computer software	PRC	April 1, 2021
86.	2021SR0940062	Huoli Tianhui	Recommendation System for Domestic Air-Rail Intermodal Transportation (國內空鐵聯運推薦系統)	Computer software	PRC	March 28, 2021
87.	2021SR0857289	Huoli Tianhui	Train Master App (iOS) (高鐵管家軟件(iOS版))	Computer software	PRC	March 11, 2021
88.	2021SR0857288	Huoli Tianhui	Train Master App (Android) (高鐵管家軟件(Android版))	Computer software	PRC	March 11, 2021
89.	2020SR1262015	Huoli Tianhui	Global Special Airfares Mobile Terminal Reservation Management Platform (全球特價機票移動預訂管理平台)	Computer software	PRC	May 13, 2019
90.	2020SR1257456	Huoli Tianhui	Flight Route Map Generation and Display System (航班航路圖生成與展示系統)	Computer software	PRC	July 1, 2020

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
91.	2020SR1242727	Huoli Tianhui	Flight Master International Air Ticket Policy Configuration System (航班管家國際機票政策配置系統)	Computer software	PRC	March 24, 2020
92.	2020SR1011563	Huoli Tianhui	Flight Master App (Android) (航班管家軟件(Android版))	Computer software	PRC	May 22, 2020
93.	2020SR1011579	Huoli Tianhui	Flight Master App (iOS) (航班管家軟件(iOS版))	Computer software	PRC	May 22, 2020
94.	2020SR1011888	Huoli Tianhui	Train Master App (Android) (高鐵管家軟件(Android版))	Computer software	PRC	May 6, 2020
95.	2020SR1011893	Huoli Tianhui	Train Master App (iOS) (高鐵管家軟件(iOS版))	Computer software	PRC	May 6, 2020
96.	2020SR0764025	Huoli Tianhui	Huoli Business Trip App (iOS) (夥力商旅軟件(iOS版))	Computer software	PRC	June 26, 2020
97.	2020SR0764023	Huoli Tianhui	Huoli Business Trip App (Android) (夥力商旅軟件(Android版))	Computer software	PRC	June 26, 2020
98.	2019SR1119530	Huoli Tianhui	Huoli Fleet Integrated Management Platform (iOS) (夥力車隊綜合管理平台(iOS版))	Computer software	PRC	July 5, 2019
99.	2019SR1119533	Huoli Tianhui	Huoli Fleet Integrated Management Platform (Android) (夥力車隊綜合管理平台(Android版))	Computer software	PRC	July 5, 2019
100.	2019SR0763173	Huoli Tianhui	Scenario Strategy Recommendation System Based on High-Speed Rail Travel (基於高鐵遊的場景攻略推薦系統)	Computer software	PRC	February 10, 2019
101.	2019SR0757125	Huoli Tianhui	Decentralized Retrieval System for Flight Status Data (航班動態數據分佈式採集系統)	Computer software	PRC	August 21, 2018

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
102.	2019SR0756181	Huoli Tianhui	Global Flight Schedule Data Processing and Analysis System (全球航班時刻表數據處理分析系統)	Computer software	PRC	March 10, 2019
103.	2019SR0755889	Huoli Tianhui	Airport Lounge Online Reservation Management Platform (機場休息室在線預訂管理平台)	Computer software	PRC	April 7, 2019
104.	2018SR866994	Huoli Tianhui	Flight Master (iOS) (航班管家(iOS版))	Computer software	PRC	May 25, 2018
105.	2018SR824264	Huoli Tianhui	Train Master App (Android) (高鐵管家軟件(Android版))	Computer software	PRC	May 31, 2018
106.	2018SR824268	Huoli Tianhui	Flight Master App (Android) (航班管家軟件(Android版))	Computer software	PRC	June 4, 2018
107.	2018SR821969	Huoli Tianhui	Train Master App (iOS Version) (高鐵管家軟件(iOS版))	Computer software	PRC	June 4, 2018
108.	2017SR465583	Huoli Tianhui	Flight Master App (Android) (航班管家軟件(Android版))	Computer software	PRC	May 15, 2017
109.	2017SR357388	Huoli Tianhui	Train Master App (Android) (高鐵管家軟件(Android版))	Computer software	PRC	April 7, 2017
110.	2017SR353786	Huoli Tianhui	Train Master App (iOS) (高鐵管家軟件(iOS版))	Computer software	PRC	April 7, 2017
111.	2013SR079981	Huoli Tianhui	Train Master App (Android Version) (高鐵管家軟件(Android版))	Computer software	PRC	April 26, 2013
112.	2013SR079081	Huoli Tianhui	Train Master App (iOS) (高鐵管家軟件(iOS版))	Computer software	PRC	April 26, 2013
113.	2013SR066294	Huoli Tianhui	Airport Pick-up Big Screen App (接機大屏幕軟件)	Computer software	PRC	November 1, 2010
114.	2013SR041819	Huoli Tianhui	Flight Master App (Iphone Version) (航班管家軟件(iPhone版))	Computer software	PRC	June 9, 2009
115.	2013SR041821	Huoli Tianhui	Flight Master App (Android) (航班管家軟件(Android版))	Computer software	PRC	June 29, 2009

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No.	Registration Number	Registered Owner	Copyright Name	Version/Type	Place of Registration	Registration Date
116.	國作登字-2023-F-00050192	Huoli Tianhui	Six 3D views of Train Master IP Image “Tie Tie” (高鐵管家IP形象“鐵鐵”3D六視圖)	Works of the fine arts	PRC	March 23, 2023
117.	國作登字-2023-F-00050190	Huoli Tianhui	Wireframe of Train Master IP Image “Tietie” (高鐵管家IP形象“鐵鐵”線框圖)	Works of the fine arts	PRC	March 23, 2023
118.	國作登字-2023-F-00050191	Huoli Tianhui	Three 2.5D Views of Train Master IP Image “Tietie” (高鐵管家IP形象“鐵鐵”2.5D三視圖)	Works of the fine arts	PRC	March 23, 2023
119.	國作登字-2020-F-00987474	Huoli Tianhui	Power Car Wireframe (動車線框圖)	Works of the fine arts	PRC	February 24, 2020
120.	國作登字-2020-F-00987473	Huoli Tianhui	Wireframe of Locomotive of Regular-speed Trains (普速列車機車車頭線框圖)	Works of the fine arts	PRC	February 24, 2020
121.	國作登字-2020-F-00987475	Huoli Tianhui	Wireframe of Carriages of Regular-speed Trains (普速列車車廂線框圖)	Works of the fine arts	PRC	February 24, 2020

(c) Patents

As at the Latest Practicable Date, our Group had registered the following patents which we consider to be material in relation to the business of our Group:

No.	Patent Category	Patent Name	Patent Owner	Patent Number	Date of Application
1.	Invention	A weight assignment method and system for flight data validity (一種航班數據有效性的權重賦值方法及系統)	Huoli Tianhui	CN202311763048.3	December 21, 2023
2.	Design	Display panel with graphical user interface showing train ticket push and search information (帶有火車票搜索信息的圖形用戶界面的顯示屏面板)	Huoli Tianhui	CN202330658064.0	October 11, 2023

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No.	Patent Category	Patent Name	Patent Owner	Patent Number	Date of Application
3. . .	Invention	A method, device, medium, and electronic device for equalizing adjustment of fragmented data (一種分片數據的均衡調整方法、裝置、介質和電子設備)	Huoli Tianhui	CN202410095296.3	January 24, 2024
4. . .	Invention	Method and system for identifying abnormal airline ticket search users based on user profiling and clustering technology (基於用戶畫像和聚類技術識別機票異常搜索用戶方法及系統)	Huoli Tianhui	CN202410003978.7	January 3, 2024
5. . .	Invention	A route data storage method, computer equipment, and readable storage medium (一種航線數據的存儲方法、計算機設備及可讀存儲介質)	Huoli Tianhui	CN202311810188.1	December 27, 2023
6. . .	Invention	A data compression method, device, computer equipment, and readable storage medium (一種數據壓縮的方法、裝置、計算機設備和可讀存儲介質)	Huoli Tianhui	CN202311810123.7	December 27, 2023
7. . .	Invention	A customer service matching method and system based on user intent prediction (一種基於用戶意圖預測的客服匹配方法及系統)	Huoli Tianhui	CN202311763031.8	December 21, 2023
8. . .	Invention	A storage method and storage system (一種存儲方法及存儲系統)	Huoli Tianhui	CN202311482186.4	November 9, 2023
9. . .	Design	Mobile phone with graphical user interface showing flight dynamic query information (帶有航班動態查詢信息顯示圖形用戶界面的手機)	Huoli Tianhui	CN202330234793.3	April 25, 2023
10. .	Design	Mobile phone with graphical user interface showing airport information (帶有機場信息顯示圖形用戶界面的手機)	Huoli Tianhui	CN202330234801.4	April 25, 2023
11. .	Invention	A method of recommending travel itineraries (一種旅遊行程的推薦方法)	Huoli Tianhui	CN202310361854.1	April 7, 2023

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No.	Patent Category	Patent Name	Patent Owner	Patent Number	Date of Application
12.	Design	Mobile phone with graphical user interface showing commemorative train ticket information (帶有火車票紀念車票的信息圖形用戶界面的手機)	Huoli Tianhui	CN202230851769.X	December 21, 2022
13.	Invention	A method, device and readable storage medium for identifying travel purpose of users (一種識別用戶出行目的的方法、裝置及可讀存儲介質)	Huoli Tianhui	CN202111567861.4	December 21, 2021
14.	Invention	A source code obfuscation method and device (一種源代碼的混淆方法和裝置)	Huoli Tianhui	CN202111568074.1	December 21, 2021
15.	Invention	A method for judging abnormal user based on user operation sequence (一種基於用戶操作時序判斷異常用戶的方法)	Huoli Tianhui	CN202111540706.3	December 16, 2021
16.	Invention	A method and device for obtaining order number (一種獲取訂單編號的方法和裝置)	Huoli Tianhui	CN202111536644.9	December 16, 2021
17.	Invention	A method and device for recommending air tickets (一種機票推薦方法及裝置)	Huoli Tianhui	CN202111506287.1	December 10, 2021
18.	Invention	A sample generation method, device, equipment and medium for automated test (一種用於自動化測試的樣本生成方法、裝置、設備及介質)	Huoli Tianhui	CN202111491817.X	December 8, 2021
19.	Invention	Keyword weighting method, system, device and medium based on reading duration (基於閱讀時長的關鍵詞加權方法、系統、設備及介質)	Huoli Tianhui	CN202111491993.3	December 8, 2021
20.	Invention	Flight AR display method, system, computer equipment, and storage medium (航班AR顯示方法、系統、計算機設備及存儲介質)	Huoli Tianhui	CN202111000868.8	August 30, 2021
21.	Invention	A method, device, equipment and storage medium for taking screenshot based on Weex page (基於Weex頁面的截圖方法、裝置、設備及存儲介質)	Huoli Tianhui	CN202110993377.1	August 27, 2021

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No.	Patent Category	Patent Name	Patent Owner	Patent Number	Date of Application
22.	Invention	A multi-level page routing jump method, device, computer equipment, and storage medium (多級頁面路由跳轉方法、裝置、計算機設備及存儲介質)	Huoli Tianhui	CN202110397537.6	April 14, 2021
23.	Invention	A method, device, computer equipment and storage medium for dynamizing mobile APP (移動APP動態化的方法、裝置、計算機設備及存儲介質)	Huoli Tianhui	CN202110389727.3	April 12, 2021
24.	Invention	A mini program routing method, device, computer equipment, and storage medium (一種小程序路由方法、裝置、計算機設備及存儲介質)	Huoli Tianhui	CN202110259431.X	March 10, 2021
25.	Invention	A method for recommending air tickets based on collaborative filtering algorithm (一種基於協同過濾算法的機票推薦方法)	Huoli Tianhui	CN202010848613.6	August 21, 2020
26.	Invention	A method for recommending flights when purchasing high-speed rail tickets (一種購買高鐵票時推薦航班的方法)	Huoli Tianhui	CN202010692532.1	July 17, 2020
27.	Invention	A fuzzy search method for air tickets (一種機票模糊搜索方法)	Huoli Tianhui	CN202010695624.5	July 17, 2020
28.	Invention	An air-rail transfer method based on undirected weighted graph (一種基於無向加權圖的空鐵中轉方法)	Huoli Tianhui	CN202010650751.3	July 8, 2020
29.	Invention	An abnormality detection method for air ticket search traffic (一種機票搜索流量異常的檢測方法)	Huoli Tianhui	CN202010639842.7	July 6, 2020
30.	Invention	A method for predicting domestic flight prices (一種國內航班價格預測方法)	Huoli Tianhui	CN202010639843.1	July 6, 2020
31.	Invention	A diagnostic method for the causes of flight ticket purchase failure (一種機票購買失敗原因的診斷方法)	Huoli Tianhui	CN201910203317.8	March 18, 2019
32.	Invention	A method for identifying errors in itinerary information input (一種行程信息輸入錯誤的識別方法)	Huoli Tianhui	CN201910078941.X	January 28, 2019

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No.	Patent Category	Patent Name	Patent Owner	Patent Number	Date of Application
33.	Invention	A method for recommending air ticket travel products (一種機票出行商品的推薦方法)	Huoli Tianhui	CN201910065906.4	January 24, 2019
34.	Invention	A taxi pick-up scheduling method (一種出租車接機調度方法)	Huoli Tianhui	CN201910043600.9	January 17, 2019
35.	Invention	A query method for special air tickets based on price prediction (一種基於價格預測的特價機票查詢方法)	Huoli Tianhui	CN201710729735.1	August 23, 2017
36.	Invention	A method for searching for air tickets based on multi-factor comprehensive ranking (一種基於多因素綜合排序的機票查找方法)	Huoli Tianhui	CN201710545178.8	July 6, 2017

(d) Domain Names

As at the Latest Practicable Date, our Group had registered the following domain names which we consider to be material in relation to the business of our Group:

No.	Domain Name	Registrant	Expiration Date
1	huoli.com	Shenzhen Huoli Tourism	April 5, 2026
2	133.cn	Huoli Tianhui	May 17, 2025

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests and short positions of our Directors and chief executive in the share capital of our Company and its associated corporations following completion of the [REDACTED]

Immediately following the completion of the [REDACTED] (without taking into account the Shares which may be allotted and issued upon the exercise of the [REDACTED]), the interest or short position of our Directors or chief executives of our Company in the Shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were 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 entered in the register

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referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, once the Shares are [REDACTED], will be as follows:

Interests and short positions in the Shares

Name of Director or chief executive	Nature of interest	Number of Shares directly or indirectly held immediately following the completion of the [REDACTED] ⁽¹⁾	Approximate percentage of interest in our Company immediately following the completion of the [REDACTED]
Mr. Wang Jiang ⁽²⁾	Interest in a controlled corporation	65,379,101 (L)	[REDACTED]%
	Interest from voting proxy	62,264,160 (L)	[REDACTED]%
	Others	9,236,218 (L)	[REDACTED]%
Mr. Li Lijun ⁽³⁾	Interest in a controlled corporation	62,264,160 (L)	[REDACTED]%
Mr. Yi Bing ⁽⁴⁾	Interest in a controlled corporation	8,862,240 (L)	[REDACTED]%
	Beneficial interest	7,600,000 (L)	[REDACTED]%
Mr. Zhang Lin ⁽⁵⁾	Beneficial interest	12,218,112 (L)	[REDACTED]%

Notes:

- (1) Assuming the conversion of the Preferred Shares into Ordinary Shares has been completed prior to the [REDACTED]; the letter “L” denotes the person’s long position in the Shares.
- (2) Non Human Limited is wholly owned by Aigility Wander Limited, a company incorporated in the BVI with limited liability, which is in turn wholly owned by Mr. Wang Jiang, our executive Director. As such, Aigility Wander Limited and Mr. Wang Jiang are deemed to be interested in the Shares of the Company held by Non Human Limited.

Pursuant to the Offshore Proxy Agreement entered into between Travel Around Holdings Limited (an entity wholly owned by Mr. Li Lijun) and Non Human Limited (an entity wholly owned by Mr. Wang Jiang) dated August 23, 2024, Travel Around Holdings Limited granted Non Human Limited, as its true and lawful attorney, a voting proxy over all the Shares it held in Company. Accordingly, Mr. Wang Jiang is deemed to be interested in the interests in the Company held by Mr. Li Lijun. See “History, Reorganization and Corporate Structure — Voting Proxy Agreements” for details.

TRXZ Holdings Limited was incorporated in the BVI with limited liability, which is wholly owned by Teamrise Xingzhou. Teamrise Xingzhou is an entity jointly established for the purpose of completing ODI filing procedures by Shenzhen Zhitu Xingzhou Technology Co., Ltd. (深圳市智圖星舟科技有限公司) (“**Zhitu Xingzhou Technology**”), which is a limited liability company incorporated in the PRC and wholly owned by Mr. Wang Jiang, and Teamrise Investment Co., Ltd. (庭瑞投資有限公司) (“**Teamrise**”), each being a general partner, holding approximately 22.02% and 77.98% partnership interest, respectively. Pursuant to the partnership agreement entered into among Zhitu Xingzhou Technology and Teamrise, each of them is entitled to exercise their voting rights over the Shares of the Company, representing their respective underlying interests in Teamrise Xingzhou. As such, none of the partners of Teamrise Xingzhou is individually in a position to control Teamrise Xingzhou, and in turn TRXZ Holdings Limited. Therefore, the respective voting power from TRXZ Holdings Limited is divided among its indirect investors into their corresponding portions. See “History, Reorganization and Corporate Structure — Pre-[REDACTED] Reorganization” for details.

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Teamrise is a limited liability company established in the PRC, which is wholly owned by Teamrise Group Co., Ltd. (庭瑞集團有限公司), a company established in the PRC with limited liability and ultimately controlled by Zhang Hua (張華). As such, Teamrise Xingzhou, Teamrise, Teamrise Group Co., Ltd. and Zhang Hua are deemed to be interested in the Shares of the Company held by Teamrise through Teamrise Xingzhou in TRXZ Holdings Limited, controlling approximately 8.40% voting power in the Company as of the Latest Practicable Date. See “History, Reorganization and Corporate Structure — Information about the Pre-[REDACTED] Investors — TRXZ Holdings Limited” for details.

According to the above note in relation to the voting power arrangement in Teamrise Xingzhou, Mr. Wang Jiang, through his wholly-owned entity Zhitu Xingzhou Technology, controls approximately 2.37% voting power in the Company as of the Latest Practicable Date.

- (3) Travel Around Holdings Limited is wholly owned by Excellent Trip Limited, a company incorporated in the BVI with limited liability, which is in turn wholly owned by Mr. Li Lijun, our non-executive Director. As such, Excellent Trip Limited and Mr. Li Lijun are deemed to be interested in the Shares of the Company held by Travel Around Holdings Limited.
- (4) World Discovery Limited is wholly owned by Travel Mind Limited, a company incorporated in the BVI with limited liability, which is in turn wholly owned by Mr. Yi Bing, our executive Director. As such, Travel Mind Limited and Mr. Yi Bing are deemed to be interested in the Shares of the Company held by World Discovery Limited.

Mr. Yi Bing was granted a total number of 7,600,000 options (representing the right to subscribe 7,600,000 Shares) under the Share Incentive Plan. Accordingly, Mr. Yi will be interested in approximately [REDACTED]% of issued Shares immediately following the completion of the [REDACTED] upon exercising such options granted. See “— D. Share Incentive Plan — 2. Outstanding Options Granted under the Share Incentive Plan” for details.

- (5) Mr. Zhang Lin was granted a total number of 12,218,112 options (representing the right to subscribe 12,218,112 Shares) under the Share Incentive Plan. Accordingly, Mr. Zhang will be interested in approximately [REDACTED]% of issued Shares immediately following the completion of the [REDACTED] upon exercising such options granted. See “— D. Share Incentive Plan — 2. Outstanding Options Granted under the Share Incentive Plan” for details.

Interests in our associated corporations

<u>Name of Director or chief executive</u>	<u>Associated corporations</u>	<u>Nature of interest</u>	<u>Approximate percentage of interest</u>
Mr. Wang Jiang . . .	Huoli Tianhui	Beneficial interest Interest in a controlled corporation ⁽¹⁾	16.10% 26.81%
Mr. Yi Bing	Huoli Tianhui	Beneficial interest	2.18%

Note:

- (1) Assuming the transfer of Relevant Shares held by Mr. Li Lijun in Huoli Tianhui to Zhitu Xingzhou Technology being completed, as of the date of this document, Huoli Tianhui is owned as to approximately 26.81% by Zhitu Xingzhou Technology, which is wholly owned by Mr. Wang Jiang. See “History, Reorganization and Corporate Structure — Pre-[REDACTED] Reorganization — Acquisition of Equity Interests in Huoli Tianhui” for details.

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(b) Interests and short positions disclosable under Divisions 2 and 3 of the Part XV of the SFO

Save as disclosed in “Substantial Shareholders” in this document, our Directors are not aware of any other person who will, immediately following the completion of the [REDACTED], have an interest or short position in the Shares or underlying shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

Save as disclosed in the table below, our Directors are not aware of any person who would, immediately following the completion of the [REDACTED], be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of any other members of our Group:

<u>Name of member of our Group</u>	<u>Name of shareholder</u>	<u>Approximate percentage of interest</u>
Huoli Tianhui	Shaanxi Relief ⁽¹⁾	12.08%
Huoli Sanya.	Caissa Tongsheng ⁽²⁾	40.00%

Notes:

- (1) As of the date of this document, Huoli Tianhui is owned as to approximately 12.08% by Shaanxi Development with High Quality and Relief Fund for Private Economy Partnership (Limited Partnership), a limited partnership established in the PRC. See “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investment — Information about the Pre-[REDACTED] Investors” for details.
- (2) As of the date of this document, Huoli Sanya is owned as to 40% by Caissa Tongsheng Tourism (Group) Co., Ltd. (凱撒同盛旅行社(集團)有限公司).

2. Particulars of Directors’ Service Contracts and Appointment Letters

(a) Executive Directors

Each of our executive Directors, has entered into a service contract with our Company, under which they agreed to act as executive Directors for an initial term of [three] years commencing from the [REDACTED], which may be terminated by not less than three months’ notice in writing served by either the executive Director or our Company.

The appointments of our executive Directors are subject to the provisions of retirement and rotation of Directors under the Memorandum and the Articles.

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(b) Non-executive Director and Independent Non-executive Directors

Each of our non-executive Director and independent non-executive Directors has signed an appointment letter with our Company for a term of [●] year with effect commencing from the [REDACTED], which may be terminated by not less than three month’s notice in writing served by either our Company, or the non-executive Director or independent non-executive Director. Under their respective appointment letters, each of the [non-executive Director and the independent non-executive Directors is entitled to a fixed Director’s fee].

The appointments are subject to the provisions of retirement and rotation of Directors under the Memorandum and the Articles.

3. Directors’ Remuneration

The aggregate amounts of remuneration paid to the Directors were approximately RMB122.9 million, RMB3.6 million, RMB4.8 million and RMB1.9 million in fiscal years 2021 and 2022 and 2023 and the six months ended June 30, 2024, respectively.

It is estimated that remuneration equivalent to approximately RMB5.8 million (excluding possible share-based payments) in aggregate will be paid to the Directors by our Company in fiscal year 2025, based on the arrangements in force as of the date of this document.

For details of the remuneration of our Directors, see “Directors and Senior Management — Compensation of Directors and Senior Management” and Note 10 to the Accountant’s Report set out in Appendix IA to this document.

4. Disclaimers

- (i)* Save as disclosed in this document, none of our Directors or the chief executive has any interests or short positions 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 be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to our Company and the Hong Kong Stock Exchange once the Shares are [REDACTED];
- (ii)* save as disclosed in this document, none of our Directors is a director or employee of a company which has an interest in the share capital of the Company which, once the Shares are [REDACTED] on the Stock Exchange, would have to be disclosed pursuant to Division 2 and 3 of Part XV of the SFO. See “Directors and Senior Management” for details;

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- (iii) save in connection with [REDACTED], none of our Directors nor any of the parties listed in the paragraph headed “— E. Other Information — 4. Qualifications of Experts” of this appendix is interested in our promotion, or in any assets which have, within the two years immediately preceding the date of this document, been 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) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (v) save in connection with [REDACTED], none of the parties listed in paragraph headed “— E. Other Information — 4. Qualifications of Experts” of this appendix is interested legally or beneficially in any of our Shares or our securities; or has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our Shares or any of our securities; and
- (vi) none of our Directors or their associates (as defined in the Listing Rules) has any interest in any of the five largest customers or the five largest suppliers of our Group.

D. SHARE INCENTIVE PLAN

The following is a summary of the principal terms of the Share Incentive Plan of our Company as approved and adopted by the Board on October 17, 2024. The plans are not subject to Chapter 17 of the Listing Rules and will not involve the grant of awards by our Company to subscribe for new shares after [REDACTED]. Upon [REDACTED], we will not make any new grants of awards under the Share Incentive Plan and we will be subject to, and will comply with, Amended Chapter 17 of the Listing Rules.

1. Summary of Key Terms

(a) Purpose

The purpose of the Share Incentive Plan is to improve the corporate governance structure and establish a mechanism for sharing the interests and risks among the Company, shareholders and employees.

(b) Who May Join

Persons eligible to participate (the “**Eligible Participants**”) in the Share Incentive Plan include (i) employees of our Company, and the subsidiaries or consolidated affiliated entities of our Company; (ii) employees or such other personnel to whom the Company has made oral or written undertaking on granting Options of the Company or its affiliated entities; or (iii) other personnel recognized by the Board.

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(c) Maximum number of Shares

The maximum aggregate number of Shares which may be issued pursuant to all awards pursuant to the Share Incentive Plan is 63,310,016 ordinary Shares.

(d) Administration of the Share Incentive Plan

The Share Incentive Plan is managed by the Board and the Board designated Mr. Wang Jiang as the administrator (the “**Administrator**”).

(e) Options

The Board is authorized to grant options to participants on the terms and conditions as set out in the Share Incentive Plan. The option award agreement evidencing the options shall include such additional provisions as may be specified by the Board.

The term of each option shall be stated in the option award agreement; provided, however, that the terms shall be no more than ten (10) years from the date of grant thereof. The per share exercise price for the Shares to be issued upon exercise of an option shall be such price as set forth in the option award agreement. No new options may be granted under the Share Incentive Plan after [REDACTED].

(f) Exercise Price

The exercise price per Share subject to an Option shall be determined by the Administrator and set forth in the Option Award Agreement which may be a fixed or variable price related to the fair market value of the Shares. The exercise price may be amended or adjusted in the absolute discretion of the Administrator, the determination of which shall be final, binding and conclusive.

Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise of each option including the method of payment, shall be determined by the Board. In addition to any other types of consideration the Board may determine, the Administrator is authorized to accept as consideration for Shares issued under the Share Incentive Plan the following:

- (i)* cash or check denominated in U.S. Dollars;
- (ii)* to the extent permissible under the applicable laws, cash or check denominated in Chinese Renminbi;
- (iii)* cash or check denominated in any other local currency as approved by the Board;

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- (iv) Shares held for such period of time as may be required by the Board in order to avoid adverse financial accounting consequences and having a fair market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof;
- (v) after the Shares becoming [REDACTED] on the Stock Exchange and expiry of the applicable lock-up period, the delivery of a notice that the grantee has placed a market sell order with a broker with respect to Shares then obtainable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; provided that payment of such proceeds is then made to the Company upon settlement of such sale;
- (vi) other property acceptable to the Board with a fair market value equal to the exercise price; or
- (vii) any combination of the foregoing.

(g) *Limit on transfer*

Prior to the [REDACTED] of the Company, unless otherwise stated or otherwise decided by the Company or the Board, the grantees (whether he/she has left or not) may not pledge, transfer, encumber or otherwise dispose of any Options.

(1) During the twenty-four-month (24) period following the [REDACTED], a grantee who is not a member of senior management team of the Company; and (2) during the thirty-six-month (36) period following the [REDACTED], a grantee who is a member of senior management team, shall not sell, contract to sell, grant any option to purchase, transfer the economic risk of ownership in, make any short sale of, pledge or otherwise transfer or dispose of any interest in any shares of the Company or any securities convertible into or exchangeable or exercisable for or any other rights to purchase or acquire shares of the Company.

(h) *Amendment and termination*

At any time, the Board shall be entitled to modify, suspend or terminate the Share Incentive Plan after the Board votes to do so. The Board reserves the right of final interpretation of the terms of the Share Incentive Plan and agreements, notices, undertakings and other legal documents related to the Share Incentive Plan.

(i) *Term of Share Incentive Plan*

Unless terminated earlier by the Board, the Share Incentive Plan will terminate ten years after the adoption date.

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2. Outstanding Options Granted under the Share Incentive Plan

(a) Outstanding Options

As of the Latest Practicable Date, our Company has granted a total of 63,310,016 options (representing the right to subscribe 63,310,016 Shares) to a total of 141 participants (the “Grantees,” each a “Grantee”), being the maximum number of awards under the plan, which included options granted to (i) two Directors with respect to 19,818,112 underlying Shares; (ii) three members of senior management with respect to 9,007,536 underlying Shares; (iii) 136 other Grantees of the Group (eligible participants who are not Directors, senior management or connected persons of the Company) with respect to 34,484,368 underlying Shares.

Details of the outstanding options granted under the Share Incentive Plan as of the Latest Practicable Date are set out below:

Grantee	Position	Address	Number of Shares underlying the options granted	Date of Grant	Vesting Period	Exercise Price <i>(RMB per Share)</i>	Consideration paid by the Grantee <i>(RMB)</i>	Approximate percentage of issued Shares immediately following the completion of the [REDACTED] ⁽¹⁾
Directors								
Yi Bing (易兵)	Executive Director and Senior Vice President	Room 105, Unit 3, Building C Residential Area, Frontier Sub- bureau No. 139 Meilin Road Futian District, Shenzhen Guangdong Province, PRC	7,600,000	April 30, 2021	Note 2	3.01	22,876,000.00	[REDACTED]%
Zhang Lin (張林)	Executive Director and President	Room 601, Unit 3, Building 48 No. 193 Lanjiang Road Hanyang District, Wuhan Hubei Province, PRC	12,218,112	April 30, 2021	Note 2	3.01	36,776,517.12	[REDACTED]%
Subtotal			<u>19,818,112</u>					<u>[REDACTED]%</u>

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Grantee	Position	Address	Number of Shares underlying the options granted	Date of Grant	Vesting Period	Exercise Price <i>(RMB per Share)</i>	Consideration paid by the Grantee <i>(RMB)</i>	Approximate percentage of issued Shares immediately following the completion of the [REDACTED] ⁽¹⁾
Senior management of our Company who are not Directors								
Yuan Weihong (袁偉洪)	Senior Vice President	Apt 31-B, Building 8 Xiangshanli Phase II Overseas Chinese Town Nanshan District, Shenzhen Guangdong Province, PRC	1,749,744	April 30, 2021	Note 2	3.01	5,266,729.44	[REDACTED]%
Zhou Huazhi (周華治)	Chief Financial Officer	Rm 24H, Building 2 Jinglong Building No. 149 Shangbao East Road Futian District, Shenzhen Guangdong Province, PRC	4,160,864	April 30, 2021	Note 2	3.01	12,524,200.64	[REDACTED]%
Li Shangjin (李尚錦)	Chief Technology Officer	No. 502, Gate 2 A1 Building, No. 35 Courtyard Dahongmen West Road Fengtai District, Beijing PRC	3,096,928	April 30, 2021	Note 2	3.01	9,321,753.28	[REDACTED]%
Subtotal			<u>9,007,536</u>					<u>[REDACTED]%</u>
136 Grantees			<u>34,484,368</u>	Note 3	Note 4	3.01	103,797,947.68	<u>[REDACTED]%</u>
Total			<u><u>63,310,016</u></u>					<u><u>[REDACTED]%</u></u>

Notes:

- (1) The calculations are made assuming the [REDACTED] is not exercised and no new Shares are issued under the Share Incentive Plan.
- (2) Options for these grantees are fully vested immediately upon granting.
- (3) The dates of grant for other grantees range from April 30, 2021 to April 1, 2024.
- (4) The vesting schedules for other grantees are (i) fully vested immediately upon granting and (ii) one-fourth (1/4) to be vested upon the first anniversary and the remaining three-fourths (3/4) of the options to be vested over a period of 3 years from the first anniversary, with one-sixteenth (1/16) to be vested upon completion of each full quarter of service (all of the options shall be vested over a period of 4 years from the grant date).

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In respect of the outstanding options granted under the Share Incentive Plan, 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 DIA 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(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. See “Waivers and Exemptions” for details.

(b) Dilution Effect and Impact on Earnings per Share

As of the Latest Practicable Date, there are 63,310,016 outstanding options granted under the Share Incentive Plan, amounting to a total of 63,310,016 underlying Shares which may be issued to the Grantees representing [REDACTED]% of the total issued Shares of our Company immediately after the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no new Shares are issued under the Share Incentive Plan). No further grant will be made pursuant to the Share Incentive Plan after the [REDACTED].

Assuming the full exercise of the options granted prior to the [REDACTED], the shareholding of our Shareholders immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised) will be diluted by approximately [REDACTED]%. If all the options granted under the Share Incentive Plan are exercised, there would be a dilution effect of approximately [REDACTED]% on the earnings per Share immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Group.

2. Litigation

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any legal, arbitral or administrative proceedings pending or threatened against us or any of our Directors that, individually or in the aggregate, could have a material adverse effect on our business, results of operations or financial condition.

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3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the [REDACTED] of, and permission to deal in, the Shares in issue and to be issued pursuant to (i) the [REDACTED] and (ii) the [REDACTED].

China Merchants Securities (HK) Co., Limited satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

CMBC International Capital Limited is a fellow subsidiary of CMBC Asset Management Company Limited, the co-manager of Fontus SPC on behalf of CPIC CMBC Equity Opportunity Fund SP. As disclosed in the paragraph headed “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investment” in this document, Fontus SPC on behalf of CPIC CMBC Equity Opportunity Fund SP holds more than 5% shareholding in the Company upon the [REDACTED]. As such, CMBC International Capital Limited is not considered as an independent sponsor according to the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

We have entered into an engagement agreement with each of the Joint Sponsors, pursuant to which we agreed to pay a total of HK\$7.9 million to the Joint Sponsors to act as the joint sponsors to our Company in the [REDACTED].

4. Qualifications of Experts

The following are the qualifications of the experts who have given opinions or advice which are contained in this document:

<u>Name</u>	<u>Qualifications</u>
China Merchants Securities (HK) Co., Limited	A licensed corporation to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) of regulated activities as defined under the SFO
CMBC International Capital Limited	A licensed corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) of regulated activities as defined under the SFO

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Name	Qualifications
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of Laws of Hong Kong)
Commerce & Finance Law Offices	Legal advisor to the Company as to PRC law
Campbells	Legal advisor to the Company as to Cayman Islands law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

5. Consents of Experts

Each of the experts named in paragraph 4 above has given and has not withdrawn its consent to the issue of this document with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

6. Promoters

Our Company does not have any promoter for the purpose of the Listing Rules. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoter in connection with the [REDACTED] and the related transactions described in this document.

7. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

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8. 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.

9. 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).

10. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document;
 - (i) no share or loan capital of our Company or any of our subsidiaries or Consolidated Affiliated Entities has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms had been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries or Consolidated Affiliated Entities;
 - (iii) no commission had been paid or payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries or Consolidated Affiliated Entities;
- (b) no share or loan capital of our Company or any of our subsidiaries or Consolidated Affiliated Entities had been under option or agreed conditionally or unconditionally to be put under option;
- (c) there are no founder, management or deferred shares, convertible debt securities nor any debentures in our Company or any of our subsidiaries or Consolidated Affiliated Entities;
- (d) our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since June 30, 2024 (being the date to which the latest audited combined financial statements of our Group were made up);

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- (e) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;
- (f) our principal register of members will be maintained by our [REDACTED], [REDACTED], in the Cayman Islands and our Hong Kong register of members will be maintained by our [REDACTED], [REDACTED]. All transfer and other documents of title of the Shares must be lodged for registration with and registered by our share registrar in Hong Kong;
- (g) all necessary arrangements have been made to enable the Shares to be admitted to [REDACTED];
- (h) no company within our Group is presently listed on any stock exchange or traded on any trading system; and
- (i) there is no arrangement under which future dividends are waived or agreed to be waived.

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR
OF COMPANIES AND AVAILABLE ON DISPLAY**

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:

- (a) the written consents referred to in “Statutory and General Information — E. Other Information — 5. Consent of Experts” in Appendix IV; and
- (b) a copy of each of the material contracts referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix IV.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.133.cn during a period of 14 days from the date of this document:

- (a) the Memorandum and the Articles;
- (b) the Accountant’s Report issued by PricewaterhouseCoopers, the texts of which are set out in Appendix IA to this document;
- (c) the report issued by PricewaterhouseCoopers in relation to the unaudited [REDACTED] financial information of the Group, the text of which is set forth in Appendix II to this document;
- (d) the audited combined financial statements of the Group for the financial years ended December 31, 2021, 2022 and 2023 [REDACTED];
- (e) the PRC legal opinions issued by Commerce & Finance Law Offices, the Company’s PRC Legal Advisor, in respect of in respect of certain general corporate matters and property interests in China of the Group;
- (f) the letter of advice prepared by Campbells, the Company’s legal advisor on Cayman Islands law, summarizing certain aspects of the Cayman Islands company law referred to in Appendix III to this document;
- (g) the Cayman Companies Act;
- (h) the industry report issued by Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., the summary of which is set forth in “Industry Overview;”

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR
OF COMPANIES AND AVAILABLE ON DISPLAY**

- (i) the written consents referred to in “Statutory and General Information — E. Other Information — 5. Consent of Experts” in Appendix IV to this document;
- (j) the material contracts referred to in “Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” in Appendix IV to this document;
- (k) the service contracts and the letters of appointment with the Directors referred to in “Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 2. Particulars of Directors’ Service Contracts and Appointment Letters” in Appendix IV to this document; and
- (l) the terms of the Share Incentive Plan.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a list of grantees of all options under the Share Incentive Plan, containing all details as required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be available for inspection at the office of Cooley HK at 35/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this document.