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## Application Proof of

# Shengwei Times Technology Co., Ltd.

## 盛威時代科技股份有限公司

(the “Company”)

*(A joint stock company incorporated in the People’s Republic of China with limited liability)*

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# Shengwei Times Technology Co., Ltd.\* 盛威時代科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under the : [REDACTED] H Shares (subject to the  
[REDACTED] [REDACTED])  
Number of [REDACTED] : [REDACTED] H Shares  
(subject to reallocation)  
Number of [REDACTED] : [REDACTED] H Shares  
(subject to reallocation and the  
[REDACTED])  
Maximum [REDACTED] : [REDACTED] per H Share, plus  
brokerage of 1.0%, SFC transaction  
levy of 0.0027%, Hong Kong Stock  
Exchange trading fee of 0.00565% and  
AFRC transaction levy of 0.00015%  
(payable in full on application in Hong  
Kong dollars and subject to refund)  
Nominal value : RMB1.00 per H Share  
[REDACTED] : [REDACTED]

Sole Sponsor, [REDACTED], [REDACTED],  
[REDACTED] and [REDACTED]



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[REDACTED]

\* For identification purpose only

[REDACTED]

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**IMPORTANT**

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[REDACTED]

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**IMPORTANT**

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**[REDACTED]**

## EXPECTED TIMETABLE<sup>(1)</sup>

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[REDACTED]

## EXPECTED TIMETABLE<sup>(1)</sup>

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[REDACTED]

## EXPECTED TIMETABLE<sup>(1)</sup>

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[REDACTED]

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## SUMMARY

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*This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the [REDACTED]. There are risks associated with any investment in the [REDACTED]. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to invest in the [REDACTED].*

### OVERVIEW

We are a leading intercity and intracity road passenger transportation information services provider in China. According to Frost & Sullivan, we ranked first in China’s road passenger transportation information services market in terms of the number of tickets sold in 2023. We ranked second in China’s ride-hailing service market in terms of the number of Online Ride-Hailing Operating Permits as of June 30, 2024. Moreover, according to the same source, we were the largest digitalization and business solutions provider in China’s road passenger transportation market in terms of the number of the digitalization projects in provincial-level as of June 30, 2024. Our mission is to empower our corporate partners with advanced technology solutions and elevate travel experience for the passengers. Leveraging our technological expertise to address the challenges of traditional road passenger transportation industry, we provide business and technology solutions to our partners that digitalize their operations, expand their business scope, enhance their customer service capabilities and ultimately improve the overall passenger experience.

We primarily provide intercity road passenger transportation services and intracity ride-hailing services. Our reputation is built on our expertise in integrating digitalization solutions for passenger transportation stations. Building on our extensive experience and established capabilities in the internet ticketing services sector, we collaborate with various passenger transportation companies to deliver customized transportation services to address the diverse travel needs of passengers across different scenarios. We have gained extensive experience and established strong partnerships with key industry players such as passenger transportation companies, major aggregation platforms and OTAs. Relying on our strategic partnerships and extensive network in the intercity passenger transportation sector, we actively pursue opportunities in the ride-hailing services sector. We have constructed a diversified travel service network connecting cities nationwide, offering solutions for both intracity and intercity travel and catering to a variety of scenarios, needs and preferences.

Transportation is a fundamental need of our daily lives. According to Frost & Sullivan, the total passenger volume of passenger transportation in China in 2023 was 9.3 billion, with road passenger transportation accounting for 49.1%. According to Frost & Sullivan, the total length of rural road in China has expanded from 4.0 million km in 2018 to 4.6 million km in 2023, representing a CAGR of 2.6%. The road passenger transportation industry in China presents substantial market opportunities, demonstrating a clear trend towards low-tier cities and rural market penetration. However, according to Frost & Sullivan, despite the substantial demand, the industry faces challenges, including the following: (i) the digitalization level of the passenger transportation industry is relatively low; (ii) there is unfulfilled demand for internet ticketing services and customized transportation services and (iii) there is a shortage of integrated travel services, with current offerings being fragmented between intercity and intracity travel. Despite the increasing digitalization level in the road passenger transportation industry over the past few years, the internet ticketing rate for road passenger transportation in China was only approximately 10.8% in 2023. While it has increased from 3.2% in 2018, it was still significantly lower than the nearly 90% internet ticketing rates seen in the airline and railway travel sectors, according to Frost & Sullivan. This discrepancy highlights the substantial potential for growth in the road passenger transportation internet ticketing sector. Moreover, according to Frost & Sullivan, customized road passenger transportation represented 3.1% of the total road passenger transportation market in 2023, indicating a low penetration rate. However, with increasing demand for diverse and customized travel options, the market share of customized road passenger transportation is expected to grow in the future. While there are many other ride-hailing service providers for intracity travel and transportation platforms for intercity travel, there are currently few providers that fully integrate intracity ride-hailing services and customized intercity transportation services to provide passengers

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## SUMMARY

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with a seamless travel experience, particularly in the lower-tier cities and rural markets in China. Our service offerings are designed to address this gap, offering solutions that cater to both intracity and intercity travel needs enhance the overall user experience.

After we identified the aforementioned challenges in the industry, we gradually established presence and provided passenger transportation services in 31 provinces, autonomous regions, and municipalities as of June 30, 2024. During the Track Record Period, we collaborated with 12306 and Umetrip and sourced bus tickets for them. Leveraging our extensive industry experience and technological expertise, we helped road passenger transportation companies to develop customized transportation services. Our solutions help transform and upgrade the operations of passenger transportation companies. We continuously monitor travel demands to stay tuned to the market. Our unified digital solutions cater to the needs of different business modes, ensuring meticulous deployment of transportation resources. We overcome the limitations of traditional services and boost the operational efficiency of passenger transportation companies. In addition to maintaining a robust intercity travel services sector, our ride-hailing service sector is experiencing steady growth. We are committed to developing a comprehensive platform that seamlessly integrates intercity transportation, primarily through road transportation, with intracity transportation primarily through ride-hailing. As an industry expert, we also contribute to the drafting and establishment of transportation industry standards. Please see “— Our strengths — A Key Player in Establishing Industry Standards, Pioneering and Innovating in the Road Passenger Transportation Sector”. We believe that we are well-positioned to effectively address the key challenges faced by industry participants and passengers, and to capitalize on the substantial opportunities within the industry.

During the Track Record Period, our business experienced rapid growth. For the years ended December 31, 2021, 2022 and 2023, and the six months ended June 30, 2023, and 2024, our revenue was RMB553.5 million, RMB816.0 million, RMB1,206.5 million, RMB577.8 million and RMB726.2 million, respectively, representing a CAGR of 47.6% from 2021 to 2023.

### OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors:

- China’s leading intercity and intracity road passenger transportation information services provider
- Deep collaboration with partners in the transportation industry
- Enabling industry transformation and upgrading through advanced technologies in the traditional passenger transportation sector
- A key player in establishing industry standards, pioneering and innovating in the road passenger transportation sector
- Outstanding localized operational capabilities
- Experienced and visionary management team with renowned investors in the industry

## SUMMARY

### OUR STRATEGIES

We are committed to continuously upgrading our services. We plan to implement the following strategic plans to provide the public with safe, economical, green, smart and comfortable travel experience and achieve our business growth:

- Promoting brand awareness
- Expanding product and service offerings and enhancing operation capabilities
- Strengthening R&D capabilities
- Seeking acquisition, investment, and strategic alliances

### PATH TO PROFITABILITY

We achieved robust revenue growth during the Track Record Period. Our gross profit margin was 8.6%, 6.6%, 7.1%, 7.9% and 3.5% in 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively. On the other hand, we had a loss for the year/period of RMB586.6 million, RMB499.4 million, RMB482.3 million, RMB234.6 million and RMB284.5 million in 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively. Eliminating impact of items including (i) changes in the carrying amounts of redemption rights issued to investors and (ii) equity-settled share-based payments, we generated an adjusted net loss (non-IFRS measure) of RMB55.6 million, RMB50.5 million, RMB17.8 million, RMB4.3 million and RMB16.7 million in 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively.

We believe the following measures would support our growth and achieve profitability in the future: (i) driving sustainable and efficient revenue growth, which includes (a) strengthen the collaboration with external channels and explore our self-owned sales channels, (b) diversify our products and service offering mix, and (c) enhance our service capabilities; (ii) continually improve gross profit margin and (iii) further improve operational efficiency.

### OUR PRODUCTS AND SERVICE OFFERINGS

We have constructed an integrated travel service system with diversified service offerings, including (i) passenger transportation services, which include internet ticketing services and customized transportation services; (ii) ride-hailing services and (iii) digitalization and business solutions.

The following table sets forth a breakdown of our revenue by business segments in amounts and as percentages of total revenue for the periods indicated:

	Year ended December 31,						Six months ended 30 June,			
	2021		2022		2023		2023		2024	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>									
	<i>(unaudited)</i>									
<b>Passenger Transportation</b>										
Services . . . . .	53,894	9.7	48,268	5.9	68,999	5.7	34,839	6.0	35,743	4.9
Internet ticketing services . . . . .	52,680	9.5	46,564	5.7	64,218	5.3	33,141	5.7	33,549	4.6
Customized transportation services . . . . .	1,214	0.2	1,704	0.2	4,781	0.4	1,698	0.3	2,194	0.3
<b>Ride-hailing services</b> . . . . .	469,058	84.7	703,174	86.2	1,028,791	85.3	487,063	84.3	642,543	88.5
<b>Digitalization and business solutions</b> . . . . .	30,282	5.5	64,032	7.8	108,003	9.0	55,821	9.7	47,130	6.5
<b>Revenue from other sources<sup>(1)</sup></b> . . . . .	296	0.1	500	0.1	700	0.1	39	0.0	760	0.1
– Leasing of vehicles . . . . .	–	–	–	–	440	0.1	–	–	661	0.1
– Others . . . . .	296	0.1	500	0.1	260	0.0	39	0.0	99	0.0
<b>Total</b> . . . . .	<b>553,530</b>	<b>100.0</b>	<b>815,974</b>	<b>100.0</b>	<b>1,206,493</b>	<b>100.0</b>	<b>577,762</b>	<b>100.0</b>	<b>726,176</b>	<b>100.0</b>

Note:

- (1) Mainly included revenue from leasing of vehicles, please see “Business — Ride-hailing Services — Vehicle management”, and revenue from advertising activities.

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## SUMMARY

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### **Passenger Transportation Services**

We empower the traditional passenger transportation industry through technology to achieve seamless travel services for the public. According to Frost & Sullivan, we were the largest intercity road passenger transportation information service provider in terms of number of tickets sold in 2023.

#### *Internet Ticketing Services*

We empower passenger transportation stations through CloudStation (雲站務), and connect the vast passenger base with passenger transportation stations through major OTAs and our Chuxing 365 (出行365) system. CloudStation facilitates the automation of a series of day-to-day operations and integrates the software and hardware at the passenger transportation station into one cohesive information infrastructure. As of June 30, 2024, our internet ticketing services extended across 31 provinces, autonomous regions, and municipalities in China. We collaborate with major OTAs to provide passenger traffic for passenger transportation stations. As of June 30, 2024, we collaborated with major OTAs in China including 12306, Umetrip, Tongcheng, Ctrip, Fliggy. Chuxing 365 is our passenger-facing platform for ticket sales and other passenger services through online and offline channels. According to Frost & Sullivan, we ranked first in the road passenger transportation information services industry in China in terms of number of tickets sold under internet ticketing services business in 2023. In 2023, our total transaction value amounted to RMB2.9 billion, with the number of tickets sold reaching 61.2 million.

Chuxing 365 is our passenger-facing platform for ticket sales and other passenger services. Passengers can access our services through PCs, mobile apps, WeChat official accounts, WeChat mini-programs and offline self-service ticket vending machines. Via our Chuxing 365 platform, passengers can access various services including checking bus schedules, booking tickets, obtaining information about bus stations, viewing announcements, managing their bookings and accessing customer support.

In addition, passengers can purchase airline tickets and railway tickets from our Chuxing 365 platform. During the Track Record Period, the revenue from our airline and railway ticket sales accounted for an insignificant portion of our total revenue.

#### *Customized Transportation Services*

Observing the growing needs for customized transportation services and leveraging our strengths in the traditional road passenger transportation industry, we actively expanded our operations into customized transportation sector. Our customized transportation services enable passenger transportation companies to develop tailored service plans including shuttle bus services with pickup point at airports, high-speed railway stations, school campuses, and other customized transportation services in line with the Passenger Regulations. We provide tailored solutions for the digitalization of operations for passenger transportation companies through our Keyunda (客運達) system. As of June 30, 2024, we had established cooperative relationships with over 500 customers in China. In addition, as of the same date, we had assisted over 250 customers in the construction of ticketing and services platforms for conducting customized transportation services. Our passenger-facing 365 Intercity Travel (365 城際出行) platform is designed to meet the travel demands of passengers across various scenarios. We also collaborate with major OTAs to expand sales channels for passenger transportation companies, thereby significantly increasing the market reach for them. As of June 30, 2024, our customized passenger transportation services extended across 24 provinces, autonomous regions, and municipalities in China. According to Frost & Sullivan, we ranked first in China's road passenger transportation information service market in terms of number of tickets sold under customized transportation services business in 2023. In 2023, our total transaction value amounted to RMB333.9 million, with the number of tickets sold reaching 10.3 million.

Our internet ticketing services business and our customized transportation services complement each other, providing integration and empowerment of capacity, operations and service capabilities for passenger transportation stations and passenger transportation companies, making us the largest intercity road passenger transportation information services provider in China in 2023 in terms of numbers of tickets sold, according to Frost & Sullivan.

## SUMMARY

365 Intercity Travel is our passenger-facing platform for customized transportation services. Passengers can access various customized transportation services, including intercity carpooling (城際拼車), shuttle bus (專線巴士), and customized charter (定制包車) via our 365 Intercity Travel WeChat mini-program. As of the Latest Practicable Date, 365 Intercity Travel had been consolidated into and form an integral part of Chuxing 365 for brand integration considerations.

As of the Latest Practicable Date, we collaborated with major OTAs in China including 12306, Umetrip, Tongcheng, Ctrip, Fliggy.

### Ride-hailing Services

To further enhance and integrate the travel experience for the public, we collaborate with mainstream aggregation platforms such as Gaode to access the substantial passenger traffic and provide ride-hailing services. Building on years of collaboration with various local and provincial governments and passenger transportation companies, we swiftly established a ride-hailing service network. Drawing from our rich experience in passenger transportation services across different regions, we employ a localized operation strategy to meet the distinct market demands for each region, offering rapid, targeted and flexible services in terms of driver management, vehicle management and safety operations. In the meantime, we leverage our existing passenger transportation business management and operation teams to oversee the ride-hailing services sector, effectively improving the operational efficiency and ensuring the cost-effectiveness of our ride-hailing services.

According to Frost & Sullivan, as of June 30, 2024, we were the second largest ride-hailing platform in China based on the number of Online Ride-Hailing Operating Permits. As of the Latest Practicable Date, we obtained 191 Online Ride-Hailing Operating Permits and accumulative number of registered drivers had achieved approximately 1.5 million.

The following table sets forth the pertinent operational metrics of our ride-hailing services business:

	2021	2022	2023	Six months ended June 30, 2024
GTV (RMB in millions) . . . . .	485.9	718.1	1,084.1	691.3
GTV generated by drivers recruited and managed by our car partners . . . . .	387.3	354.1	428.5	251.5
GTV generated by drivers recruited and managed by our regional team . . . . .	98.6	364.0	655.6	439.8
Order volume (in millions) . . . . .	22.6	32.7	46.9	31.4
Average daily order volume (in thousands) . . . . .	61.9	89.7	128.6	172.8
Average monthly active drivers (in thousands) <sup>(1)</sup> . . . . .	50.2	61.4	65.5	80.1
Average monthly active passengers (in thousands) <sup>(2)</sup> . .	1,354.0	2,003.4	2,737.6	3,710.1
Average transaction amount per order (RMB) <sup>(3)</sup> . . . . .	21.5	21.9	23.1	22.0

*Notes:*

- (1) Active drivers refer to the number of driver(s) who completed at least one order during the prescribed period. The results only included drivers who completed orders through aggregation platforms.
- (2) Active passengers refer to the number of rider(s) who completed at least one order during the prescribed period. The results only included statistics for accounts with real phone numbers.

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## SUMMARY

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- (3) Average transaction amount per order is calculated by dividing the total transaction amount in a given period, by the number of orders during the same period.

### **Digitalization and Business Solutions**

Our digitalization and business solutions business mainly encompasses (i) the development, delivery and maintenance of software, (ii) the procurement, implementation and maintenance of hardware as well as (iii) the system integration of these software and hardware components for our customers. Our digitalization and business solutions business serves customers in a number of industries which is a testimony to our digitalization service capabilities. We provide information systems to government and corporate customers and collect fees on a project-by-project basis. We tailor digitalization solutions based on our customers' specific business needs across different industries. For most of our government customers, we are the cooperative partner who provides digitalization and business solutions to them. Furthermore, our status as government partner provides a competitive edge in securing corporate client projects. Our extensive corporate client base bolsters our technical capabilities which in turn helps to reinforce our capability as a government partner and strengthens our competitive position.

### **PRICING AND REVENUE MODEL**

#### **Internet Ticketing Services**

For internet ticketing services, we generally collect our fees from the passenger transportation stations and passengers. We typically collect from the passenger transportation stations a service fee, which mainly consists of an annual service fee related to CloudStation management and maintenance. In addition, we deduct a platform usage fee from the order payment made by passengers when they purchase tickets.

#### **Customized Transportation Services**

For customized transportation services, we collect our fees from the passenger transportation companies and from passengers. The fees we collect from the passenger transportation companies include: (i) a system usage fee associated with using Keyunda, which usually accounts for one to six percent of the ticket price, (ii) a cloud service fee for renting cloud server space for Keyunda, which we generally collect on an annual basis and (iii) a system maintenance fee associated with services such as upgrades, maintenance, inspections, and troubleshooting for Keyunda, which we generally collect on an annual basis. For certain passenger transportation companies who intend to distribute tickets through OTAs, the OTAs would charge them a passenger traffic fee. During the Track Record Period, the total passenger traffic fee accounted for an insignificant part of our total revenue from our customized transportation services business. In addition, we deduct a platform usage fee from the order payment made by passengers when they purchase tickets.

#### **Ride-hailing Services**

Prior to the start of each trip, both the passenger and the driver are presented with a fee quote calculated based on the distance and duration of the order, which is typically based on market pricing in the local mobility industry and dynamically adjusted by taking into consideration multiple factors, primarily including (i) local competitive landscape, (ii) local consumption and income levels and (iii) the timing of the order, such as whether the order was executed during peak or regular hours. The ride fees for different service types are calculated based on the same method. The fee quote consists of four parts, namely (i) a fixed base fee which covers a certain distance cap and time cap; (ii) a distance fee which starts accruing once the trip distance exceeded the distance cap included in the base fee and is calculated by a fee rate per additional kilometer; (iii) a time fee which starts accruing once the trip time exceeded the time cap included in the base fee and is calculated by a fee rate per minute; and (iv) on top of (i) to (iii), when the trip exceeds a certain distance, a long-distance surcharge is applied where an additional fee per kilometer is added to the total fee.



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## SUMMARY

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### Digitalization and Business Solutions

We provide digitalization and business solutions to our customers in return for a fee, which in certain projects is paid to us in stages, subject to negotiations with individual customers. The initial payment typically constitutes 10% to 50% of the total fee. For certain projects and subject to negotiations, our customers would require a quality bond of approximately five to 10% of the total fee, with a return period typically ranging from one to three years after the project is delivered.

### SAFETY

We attach great importance to the safety of our passengers, drivers and employees. We have made significant investment in establishing safety management protocols and implementing technological security solutions. We have an extensive array of safety protocols to cover risks before, during and after each trip and a dedicated compliant resolution process. According to Frost & Sullivan, our safety measures are generally in line with the market practice in the PRC mobility industry.

### OUR CUSTOMERS

We have a broad base of customers. For our passenger transportation services business, our customers are mainly passenger transportation stations and passenger transportation companies. For our ride-hailing service business, our customers are passengers. For our digitalization and business solutions business, our customers are primarily corporate customers and governmental agencies.

Our five largest customers accounted for 5.3%, 7.1%, 6.3% and 5.8% of our total revenue for the years ended December 31, 2021, 2022, and 2023, and the six months ended June 30, 2024, respectively. Our largest customer accounted for 2.0%, 4.3%, 2.9% and 2.2% of our total revenue for the years ended December 31, 2021, 2022, and 2023, and the six months ended June 30, 2024, respectively.

### OUR SUPPLIERS

For our passenger transportation services business, we mainly procured services from regional technology providers, electronic payment platforms and telecommunications operators. For our ride-hailing service business, our suppliers are mainly drivers, car partners, aggregation platforms and SaaS technical service provider which matches demand from passengers on aggregation platforms to drivers on our platform. For our digitalization and business solutions business, our suppliers are mainly software and hardware providers.

Purchases from, or cost of sales arising from our transactions with, our five largest suppliers accounted for 12.8%, 12.7%, 11.0% and 9.8% of our total purchase amount, or total cost of sales, for the years ended December 31, 2021, 2022, and 2023, and the six months ended June 30, 2024, respectively. Our largest supplier accounted for 6.8%, 7.2%, 6.5% and 6.1% of our total purchase amount, or total cost of sales, for the years ended December 31, 2021, 2022, and 2023, and the six months ended June 30, 2024, respectively.

### COMPETITION

China's traditional road passenger transportation information service market and customized road passenger transportation information service market are relatively fragmented with the top three players capturing approximately 42.9% and 22.8% of the total market share, respectively, in 2023.

For our proprietary information systems such as CloudStation and Keyunda, we compete with other passenger transportation information service provider. For our passenger-facing platforms such as Chuxing 365, we compete primarily with other travel service platforms, including domestic consolidators of airline, bus and railway tickets as well as traditional travel agencies. As China's travel market continues to evolve, we may be faced with increased competition from new domestic travel service platforms, including the ones operated by other major internet companies, or international players that seek to expand into China. We may also

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## SUMMARY

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face increasing competition from airlines, railway companies and transportation companies as they increase their direct selling efforts or engage in alliances with other travel service providers, as well as content platforms and social networks entering into the travel industry.

We compete based on a number of factors, including, among other things, brand recognition, depth and breadth of products offerings, price competitiveness, and user support 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 supplier bases, or stronger financial, technical or marketing resources than we do.

China’s ride-hailing services market is relatively concentrated with the top five players occupying approximately 90.7% of the total market share in 2023.

Our ride-hailing services business competes with personal vehicle ownership and usage and with traditional transportation services, including public transportation and taxis. To grow our ride-hailing services business, we compete to attract, engage, and retain users based on the quality of our mobility services in terms of safety, price, convenience, and comfort as well as our ability to provide other service offerings that cater to their essential needs. We also compete to attract, engage, and retain drivers on our platform based on our ability to increase their income, simplify their operational workflows, and lower vehicle total cost of ownership.

In 2023, the number of market players in China’s digitalization and business solutions for road passenger transportation industry was more than 100. Our digitalization and business solutions business competes with other digitalization service providers that serve the passenger transportation industry as well as other industries. The intensification of competition has resulted in the compression of overall gross profit margin of the digitalization and business solutions industry. The combination of these factors means that potential entrants to our industries face relatively low entry barriers.

See “Risk Factors — The industries in which we operate are highly competitive. If we do not compete effectively or successfully against existing and new competitors, we may lose our market share, and our business may be materially and adversely affected.” and “Industry Overview” for more information about the market where we operate and the competition we face.

## LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any material legal, arbitral or administrative proceedings, and were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we did not commit any non-compliance of laws and regulations which individually or in the aggregate, in the opinion of our Directors, would have a material and adverse effect on our business, financial condition, or results of operations.

## SUMMARY OF HISTORICAL FINANCIAL INFORMATION AND SUMMARY OF MAJOR FINANCIAL RATIOS

The following is a summary of the consolidated statements of profit or loss during the Track Record Period as extracted from the Accountants’ Report, the full text of which is set out in Appendix I to this document. This summary should be read in conjunction with the aforesaid Accountants’ Report and the section headed “Financial Information” of this document.

## SUMMARY

### Summary of Consolidated Statement of Profit or Loss and Other Comprehensive Income

The following table sets forth selected consolidated statements of profit or loss for the periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	RMB	%	RMB	%	RMB	%	(Unaudited) RMB	%	RMB	%
	<i>(RMB in thousands, except percentages)</i>									
Revenue . . . . .	553,530	100.0	815,974	100.0	1,206,493	100.0	577,762	100.0	726,176	100.0
Cost of sales . . . . .	(506,058)	(91.4)	(761,904)	(93.4)	(1,120,600)	(92.9)	(531,893)	(92.1)	(700,717)	(96.5)
<b>Gross profit</b> . . . . .	<b>47,472</b>	<b>8.6</b>	<b>54,070</b>	<b>6.6</b>	<b>85,893</b>	<b>7.1</b>	<b>45,869</b>	<b>7.9</b>	<b>25,459</b>	<b>3.5</b>
Other income, net . . . . .	3,440	0.6	7,123	0.9	3,272	0.3	620	0.1	5,726	0.8
Selling and marketing expenses . . . . .	(45,731)	(8.3)	(45,087)	(5.5)	(47,902)	(4.0)	(20,767)	(3.6)	(20,391)	(2.8)
General and administrative expenses . . . . .	(27,878)	(5.0)	(26,037)	(3.2)	(23,943)	(2.0)	(11,583)	(2.0)	(10,737)	(1.5)
Research and development expenses . . . . .	(42,898)	(7.7)	(44,793)	(5.5)	(32,730)	(2.7)	(15,059)	(2.6)	(16,002)	(2.2)
Impairment loss on trade receivables, other receivables and contract assets . . . . .	(5,072)	(0.9)	(572)	(0.1)	(4,755)	(0.4)	(3,938)	(0.7)	(1,583)	(0.2)
<b>Loss from operations</b> . . . . .	<b>(70,667)</b>	<b>(12.8)</b>	<b>(55,296)</b>	<b>(6.8)</b>	<b>(20,165)</b>	<b>(1.7)</b>	<b>(4,858)</b>	<b>(0.8)</b>	<b>(17,528)</b>	<b>(2.4)</b>
Finance costs . . . . .	(189)	(0.0)	(154)	(0.0)	(201)	(0.0)	(73)	(0.0)	(157)	(0.0)
Share of (loss)/profits of associates . . . . .	(3,547)	(0.6)	(2,644)	(0.3)	1,438	0.1	(1)	(0.0)	382	0.1
Changes in the carrying amounts of redemption rights issued to investors . . . . .	(512,482)	(92.6)	(442,037)	(54.2)	(464,054)	(38.5)	(230,004)	(39.8)	(267,568)	(36.8)
<b>Loss before taxation</b> . . . . .	<b>(586,885)</b>	<b>(106.0)</b>	<b>(500,131)</b>	<b>(61.3)</b>	<b>(482,982)</b>	<b>(40.1)</b>	<b>(234,936)</b>	<b>(40.7)</b>	<b>(284,871)</b>	<b>(39.2)</b>
Income tax . . . . .	272	0.0	684	0.1	722	0.1	372	0.1	348	0.0
<b>Loss and total comprehensive income for the year/period</b> . . . . .	<b>(586,613)</b>	<b>(106.0)</b>	<b>(499,447)</b>	<b>(61.2)</b>	<b>(482,260)</b>	<b>(40.0)</b>	<b>(234,564)</b>	<b>(40.6)</b>	<b>(284,523)</b>	<b>(39.2)</b>
<i>Attributable to:</i>										
Equity shareholders of the Company . . . . .	(588,361)	(106.3)	(497,168)	(60.9)	(483,075)	(40.1)	(235,479)	(40.8)	(285,451)	(39.3)
Non-controlling interests . . . . .	1,748	0.3	(2,279)	(0.3)	815	0.1	915	0.2	928	0.1
<b>Loss and total comprehensive income for the year/period</b> . . . . .	<b>(586,613)</b>	<b>(106.0)</b>	<b>(499,447)</b>	<b>(61.2)</b>	<b>(482,260)</b>	<b>(40.0)</b>	<b>(234,564)</b>	<b>(40.6)</b>	<b>(284,523)</b>	<b>(39.2)</b>

During the Track Record Period, we generated revenue mainly from (i) passenger transportation services, (ii) ride-hailing services and (iii) digitalization and business solutions. We generated all of our revenue from China during the Track Record Period. Our revenue amounted to RMB553.5 million, RMB816.0 million, RMB1,206.5 million, RMB577.8 million and RMB726.2 million in 2021, 2022 and 2023 and six months ended June 30, 2023 and 2024, respectively.

### Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted net loss (non-IFRS measure) and adjusted loss margin (non-IFRS measure) as additional financial measures, which is not required by, or presented in accordance with IFRS Accounting Standards. We believe these non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items which our management considers non-indicative of our operating performance.

## SUMMARY

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

We define adjusted net loss as loss for the year/period adjusted by adding back items including (i) changes in the carrying amounts of redemption rights issued to investors and (ii) equity-settled share-based payments. The following table reconciles our adjusted net loss for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRS Accounting Standards, which is loss for the year/period.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2021	2022	2023	2023	2024
	<i>(RMB in thousands, except percentages)</i>				
<b>Loss and total comprehensive income for the year/period . . .</b>	(586,613)	(499,447)	(482,260)	(234,564)	(284,523)
Add:					
– Changes in the carrying amounts of redemption rights issued to investors <sup>(1)</sup> . . . . .	512,482	442,037	464,054	230,004	267,568
– Equity-settled share-based payments . . . . .	18,523	6,878	450	225	225
<b>Adjusted net loss (non-IFRS measure) . . . . .</b>	<b>(55,608)</b>	<b>(50,532)</b>	<b>(17,756)</b>	<b>(4,335)</b>	<b>(16,730)</b>

*Note:*

- (1) Changes in the carrying amounts of redemption rights issued to investors were related to the private placements with certain investors in 2021 and the years before 2021, pursuant to which, the Company agreed to issue its registered capital to these investors who were granted the right to require the Company to redeem their paid-in capital for cash upon specified events.

### Summary of Consolidated Statements of Financial Position

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated. The selected information of financial position of the Group as at 31 December 2021, 2022 and 2023 have been extracted from our audited consolidated financial statements included in Appendix I to this document:

	As of December 31,			As of	As of
	2021	2022	2023	June 30,	September 30,
				2024	2024
	<i>(RMB in thousands)</i>				<i>(Unaudited)</i>
<b>Current assets</b>					
Inventories . . . . .	24,602	31,111	29,773	22,575	34,965
Contract assets . . . . .	4,769	3,174	407	405	382
Trade and bills receivables . . . . .	27,551	52,061	66,953	64,007	63,320
Prepayments, deposits and other receivables . . . . .	29,225	45,298	52,980	53,988	80,284
Other current assets . . . . .	145,352	47,464	3,204	55,952	67,758
Restricted cash . . . . .	60	2,779	60	2,060	2,060
Cash and cash equivalents . . . . .	112,069	96,580	171,497	107,276	116,452
<b>Total current assets . . . . .</b>	<b>343,628</b>	<b>278,467</b>	<b>324,874</b>	<b>306,263</b>	<b>365,221</b>

## SUMMARY

	As of December 31,			As of June 30,	As of September 30,
	2021	2022	2023	2024	2024
	<i>(RMB in thousands)</i>				<i>(Unaudited)</i>
<b>Current liabilities</b>					
Borrowings . . .	–	–	–	–	10,000
Trade payable . .	37,486	44,672	56,713	60,091	67,020
Accrued expenses and other payables . . . .	130,157	96,611	146,029	159,919	179,482
Contract liabilities . . .	24,116	23,978	22,649	14,354	43,944
Lease liabilities .	3,044	1,044	3,238	3,808	2,948
Redemption rights issued to investors . .	1,203,244	1,645,281	2,109,335	2,376,903	2,473,990
<b>Total current liabilities . . . .</b>	<b>1,398,047</b>	<b>1,811,586</b>	<b>2,337,964</b>	<b>2,615,075</b>	<b>2,777,384</b>
<b>Net current liabilities . . . .</b>	<b>1,054,419</b>	<b>1,533,119</b>	<b>2,013,090</b>	<b>2,308,812</b>	<b>2,412,163</b>

The redemption rights issued to investors were related to the private placements with certain investors in 2021 and the years before 2021, pursuant to which, the Company agreed to issue its registered capital to these investors who were granted the right to require the Company to redeem their paid-in capital for cash upon specified events. Please see “History, Development and Corporate Structure — [REDACTED]” and Note 27 to the Accountants’ Report in Appendix I to this Document for more information.

### Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	For the Year ended December 31,			For the Six Months ended June 30,	
	2021	2022	2023	2023	2024
	<i>(Unaudited)</i>				
	<i>(RMB in thousands)</i>				
Net cash (used in)/generated from operating activities . . . . .	(12,633)	(112,898)	40,606	54,432	4,856
Net cash (used in)/generated from investing activities . . . . .	(164,967)	100,383	38,159	16,675	(64,760)
Net cash generated from/(used in) financing activities . . . . .	174,258	(2,974)	(3,848)	7,196	(4,317)
Net (decrease)/increase in cash and cash equivalents . . . . .	(3,342)	(15,489)	74,917	78,303	(64,221)
Cash and cash equivalents at the beginning of the year/period . . . . .	115,411	112,069	96,580	96,580	171,497
Cash and cash equivalents at the end of the year/period . . . . .	112,069	96,580	171,497	174,883	107,276

## SUMMARY

As of December 31, 2021, 2022, and 2023, and June 30, 2024, we had cash and cash equivalents of RMB112.1 million, RMB96.6 million, RMB171.5 million, and RMB107.3 million, respectively. Our primary use of cash is to fund our working capital requirements and other recurring expenses. During the Track Record Period, we financed our operations primarily through cash generated from our operating activities and financing activities. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flow generated from our operating activities, bank borrowings, [REDACTED] 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.

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, the expected cash generated from operating activities, available banking facilities and the estimated [REDACTED] from the [REDACTED], our Directors are of the view, and the Sole Sponsor concurs, that we have sufficient working capital to meet our present needs and for the next twelve months from the date of this Document. Our Directors confirm that we had no material defaults in payment of trade and non-trade payables during the Track Record Period.

### Key Financial Ratios

The table below sets forth our key financial ratios for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,
	2021	2022	2023	2024
Revenue growth rate . . . . .	N.A.	47.4%	47.9%	25.7%
Gross profit margin <sup>(1)</sup> . . . . .	8.6%	6.6%	7.1%	3.5%
Adjusted loss margin (non-IFRS measure) <sup>(2)</sup> . . . . .	10.0%	6.2%	1.5%	2.3%

*Notes:*

- (1) Gross profit margin represents the gross profit for the year/period as percentages of the revenue for such year/period.
- (2) Adjusted loss margin (non-IFRS measure) represents the adjusted loss (non-IFRS measure) for the period as percentages of the revenue for such period. For details of the adjusted loss (non-IFRS measure), see “— Non-IFRS Measure.”

### CONTROLLING SHAREHOLDER GROUP

As of the Latest Practicable Date, (i) approximately 20.67% of our issued Share capital was directly held by Mr. Jiang, (ii) approximately 1.64% of our issued Share capital was directly held by Mr. WANG Jiawei, (iii) approximately 6.74% of our issued Share capital was directly held by Chengdu Yingchuang, a limited partnership controlled and managed by its general partner Yingchuang Century, which is ultimately controlled by Mr. YU Lang; (iv) approximately 6.34% of our issued Shares capital was directly held by Haidai Zhushi, which is controlled by Mr. CHEN Shulin; (v) approximately 3.61% of our issued Share capital was directly held by Times Zhongcheng, and (vi) approximately 3.20% of our issued Shares was directly held by Times Xincheng. As of the Latest Practicable Date, Mr. Jiang served as the general partner of both Times Zhongcheng and Times Xincheng, the employee incentive platforms of our Group. Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Haidai Zhushi, Times Zhongcheng and Times Xincheng have entered into the Voting Rights Entrustment Agreement, the details of which are set out in the section headed “History, Development and Corporate Structure — Voting Rights Entrustment Arrangements”.

Accordingly, as of the Latest Practicable Date, Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Yingchuang Century, Mr. YU Lang, Haidai Zhushi, Mr. CHEN Shulin, Times Zhongcheng and Times Xincheng were collectively entitled to control the exercise of approximately 42.20% of the voting rights at the general meeting of our Company. Immediately following the completion of the [REDACTED], Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Yingchuang Century, Mr. YU Lang, Haidai Zhushi, Mr. CHEN Shulin,

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## SUMMARY

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Times Zhongcheng and Times Xincheng will collectively be entitled to control the exercise of approximately [REDACTED] of the voting rights at the general meetings of our Company, assuming the [REDACTED] is not exercised. As such, Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Yingchuang Century, Mr. YU Lang, Haidai Zhushi, Mr. CHEN Shulin, Times Zhongcheng and Times Xincheng constituted as of the Latest Practicable Date and will continue to constitute upon the [REDACTED] a group of controlling shareholders of our Company (“**Controlling Shareholder Group**”) pursuant to the Listing Rules. See “History, Development and Corporate Structure — Information about the [REDACTED]”, “History, Development and Corporate Structure — Employee Incentive Platforms” and “Directors, Supervisors and Senior Management — Directors” for more background details of members of the Controlling Shareholder Group.

[REDACTED]

Our Company had obtained several rounds of [REDACTED] since our establishment through subscriptions for increased registered capital of our Company or equity transfer involved the registered capital of our Company. We have a broad and diverse base of [REDACTED], including Alibaba Travel, SoftBank Entities and other institutional investors. For more details, please see “History, Development and Corporate Structure — [REDACTED]” in this document.

### CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, transactions which will constitute continuing connected transaction of our Group under Chapter 14A of Listing Rules upon the [REDACTED]. See the sections headed “Connected Transactions” and “Waivers from Strict Compliance with the Listing Rules and Exemption from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver in respect of Continuing Connected Transactions” for further details.

[REDACTED]

Assuming an [REDACTED] of [REDACTED] per [REDACTED] (being the mid-point of the stated range of the [REDACTED] between [REDACTED] and [REDACTED] per [REDACTED]) and the [REDACTED] is not exercised, we estimate that we will receive [REDACTED] from the [REDACTED] of approximately [REDACTED] (after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED]).

We currently intend to apply the [REDACTED] from the [REDACTED] as follows:

- approximately [REDACTED], or HK\$[REDACTED], will be used for strengthening of our business operation capabilities through expanding our product and services offerings and optimize our team structure;
- approximately [REDACTED], or [REDACTED], will be used for acquisitions, investment and strategic alliance opportunities;
- approximately [REDACTED] or HK\$[REDACTED], will be used for promoting our brand awareness;
- approximately [REDACTED], or HK\$[REDACTED], will be used for enhancing our R&D capabilities;
- approximately [REDACTED], or HK\$[REDACTED], will be used for upgrades of our internal systems and office environments; and
- approximately [REDACTED], or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

## SUMMARY

### DIVIDEND POLICY

No dividend has been proposed, paid or declared by our Company since its incorporation. We do not have any dividend policy to declare or pay any dividends in the foreseeable future.

After completion of the [REDACTED], we may distribute dividends in the form of cash or Shares or a mixture of both as permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the [REDACTED].

PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdiction, including the IFRS Accounting Standards. Taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our net liabilities. According to our Articles of Association, if we reduce our registered capital to make up for our losses, we are not permitted to pay dividends until the cumulative amount of statutory reserve and discretionary reserve reaches 50% of our registered capital. As confirmed by our PRC Legal Advisor, according to the PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

[REDACTED]

Assuming the [REDACTED] is not exercised, an [REDACTED] of [REDACTED] per [REDACTED] (which is the mid-point of the [REDACTED]), we expect to incur approximately [REDACTED] of [REDACTED] (including the aggregate [REDACTED] and fees, the [REDACTED] fees, the transaction levies and the [REDACTED] trading fee, legal and other professional fees and printing and all other expenses relating to the [REDACTED]), including (i) [REDACTED] expenses (including [REDACTED] and other expenses are approximately [REDACTED]) and (ii) non [REDACTED] expenses are approximately [REDACTED], comprising (a) fees and expenses of legal advisors and reporting accountants of approximately [REDACTED] and (b) other fees and expenses of approximately [REDACTED], accounting for approximately [REDACTED] of the [REDACTED] from the [REDACTED]. Approximately [REDACTED] of our [REDACTED] is expected to be charged to our consolidated statements of profit or loss and approximately [REDACTED] is expected to be capitalized and deducted from equity upon [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

### [REDACTED] STATISTICS

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

	Based on the [REDACTED] of [REDACTED] per Share	Based on the [REDACTED] of [REDACTED] per Share
Market capitalization of [REDACTED] <sup>(1)</sup> . . . . .	[REDACTED]	[REDACTED]
Market capitalization of [REDACTED] <sup>(2)</sup> . . . . .	[REDACTED]	[REDACTED]
Unaudited [REDACTED] adjusted net tangible assets attributable to equity shareholders of the Company per Share <sup>(3)</sup> . . . . .	[REDACTED]	[REDACTED]



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## SUMMARY

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*Notes:*

- (1) The calculation of [REDACTED] is based on [REDACTED] Shares expected to be in issue immediately upon completion of the [REDACTED], assuming the [REDACTED] is not exercised.
- (2) The calculation of [REDACTED] of our H Shares is based on [REDACTED] H Shares expected to be in issue immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) including the conversion of [REDACTED] Shares into H Shares.
- (3) The unaudited [REDACTED] adjusted net tangible assets attributable to equity shareholders of the Company per Share as at June 30, 2024 is calculated after making the adjustments referred to in “Appendix II — Unaudited [REDACTED] Financial Information” to this document and on the basis that [REDACTED] Shares are expected to be in issue immediately upon completion of the [REDACTED], without taking into account of any shares which may be issued upon the exercise of the [REDACTED]. For more details, please refer to the section headed “Appendix II — Unaudited [REDACTED] Financial Information” to this document.

## RISK FACTORS

Our business faces risks including those set out in the “Risk Factors” section. As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to [REDACTED] in our H Shares. Some of the major risks that we face include:

- We rely on our partnerships and cooperation with local governments, industry regulatory authorities and business partners including aggregation platforms and OTAs for the continuous expansion of our business, termination or deterioration of our partnerships or cooperation with local governments, industry regulatory authorities and business partners may adversely affect our business.
- Our ride-hailing services business depends on our collaboration with a limited number of aggregation platforms.
- Changes in travelling pattern and preferences by the public and the growth of the intercity and intracity transportation market could materially affect our business.
- The industries in which we operate are highly competitive. If we do not compete effectively or successfully against existing and new competitors, we may lose our market share, and our business may be materially and adversely affected.
- General declines or disruptions in the transportation industry may materially and adversely affect our business and results of operations.
- The PRC government regulates the passenger transportation and other industries we operate in. If we fail to obtain or maintain all pertinent licenses, permits and approvals, if the PRC laws and regulations change, if the PRC government imposes more restrictions on these industries or if we are required to take compliance actions that are time-consuming or costly, our business may be adversely affected.
- If we fail to increase our brand recognition, the business and operating results of us and our customers may be materially and adversely affected.
- If we fail to cost-effectively attract and retain ride-hailing services passengers and drivers, or to increase utilization of our ride-hailing service by existing passengers, our business, results of operations and financial condition could be materially and adversely affected.
- We are exposed to payment processing risks and risks associated with payment fraud.
- We may be considered as conducting payment services as a non-financial institution without a Payment Business License.

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## SUMMARY

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### APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting of the [REDACTED] of, and permission to deal in, the H Shares in issue and pursuant to the [REDACTED] (including any H Shares that may be issued pursuant to the exercise of the [REDACTED]) and the H Shares to be converted from domestic [REDACTED] Shares) on the basis that among other things, we satisfy the [REDACTED] test under Rule 8.05(3) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2023, being RMB1,206.5 million (equivalent to HK\$1,320.6 million), which is over HK\$500 million; and (ii) our expected [REDACTED] at the time of [REDACTED], which, based on the low-end of the indicative [REDACTED], exceeds HK\$4 billion.

### CSRC FILING

According to the Trial Administrative Measures of Overseas Securities [REDACTED] and [REDACTED] by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), which was promulgated by the China Securities Regulatory Commission on February 17, 2023 and executed on March 31, 2023, domestic companies issuing and listing overseas shall, in accordance with these Measures, file with the CSRC by submitting filing materials with the CSRC within three business days after its submission of the listing application. Where a domestic company issues and listings overseas, the issuer shall directly file with the CSRC.

We have submitted a filing to the CSRC to apply for the [REDACTED], the conversion of domestic [REDACTED] Shares into H Shares and [REDACTED] of our H Shares on the [REDACTED] on [●] and the CSRC accepted the filing on [●]. The CSRC published the notification on completion of filing procedures on [●]. No other approvals from the CSRC are required to be obtained for the [REDACTED] of the H shares on the [REDACTED].

### NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this Document, there have been no material adverse changes in our financial, operational, or trading position or prospects since June 30, 2024, being the date of the latest reporting period ended of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this Document, and there is no event since June 30, 2024, that would materially affect the information as set out in the Accountants' Report included in Appendix I to this Document.

## DEFINITIONS

*In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set forth below.*

“Accountants’ Report”	the report of our Company’s reporting accountants, KPMG, the text of which is set out in Appendix I 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”	Accounting and Financial Reporting Council of Hong Kong
“Alibaba Travel”	Zhejiang Alibaba Travel Investment Co., Ltd.* (浙江阿里旅行投資有限公司), a limited liability company incorporated in the PRC on July 11, 2016, and our substantial Shareholder
“Anhui Wanmei”	Anhui Hengsheng Wanmei Internet Technology Co., Ltd.* (安徽恒生皖美網絡科技有限公司), a limited liability company incorporated in the PRC on April 21, 2016 and an associate of our Group
“Articles” or “Articles of Association”	the articles of association to be adopted by our Company with effect from the [REDACTED] and as amended from time to time, a summary of which is set out in Appendix VI to this Document
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Hongbo”	Beijing Hongbo Haohan Technology Co., Ltd.* (北京鴻博浩瀚科技有限公司), a limited liability company incorporated in the PRC on June 4, 2021 and a non-wholly owned subsidiary of our Group
“Beijing Kaibao”	Beijing Kaibao Network Technology Co., Ltd.* (北京凱寶網絡科技有限公司), a limited liability company incorporated in the PRC on February 4, 2025 and a connected person of the Company
“Board” or “Board of Directors”	the board of Directors of our Company

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## DEFINITIONS

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“Business Day” a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

“CAC” the Cyberspace Administration of China (國家互聯網信息辦公室)

[REDACTED]

“China”, “Mainland China” or “PRC” the People’s Republic of China, which, for the purposes of this Document only, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People’s Republic of China, except where the context indicates or requires otherwise

“close associate(s)” has the meaning ascribed to it under the Listing Rules

“Companies Ordinance” the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Companies (Winding Up and Miscellaneous Provisions) Ordinance” the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time

“Company”, “our Company”, “the Company”, “we” or “us” Shengwei Times Technology Co., Ltd.\* (盛威時代科技股份有限公司) (formerly known as Beijing Shengwei Nanling Information Technology Co., Ltd.\* (北京盛威南凌信息科技有限公司), Beijing Shengwei Times Technology Co., Ltd.\* (北京盛威時代科技有限公司), and Shengwei Times Technology Group Limited\* (盛威時代科技集團有限公司)), a limited liability incorporated in the PRC on September 28, 2012 which was converted into a joint stock company with limited liability on September 26, 2022

“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

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## DEFINITIONS

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“Controlling Shareholder Group” has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Yingchuang Century, Mr. YU Lang, Haidai Zhushi, Mr. CHEN Shulin, Times Zhongcheng and Times Xincheng for further details of which, please refer to the section headed “Relationship with Our Controlling Shareholder Group” in this Document

“CSRC” the China Securities Regulatory Commission (中國證券監督管理委員會)

“Designated Bank” [REDACTED] designated bank

“Director(s)” the director(s) of our Company or any one of them

“Extreme Conditions” the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

“F&S” or “Frost & Sullivan” Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an Independent Third Party and a market research and consulting firm engaged by the Company to prepare an industry report, the details of which are set out in the section headed “Industry Overview” in this Document

“F&S Report” or “Frost & Sullivan Report” an industry report commissioned by us and issued by Frost & Sullivan, as referred to in the section headed “Industry Overview” in this Document

[REDACTED]

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## DEFINITIONS

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[REDACTED]

“Group”, “our Group” or “the Group”	the Company and all its subsidiaries
“Guide” or “Guide for New Listing Applicants”	the Guide for New Listing Applicants published by the Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
“Guiyang SoftBank”	Guiyang High-tech SoftBank Venture Investment Partnership (Limited Partnership)* (貴陽高新軟銀創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on September 8, 2016, and our Shareholder
“H Share(s)”	Shares which an application has been made for listing and permission to trade on the Hong Kong Stock Exchange with nominal value of RMB1.0 each

[REDACTED]

“Henan Shengwei”	Henan Shengwei Digital Information Technology Co., Ltd.* (河南盛威數字信息科技有限), a limited liability company incorporated in the PRC on February 4, 2021 and a wholly owned subsidiary of our Group
“Hengsheng Changyun”	Zhejiang Hengsheng Changyun Internet Technology Co., Ltd.* (浙江恒生長運網絡科技有限), a limited liability company incorporated in the PRC on September 6, 2015 and a non-wholly owned subsidiary of our Group

[REDACTED]

“HK\$”, “Hong Kong dollars” or “HKD”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standard

## DEFINITIONS

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“HKICPA”

Hong Kong Institute of Certified Public Accountants

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

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## DEFINITIONS

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“Hong Kong Stock Exchange” or “Stock Exchange”      The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

“IFRS Accounting Standards”      IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board

“Independent Third Party(ies)”      individual(s) or company(ies) who or which, to the best of our Directors’ knowledge having made all due and careful inquiries, is/are independent from and not connected with (within the meaning of the Listing Rules) any Director, Supervisor, chief executive or substantial shareholder (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates

[REDACTED]



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## DEFINITIONS

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[REDACTED]

“Latest Practicable Date” [November 5, 2024], being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[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)

“Main Board” the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange

“MOF” Ministry of Finance of the PRC (中華人民共和國財務部)

“MOFCOM” Ministry of Commerce of the PRC (中華人民共和國商務部)

“MOT” Ministry of Transport of the PRC (中華人民共和國交通運輸部)

“Mr. Jiang” Mr. JIANG Shengxi (姜生喜), the founder, executive Director and chairman of the Board of our Company

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## DEFINITIONS

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“NASDAQ”	the National Association of Securities Dealers Automated Quotations Stock Market, which is an American Stock Exchange based in New York City
“NDRC”	the 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)
“Ningbo SoftBank”	Ningbo SoftBank Stable Growth Investment Partnership (Limited Partnership)* (寧波軟銀穩定成長投資合夥企業 (有限合夥)), a limited partnership established in the PRC on September 22, 2015, and our Shareholder
“NYSE”	the New York Stock Exchange

[REDACTED]

“PBOC”	People’s Bank of China (中國人民銀行), the central bank of the PRC
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## DEFINITIONS

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“PRC Company Law”	The Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC government”	the central government of the PRC, including all political subdivisions (including provincial, municipal and other regional or local government entities) and its organs or, as the context requires, any of them
“PRC Legal Advisor”	Haiwen & Partners, acting as legal counsel as to PRC laws to our Company

[REDACTED]

“Principal Subsidiary(ies)”	Shengzhi Yilian, Shengwei Changxing, Hengsheng Changyun, Beijing Hongbo, or Henan Shengwei
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[REDACTED]

“Reporting Accountants”	KPMG, our Company’s auditors and reporting accountants
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

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## DEFINITIONS

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“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局) (formerly known as the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局) (the “SAIC”))
“Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Minghe”	Shanghai Minghe Venture Investment Partnership (Limited Partnership) (上海明赫創業投資合夥企業(有限合夥)), a limited partnership established in the PRC on May 27, 2015, and our Shareholder
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.0 each, including both [REDACTED] Shares and H Shares
“Shareholder(s)”	holder(s) of the Shares
“Shengwei Changxing”	Beijing Shengwei Times Changxing Technology Co., Ltd.* (北京盛威時代暢行科技有限公司), a limited liability incorporated in the PRC on December 6, 2017 and a wholly owned subsidiary of our Group
“Shengzhi Yilian”	Kunming Shengzhi Yilian Technology Co., Ltd.* (昆明盛智易聯科技有限公司), a limited liability company incorporated in the PRC on April 16, 2018 and a wholly owned subsidiary of our Group
“SoftBank Entities”	Ningbo SoftBank, Guiyang SoftBank and Shanghai Minghe

[REDACTED]

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## DEFINITIONS

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[REDACTED]

“Sole Sponsor” the sole sponsor of the [REDACTED] of the H Shares on the Stock Exchange as named in the section headed “Directors, Supervisors and Parties Involved in the [REDACTED]” of this Document

[REDACTED]

“STA” the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)

[REDACTED]

“State Council” the PRC State Council (中華人民共和國國務院)

“subsidiary” or “subsidiaries” has the meaning ascribed to it in section 15 of the Companies Ordinance

“substantial shareholders(s)” has the meaning ascribed to it under the Listing Rules

“Supervisor(s)” the supervisor(s) of our Company or any one of them

“Takeovers Code” the Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time

“Times Xincheng” Zhuhai Times Xincheng Investment Enterprise (Limited Partnership)\* (珠海時代信成投資企業(有限合夥)), a limited partnership established in the PRC on April 27, 2016, and an employee shareholding platform of our Company

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## DEFINITIONS

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“Times Zhongcheng”	Zhuhai Times Zhongcheng Investment Enterprise (Limited Partnership)* (珠海時代眾成投資企業(有限合夥)), a limited partnership established in the PRC on April 27, 2016, and an employee shareholding platform of our Company
“Track Record Period”	the period comprising the financial years ended December 31, 2021, 2022 and 2023, and the six months ended June 30, 2024
“Trial Measures”	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)
	<p style="text-align: center;"><b>[REDACTED]</b></p>
“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“[REDACTED] Shares”	[REDACTED] ordinary Share(s) issued by our Company, with a nominal value of RMB1.0 each, which is/are not listed or trade on any stock exchange
“US\$”, “USD” or “U.S. dollars”	United States dollars, the lawful currency for the time being of the United States
	<p style="text-align: center;"><b>[REDACTED]</b></p>
“VAT”	the PRC value-added tax
“Voting Rights Entrustment Agreement”	the agreement entered into among the Voting Rights Entrustment Entities on August 30, 2016 in relation to the voting rights entrustment arrangements on exercise of control in our Company
“Voting Rights Entrustment Entity(ies)”	Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Haidai Zhushi, Times Zhongcheng and Times Xincheng, please refer to the section headed “History, Development and Corporate Structure” of this Document
“%”	per cent.

## DEFINITIONS

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*In this document, the terms “associate”, “close associate”, “connected person”, “core connected person”, “connected transaction”, “controlling shareholder” and “substantial shareholder” shall have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires.*

*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.*

*For ease of reference, the English names of the PRC established companies or entities, laws or regulations are translation and/or transliteration of their Chinese names and have been included in this document for identification purposes only. In the event of any inconsistency between the Chinese names and their English translations and/or transliterations, the Chinese versions shall prevail.*

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## GLOSSARY OF TECHNICAL TERMS

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*This glossary of technical terms contains explanations of certain technical terms used in this Document. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.*

“12306”	12306 China Railway
“365 Intercity Travel”	365 Intercity Travel (365城际出行), our passenger-facing platform for customized transportation services
“active driver(s)”	the number of unique driver(s) who completed at least one order during the prescribed period
“active passenger(s)”	the number of unique passenger(s) who completed at least one order during the prescribed period
“aggregation platform”	platforms that leverage internet technology and work in collaboration with ride-hailing companies to provide online taxi reservation services to passengers by matching demand information
“AI”	artificial intelligence
“algorithm”	a procedure or formula for solving a problem, based on conducting a sequence of specific actions
“app” or “mobile app”	application software designed to run on smartphones and other mobile devices
“average dispatch duration”	the average time taken from when a ride request is received to when the trip begins with a passenger on board
“CAGR”	compound annual growth rate
“Chuxing 365”	Chuxing 365 (出行365), our passenger-facing online platform for ticket sales and other passenger services
“cloud”	a network of remote servers hosted on the Internet and used to store, manage, process data and offer algorithms in place of local servers or personal computers



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## GLOSSARY OF TECHNICAL TERMS

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“CloudStation”	a software system developed by us and designed to facilitate the automated day-to-day operations of passenger transportation stations
“compliant order(s)”	order(s) for which both drivers and vehicles are licensed
“complaint rate”	the number of complaints received from users relative to the total number of ride-hailing services orders completed within a specific period
“COVID-19”	a viral respiratory disease caused by the severe acute respiratory syndrome coronavirus 2, which has been declared by World Health Organization as a pandemic on March 11, 2020
“Ctrip”	Ctrip (攜程旅遊), a global online travel service aggregation platform owned by Trip.com Group Limited
“customized transportation services”	a transportation service model where licensed passenger transportation companies use online platforms to publish information in relation to pick-up and drop-off points, conduct online ticket sales, determine departure times flexibly based on passenger demand, and provide corresponding transportation services
“driver-responsible cancellation rate”	the ratio of the total number of cancellations for which drivers are responsible to the sum of successfully completed orders and driver-responsible cancellations within a natural month
“ESG”	environmental, social and corporate governance
“EV”	electric vehicle
“Fliggy”	Fliggy Travel (飛豬旅行), China’s online travel aggregation platform wholly owned by Alibaba Group
“Gaode”	Amap (高德地圖), China’s mobile digital map, navigation and real-time traffic information aggregation platform wholly owned by Alibaba Group
“GHG Emission”	the emission of greenhouse gas
“GPS”	global positioning system, a navigation system using satellite signals to determine the ground position of an object

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## GLOSSARY OF TECHNICAL TERMS

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“GTV”	the value of paid transactions on our platform. In ride-hailing services, the key differences between GTV and the revenue recognized by us during the Track Record Period were the incentives provided to riders as well as the toll fees, parking fees and taxes paid to third parties
“intelligent transportation”	a model based on the integration of the internet, the Internet of Things (IoT), and other networks, it focuses on intelligent road networks, smart equipment, smart mobility solutions, and enhanced management systems
“internet ticketing services”	leverage internet technology to enable the online sale of tickets for passenger transportation stations
“IT”	information technology
“key cities”	Guangzhou, Xi’an, Kunming, Hangzhou, Nanjing, Suzhou, Changsha, Harbin, Changchun, Shenyang, Guiyang, Chengdu, Chongqing, Xiamen, Fuzhou, Jinan, Nanchang, Nanning, Taiyuan, Tianjin, Lanzhou, Yinchuan, Xining, Zhengzhou
“Keyunda”	Keyunda (客運達), a customized information-based management and operation system developed by us and tailored for passenger transportation companies
“km”	kilometer(s)
“km <sup>2</sup> ”	square kilometer(s)
“m <sup>2</sup> ”	square meter(s)
“LED”	light-emitting diode, a semiconductor device that emits light when current flows through it
“LED screen”	a type of display technology that uses an array of LEDs as pixels for displaying video and graphical content
“lower-tier cities”	third-tier cities and below
“number of drivers completing orders”	the total number of drivers who have successfully completed at least one order within the prescribed period

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## GLOSSARY OF TECHNICAL TERMS

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“Online Ride Hailing Driver’s License”	the driver’s license required to be obtained by a driver to provide online ride hailing services pursuant to the Interim Measures for the Management of Online Ride Hailing Operation and Services (《網絡預約出租汽車經營服務管理暫行辦法》)
“Online Ride-Hailing Operating Permit”	the permit required to be obtained by a company to provide online ride-hailing services pursuant to the Interim Measures for the Management of Online Ride Hailing Operation and Services (《網絡預約出租汽車經營服務管理暫行辦法》)
“order compliance rate(s)”	percentage of orders for which both drivers and vehicles are licensed, calculated by dividing the number of orders for which both drivers and vehicles are licensed during a year or period by the total number of orders of our ride-hailing services during such year or period
“order volume”	volume of orders completed during the prescribed period
“OTA”	online travel agency
“RAG technology”	retrieval-augmented generation, a technique for enhancing the accuracy and reliability of generative AI models with facts fetched from external sources
“Robobus”	an autonomous driving bus
“Robotaxi”	a driverless shared mobility vehicle built-in with L4 and L5 autonomous driving technology
“Robovan”	an autonomous driving van
“SaaS”	software as a service, standardized software hosted by a central provider and offered to customers through public cloud service, which is delivered via the internet and shared across organizations
“Tongcheng”	Tongcheng Travel (同程旅行), China’s online travel service aggregation platform owned by Tongcheng Travel Holdings Limited (同程旅行控股有限公司)
“total driver flow”	the total number of orders handled by all drivers within a given time frame

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## GLOSSARY OF TECHNICAL TERMS

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“Transportation Permit”	the transportation permit required to be obtained for a vehicle to provide online ride hailing services pursuant to the Interim Measures for the Management of Online Ride Hailing Operation and Services (《網絡預約出租汽車經營服務管理暫行辦法》)
“Umetrip”	Umetrip (航旅縱橫), a mobile service platform introduced by TravelSky Technology Limited (中國民航信息網絡股份有限公司)
“2B”	to business
“2C”	to customer

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## FORWARD-LOOKING STATEMENTS

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This document contains forward-looking statements. Such forward-looking statements relate to events that are subject to significant risks and uncertainties, including the risks described in the section headed “Risk Factors” in this document. These forward-looking statements include, but are not limited to, words and expressions such as “aim”, “expect”, “believe”, “plan”, “intend”, “estimate”, “project”, “seek”, “anticipate”, “may”, “will”, “should”, “would” and “could” or similar words, expressions or statements or the negative thereof, in particular, in the sections headed “Business” and “Financial Information” in this document in relation to future events, including our strategies, plans, objectives, goals, targets, future financial results, business prospects, the future development of our industry, the general economy of our key markets and the national and global economy.

These statements are based on numerous assumptions regarding our present and future business strategy and the environment in which we will operate in the future and the information currently available to our management. These forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance, which is subject to known and unknown risks, uncertainties, assumptions and other factors, some of which are beyond our control, and may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, those discussed under the section headed “Risk Factors” in this document and elsewhere in this document and the following:

- general political and economic conditions;
- macroeconomic measures taken by the PRC government to manage economic growth;
- future development, trends and environment of the industries and markets in which we operate;
- exchange rate fluctuations and evolving legal systems pertaining to the PRC and the industries and markets in which we operate;
- regulatory environment of the PRC and the industries in which we operate;
- market competition, and actions and development of competitors;
- our business prospects;
- our business plans, strategies and goals and our ability to successfully implement these business plans, strategies and goals;
- our financial conditions, operating results and performance;
- our ability to reduce costs;

## FORWARD-LOOKING STATEMENTS

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- fluctuations in our brokerage fee and commission income; and
- our dividend policy.

We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

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## RISK FACTORS

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*You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. These risks could materially and adversely affect our business, financial condition and results of operations. The [REDACTED] of our H Shares could significantly decrease due to any of these risks, and you may lose all or part of [REDACTED]. You should seek professional advice from relevant advisers regarding your prospective investment in the context of your particular circumstances.*

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

### RISKS RELATING TO OUR BUSINESS AND INDUSTRY

**We rely on our partnerships and cooperation with local governments, industry regulatory authorities and business partners including aggregation platforms and OTAs for the continuous expansion of our business, termination or deterioration of our partnerships or cooperation with local governments, industry regulatory authorities and business partners may adversely affect our business.**

We are a leading intercity and intracity road passenger transportation information services provider. We partner with local governments and industry regulatory authorities and we rely on the stable relationship with them for the continuous expansion and development of our business. Partnership with local governments and industry regulatory authorities help us enter a market quickly and build up our credibility in the general public. However, for considerations unrelated to us, local governments and industry regulatory authorities may decide to terminate or suspend their relationships with us or appoint alternative partners, our business, revenues and results of operations may therefore be materially and adversely affected.

We also collaborate with various business partners, including OTAs and aggregation platforms that facilitate passenger traffic to our passenger transportation service customers and ourselves for our ride-hailing services business. We expect that our business in the foreseeable future will continue to depend on our ability to maintain good relationships with existing aggregation platforms and OTAs and establish relationships with new aggregation platforms and OTAs as well as the ability of these aggregation platforms and OTAs to continue supporting us with the passenger traffic we need. We cannot guarantee that we will maintain sound relationships with these business partners under favorable terms. In particular, any disruption in our collaboration with the aggregation platforms or OTAs or the deterioration of their business operations and financial condition may significantly reduce the number of orders we can receive from them, and our business, financial condition and results of operations may be materially and adversely affected.

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## RISK FACTORS

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### **Our ride-hailing services business depends on our collaboration with a limited number of aggregation platforms.**

Our ride-hailing services business rely on our collaboration with a limited number of mainstream aggregation platforms. Throughout the Track Record Period, Gaode was our largest aggregation platform service provider. The GTV we generated through Gaode accounted for 95.3%, 92.9%, 89.5% and 93.4% of our total GTV of our ride-hailing services business for the years ended December 31, 2021, 2022, 2023 and the six months ended June 30, 2024, respectively.

Our business will continue to depend on our ability to maintain good relationships with a relatively small number of aggregation platforms in the foreseeable future, as well as the ability of these aggregation platforms to continue to provide us the services we need. If their business operations or financial condition deteriorate, or if our business relationship with them is interrupted and terminated, our business, financial condition and results of operations may be negatively affected.

### **Changes in travelling pattern and preferences by the public and the growth of the intercity and intracity transportation market could materially affect our business.**

The road transportation industry and ride-hailing services industry heavily rely on the public's demand for intercity road passenger transportation services and intracity ride-hailing services.

The road passenger transportation industry is subject to uncertainty in terms of consumer preference and future growth. Rapidly evolving consumer preferences, including shifts towards personal vehicle use or alternative modes of transport, may affect the demand for bus services. Technological advancements, such as the rise of ride-sharing platforms and innovative service options such as Robotaxi, pose competitive challenges that may hinder market penetration. Economic conditions, fuel prices, and urban planning policies further contribute to the unpredictability. Additionally, regulatory developments and environmental policies aimed at reducing carbon emissions could impact operational costs and market dynamics. As these factors collectively shape the road transportation landscape, we may encounter difficulties in achieving anticipated market acceptance, sustaining growth trajectories, and maintaining profitability in the road passenger transportation sector.

In terms of ride-hailing industry, the general public may not perceive ride-hailing services as a desirable mobility option if they have safety, privacy or cost concerns associated with the ride-hailing services. Additionally, the ride-hailing industry faces challenges brought by alternative mobility options. If the public chooses taxi service, shared bikes or other public transportation as the preferred mobility option, the demand for our ride-hailing services may therefore be materially and adversely impacted. Furthermore, the regulatory environment in the PRC and the ride-hailing industry has been undergoing a number of changes and reforms in various areas in recent years, including, among others, cybersecurity, information security, privacy and data security, and anti-monopoly matters. We cannot assure you that the regulators will not impose stricter requirements on, or there will not be significant changes or reforms in, the ride-hailing service industry. The prospects of the ride-hailing industry may be materially and adversely affected and, accordingly, we may experience revenue reduction. Any of the foregoing risks and challenges may materially and adversely affect our business, results of operations, financial condition and prospects.



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## RISK FACTORS

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**The industries in which we operate are highly competitive. If we do not compete effectively or successfully against existing and new competitors, we may lose our market share, and our business may be materially and adversely affected.**

China's road passenger transportation information services industry is intensely competitive and characterized by rapid changes in technology, shifting passenger preferences and frequent introduction of new services. We compete primarily with other information service providers and ride-hailing service providers. As China's road passenger transportation information services and ride-hailing services markets continue to evolve, we may face increased competition from new domestic service providers, including the platforms operated by other major internet companies or international players that seek to expand into China. Leveraging on the matured services offerings and huge passenger base, companies in the aviation technology and railway industries may expand their businesses into the road passenger transportation information service industry. Our ride-hailing business also would be affected by personal vehicle ownership and usage. There has been increasing competition as transportation companies build their own service platforms and operation systems or engage in alliances with other information service providers. Our digitalization and business solutions business competes with other digitalization service providers that serve the passenger transportation industry as well as other industries. The intensification of competition has resulted in the compression of overall gross profit margin of the digitalization and business solutions industry. The combination of these factors means that potential entrants to our industries face relatively low entry barriers.

We expect competition to continue, both from current competitors and new entrants in the market that may be well-established and enjoy greater resources or other strategic advantages. Certain of our current or future competitors may have longer operating histories, greater brand recognition, larger customer and supplier bases, or stronger financial, technical or marketing resources than we do. If we are unable to anticipate or react to these competitive challenges, our competitive position could be weakened, or fail to improve, and we could experience growth stagnation or even a decline in revenue that could materially and adversely affect our business, results of operations and financial condition.

We believe our ability to compete effectively depends upon many factors both under and beyond our control, including:

- our ability to scale up customer base by attracting and retaining passenger transportation stations, passenger transportation companies and individual and corporate passengers;
- our ability to collaborate with our drivers and car partners to provide superior ride-hailing experience;
- our ability to maintain and improve our safety mechanism;
- the popularity, price, utility, ease of use, performance and reliability of our offerings compared to those of our competitors;

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## RISK FACTORS

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- our reputation and brand strength relative to our competitors;
- our ability to expand cooperation relationships or strategic partnerships with government and corporate partners;
- our ability, and the ability of our competitors, to develop new service offerings;
- our ability to maintain business integrity;
- changes mandated by, or that we elect to make to address, evolving legislation and requirements by regulatory authorities;
- 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;
- our ability to attract, retain and motivate talented employees;
- our ability to raise additional capital; and
- acquisitions or consolidation within our industry.

Competitors may have more resources for promotion strategies and adopt more aggressive promotion strategies to acquire new customers. In addition, competitors with significantly larger active customer base may leverage their advantages to promote their brands. For example, travel service platforms can utilize the traffic they already obtained and direct the passengers from their other services offerings to their transportation services and further achieve synergies effects. We cannot assure you that we will be able to successfully compete against new or existing competitors. In the event we are not able to compete successfully, we may lose our market share and our business, results of operations, and profit margins may be materially and adversely affected.

**General declines or disruptions in the transportation industry may materially and adversely affect our business and results of operations.**

Our business is significantly affected by the trends that occur in the transportation industry in China. As the transportation industry is highly sensitive to business and personal discretionary spending levels, it tends to decline during general economic downturns. The recent development of the economy led to a weakening in the demand for transportation services. Other trends or events that tend to reduce travel and are likely to reduce our revenue include:

- actual or threatened war or terrorist activities;
- the outbreak of pandemic and other serious health crises;

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## RISK FACTORS

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- increasing occurrence of travel-related accidents;
- political unrest, civil strife, or other geopolitical uncertainties; and
- natural disasters or poor weather conditions, such as hurricanes, earthquakes, or tsunamis, as well as the physical effects of climate change, which may include more frequent or severe storms, flooding, rising sea levels, water shortage, droughts, and wildfires. In particular, adverse weather such as flood situation in southern China during summer seasons and heavy snowfall in northern China during winter seasons may lead to delays, congestion, roadway closures, reduced road safety, and large-scale cancellations.

We could be materially and adversely affected by such declines or disruptions in the transportation industry and, in many cases, have little or no control over the occurrence of such events. Such events could result in a decrease in demand for our services. This decrease in demand, depending on the scope and duration, could materially and adversely affect our business and financial performance over the short and long term.

**The PRC government regulates the passenger transportation and other industries we operate in. If we fail to obtain or maintain all pertinent licenses, permits and approvals, if the PRC laws and regulations change, if the PRC government imposes more restrictions on these industries or if we are required to take compliance actions that are time-consuming or costly, our business may be adversely affected.**

The PRC government regulates the road passenger transportation and certain other industries we operate in. We are required to obtain applicable licenses, permits or approvals from different regulatory authorities to conduct our business, including licenses for ride-hailing, value-added telecommunications and travel agency.

In particular, we are required to obtain ride-hailing business licenses in the cities where we operate our ride-hailing services. In addition, specific licenses and permits are also required for drivers and vehicles on our platform engaged in ride-hailing business. During the Track Record Period, a limited number of our vehicles and/or drivers we engaged to provide ride-hailing services did not hold the required Transportation Permit (《網絡預約出租汽車運輸證》) and/or Online Ride-hailing Driver’s License (《網絡預約出租汽車駕駛員證》). During the Track Record Period, a total of 43 administrative penalties with penalty amount of RMB20,000 or more were imposed on us. The total amount of penalty amounted to RMB1.2 million. See “Business — Legal Proceedings and Compliance — Compliance Matters — Transportation Permits and Online Ride-hailing Driver’s Licenses.” for more details.

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## RISK FACTORS

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We cannot assure you that we can successfully update or renew all requisite licenses in a timely manner or that these licenses are sufficient to conduct all our present or future business. We are required to complete, obtain, or maintain any of the required licenses or approvals or make the necessary filings. In addition, we cannot assure you that our drivers and vehicles can complete, obtain or maintain all requisite licenses in a timely manner. If we fail to obtain or maintain any of the required licenses, permits or approvals in the future, we may be subject to various penalties, such as fines or suspension of operations in these regulated businesses, which could severely disrupt our business operations. As a result, our financial condition and results of operations may be adversely affected.

Any failure to comply with these regulations may also subject us to liabilities. In addition, we may have to make significant changes to our operations from time to time to comply with changing laws, regulations, and policies governing the industries we operate in general and many aspects of our business in particular, which may increase our cost of operation or limit our options of service offering, thereby adversely affecting our results of operations.

**If we fail to increase our brand recognition, the business and operating results of us and our customers may be materially and adversely affected.**

The size of our passenger base and the level of passenger engagement are critical to our success. Our passenger-facing platforms include Chuxing 365 and 365 Ride. If our passengers no longer view our services as useful and desirable, we may not be able to increase or maintain our passenger base and the level of passenger engagement.

Several factors could negatively affect passenger growth, retention and engagement, including:

- we may not be able to increase our brand recognition;
- we may not be able to identify and meet evolving passenger demand despite our continuous research, monitoring and analysis of passenger needs;
- we may not be able to develop and introduce new or updated services in a timely manner, or the new or updated services we introduce may not be favorably perceived by passengers;
- we may fail to update existing technology or develop new technology efficiently to stay ahead or abreast of market developments;
- we may encounter technical or other problems that prevent our services from operating in a smooth and reliable manner;
- we may fail to address passenger concerns related to privacy, data security and other factors; and

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## RISK FACTORS

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- we may be compelled to modify our services to address requirements imposed by laws, regulations and government policies or requests from government authorities, in ways that may compromise platform user experience.

Our ability to grow or retain our passenger base and drive passenger engagement also depends on our ability to deliver a superior passenger experience. If we fail to provide quality passenger services, passenger may be less inclined to purchase travel services from us or recommend us to new passengers, and we may lose our passengers to our competitors. If we are unable to grow or maintain our passenger base or enhance passenger engagement for one or more of the reasons discussed above, our business, operating results and long-term monetization potential could be adversely impacted.

We also believe that maintaining and enhancing our brands are crucial for growing our passenger base. The successful promotion of our brands will depend largely on our ability to maintain a sizeable and active passenger base, maintain relationships with our business partners, provide high-quality passenger support, properly address passenger needs and handle passenger complaints and organize effective marketing and promotion programs. We are also subject to reputational risks arising from passenger complaints. Passengers may raise complaints against us if they are dissatisfied with the services provided to them. If we do not resolve the complaints effectively in a timely manner, our passengers may reduce their use of our platform and services, and may demand refund or even further compensation from us by all practicable means, which could harm our reputation and brand image if these complaints are brought to public sight, and materially and adversely affect our business, financial condition, and results of operations.

**If we fail to cost-effectively attract and retain ride-hailing services passengers and drivers, or to increase utilization of our ride-hailing service by existing passengers, our business, results of operations and financial condition could be materially and adversely affected.**

Our success in the ride-hailing services business is affected by our ability to maintain or increase the scale of our network in the geographic markets by attracting and retaining passengers and drivers using our service. Our average daily orders for ride-hailing service were approximately 61.9 thousand, 89.7 thousand, 128.6 thousand and 172.8 thousand, respectively, for the years ended December 31, 2021, 2022 and 2023, and the six months ended June 30, 2024. If passengers choose to use ride-hailing services provided by competitors, we may not generate sufficient opportunities for drivers to earn competitive income, which may reduce the perceived utility of our service. An insufficient supply of passengers would decrease our ride-hailing orders and adversely affect our revenue and results of operations. If our service quality diminishes or our competitors' services and products achieve greater market adoption, we might lose passengers to our competitors, which may diminish our network effect. Similarly, we may experience driver supply constraints. Any reduction in the number or availability of drivers would likely lead to a reduction in usage by passengers. Any decline in the number of drivers or passengers using our ride-hailing services would reduce the value of our network and would harm our future results of operations.

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## RISK FACTORS

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The competitive nature of the ride-hailing market means that significant resources are required to maintain a robust and appealing platform. If we are unable to effectively manage costs related to attracting and retaining passengers and drivers, it could lead to increased spending on marketing, promotions, and driver incentives, thereby straining our financial resources. High costs could also necessitate raising prices for passengers or lowering payments for drivers, potentially making our services less attractive relative to competitors. Any such developments could lead to a decline in passenger engagement and satisfaction, resulting in decreased ride volume, diminished brand loyalty, and ultimately, adversely impacting our business, results of operations and financial condition.

In particular, to remain competitive in certain markets and generate network scale and liquidity for our ride-hailing services, we from time to time lower fares and offer significant driver and passenger incentives. We may engage in these practices with the purpose of obtaining a leading position in a market or protecting our market position against competitors. We may continue to offer these discounts and incentives on a large scale for an indefinite period if necessary. We cannot assure you that these practices would be effective in achieving the goals of attracting or maintaining the engagement of drivers and passengers, or that the positive impact of achieving those goals would outweigh the negative impact of these practices on our financial performance.

### **We are exposed to payment processing risks and risks associated with payment fraud.**

We rely on third-party payment processors, such as commercial banks and major third-party payment platforms, to process payments made by our customers and passengers and payments made to our suppliers. If any of our third-party payment processors terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would need to find an alternative payment processor, and we may not be able to secure similar terms or replace such payment processor within an acceptable timeframe. Furthermore, the software services provided by our third-party payment processors may fail to meet our expectations, contain errors or vulnerabilities, encounter disruption or compromise, or experience outages. Our third-party payment processors may also be penalized or suspended if they fail to comply with laws and regulations relating to personal information protection. Any of these risks could cause us to lose our ability to accept online payments or other payment transactions or make timely payments to our suppliers.

As our orders are processed through debit cards, credit cards and third-party payment channels, we may also suffer losses if the orders are placed with fraudulent credit cards or other fraudulent payment data. Although we employ technologies to detect fraudulent 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.

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## RISK FACTORS

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We may in the future offer new payment options to our customers and passengers that may be subject to additional regulations and risks. We are also subject to a number of other laws and regulations relating to the payments we accept from our customers and passengers, including with respect to money laundering, money transfers, privacy and information security. If we fail to comply with applicable rules and regulations, we may be subject to civil or criminal penalties, fines or higher transaction fees and may lose our ability to accept online payments or other payment card transactions, which could make our services less convenient and attractive to our customers and passengers. If any of these events were to occur, our business, results of operations and financial condition could be adversely affected.

**We may be considered as conducting payment services as a non-financial institution without a Payment Business License.**

We might be deemed to be a non-financial institution providing payment services without the relevant payment permit during the Track Record Period. Under our passenger transportation services business, we settle ticket prices with passengers or OTAs on behalf of passenger transportation stations and passenger transportation companies, we then settle with the passenger transportation stations and the passenger transportation companies according to our contractual terms with them. Please see “Business — Passenger Transportation Services — Internet Ticketing Services — Pricing and revenue model” and “Business — Passenger Transportation Services — Customized Transportation Services — Pricing and revenue model”.

Payment services in China are subject to the supervision of the People’s Bank of China (the “PBOC”). Please see “Regulatory Overview — Regulations Relating to the Payment Services and User Funds.” According to the Regulation on Supervision and Administration of Non-bank Payment Institutions (《非銀行支付機構監督管理條例》) which was promulgated by the State Council on December 9, 2023, effective on May 1, 2024, the establishment of a non-bank payment institution shall be subject to the approval of the PBOC, and a payment business license (the “Payment Business License”) shall be obtained. Non-bank payment institutions that are illegally established without the approval of the PBOC, or those engaging in payment business directly or in a disguised form, shall be banned by the PBOC.

As the relevant government authorities have discretion in determining what practice or process constitutes payment or settlement services without a Payment Business License, we cannot assure you that our past settlement practice would not give rise to the risk that we may be deemed as engaging in payment and settlement services without a license. During the Track Record Period and up to the Latest Practicable Date, insofar as we were aware, we had not received penalty in connection with any purported operations of payment and settlement services without a Payment Business License or otherwise in violation of the relevant rules and regulations.

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## RISK FACTORS

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In order to rectify the abovementioned issue, we have entered into cooperation agreements with licensed commercial banks to deposit and settle payments with contracting parties. As of the Latest Practicable Date, (i) we had not been subject to any penalty in connection with any purported operations of payment and settlement services without a Payment Business License; and (ii) we had rectified this issue by entering into cooperation agreement with licensed commercial banks; and (iii) relevant amount only involved transactions under our internet ticketing services business, the revenue of which accounting for less than 10.0% of our total revenue during the Track Record Period. As advised by our PRC Legal Advisor, considering the facts above, such deficiency does not constitute material legal impediments to our operations.

However, we cannot assure you that our cooperation with the commercial banks would suffice for all our present or future businesses. In addition, the settlement services provided by the licensed commercial banks are subject to various rules and regulations, which may be amended or reinterpreted to encompass additional requirements. In response to such changes, we may have to adjust our cooperation with the licensed commercial banks and may therefore incur higher transaction and compliance costs. Furthermore, if the PBOC or other governmental authorities deem the payment methods we historically offered not in compliance with applicable laws and regulations, we may be subject to regulatory actions, investigations, fines, and penalties. Any of the circumstances would have a material adverse effect on our business, results of operations and financial condition.

**We are subject to risks relating to third-party payment arrangements such as claims from third parties for return of funds and money laundering risks.**

During the Track Record Period, certain customers settled transactions with us through the accounts of third parties designated by them for the years ended December 31, 2021, 2022, and 2023 and the six months ended June 30, 2024, respectively. Please see "Business — Our Customers — Third-party Payment Arrangement" for more details. As of the Latest Practicable Date, we had ceased all Third-party Settlement Arrangement.

We are subject to various risks relating to such Third-party Settlement Arrangements during the Track Record Period, such as (i) possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors; and (ii) potential money laundering risks as we have limited knowledge about the source and purpose of the funds utilized by the third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us to demand return of the relevant payment or for violation or non-compliance of laws and regulations, we will have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and we may be forced to comply with the court ruling and return the payment for the products that we sold. Our financial condition and results of operations may as a result be materially and adversely affected.



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## RISK FACTORS

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### **Safety incidents associated with our or our competitors’ services may adversely affect our business, results of operations and financial condition.**

Safety incidents associated with our or our competitors’ services or otherwise may attract public attention, harm our reputation, invite government scrutiny or administrative penalty, and lead to demands for restrictions to be placed on our business. If our safety mechanism fails to ensure passenger safety, or if we fail to address the safety concerns related to our services, results of operations and financial conditions could be materially and adversely affected.

We rely heavily on our ability to maintain a high level of safety of our services, as well as the public perception of the level of safety on our ride-hailing services to attract and retain passengers and drivers. We have an extensive array of safety protocols to cover risks before, during and after each ride. Please see “Business — Ride-hailing Services — Compliance and safety measures”. However, our safety measures may fail, or the databases on which we rely to identify past problematic behavior may be incorrect or incomplete, or safety incidents may be caused by drivers or passengers with no history of problematic behavior. Furthermore, our car partners may fail to provide adequate safety training for drivers. Drivers may demonstrate weak safety awareness and engage in violation behaviors including speeding, fatigue driving or using mobile phones while driving. Deaths or injuries, whether resulting from accidents, crimes, or incidents beyond our control, may disproportionately affect public perception of ride-hailing services compared to their statistical likelihood relative to other means of transportation. Such safety incidents may lead to negative publicity and associate our services with increased risks.

In our passenger transportation services business, we do not serve as the actual carriers to passengers and bear no responsibility for safe transit. Transportation service providers may fail to implement adequate and effective safety measures during the provision of transportation services in accordance with the relevant regulations. In such cases, as the platform service provider, we may become associated with negative publicity.

Furthermore, public perception and regulatory scrutiny of the safety of ride-hailing services and passenger transportation services in general may be influenced by safety incidents that occur on other platforms unrelated to ours, which may divert our management’s time and attention from business operations and adversely impact our reputation.

In the event that we are not able to prevent or mitigate safety incidents, our business, results of operations and financial condition may be materially and adversely affected.

### **Our business would be adversely affected if drivers for our ride-hailing business were classified as employees, workers, or quasi-employees.**

Consistent with the practice of other companies in the ride-hailing services industry in China, during the Track Record Period, our ride-hailing drivers were not our employees, and our terms of use with drivers reflect such understanding. The status of drivers has not been challenged by government authorities. However, we cannot assure you that the independent

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## RISK FACTORS

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

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

**Our business could suffer if we do not successfully manage current growth and potential future growth, or if we are unable to execute our strategies effectively.**

We have experienced significant growth in the past few years. Leveraging the extensive passenger base and enterprise partners and governmental resources established through our internet ticketing services business, we expanded our offerings to customized transportation solutions and ride-hailing services in 2017 and 2018, respectively. We plan to further grow our business, by among other things, investing in promoting our brand awareness, expanding our product and services offerings and enhancing operation capabilities, strengthening research and development capabilities, and seeking acquisition, investment, and strategic alliances. Please see "Business — Our Strategies". Our future operating results will be highly dependent on our ability to manage our expansion and growth successfully.

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## RISK FACTORS

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Risks that we face in undertaking our business growth include, among others:

- managing a larger organization with a greater number of employees in different divisions;
- controlling expenses and investments in anticipation of expanded operations;
- establishing or expanding horizontally or vertically into upstream suppliers;
- implementing and enhancing administrative infrastructure, systems and processes; and
- executing our strategies and business successfully.

Any failure to manage our business growth and expansion effectively could materially and adversely affect our business, prospects, results of operations and financial condition.

**Our engagements with our customers under the digitalization and business solutions business may be non-recurring in nature and there is no guarantee that we will be able to secure new projects**

During the Track Record Period, we provided digitalization and business solutions to our customers on a project base and our engagements with our customers are non-recurring in nature. Therefore, our customers are under no obligation to continue to award contracts to us and there is no guarantee that we will be able to secure new contracts in the future. Accordingly, the number and scale of contracts and the amount of revenue that we are able to derive therefrom are affected by a series of factors including changes in our customers' businesses, changes in market conditions and changes in government policies.

Consequently, our revenue may vary significantly from period to period, and it may be difficult to forecast the volume of our future business. In 2021, 2022, 2023 and the six months ended June 30, 2024, the tender success rate for digitalization and business solutions business was 94.4%, 100.0%, 90.9% and 90.9%, respectively. Our tender success rate is affected by a range of factors including our pricing and tender strategy, competitors' tender and pricing strategy, level of competition and our customers' evaluation standards. There is no guarantee that we will be able to achieve a tender success rate similar to those during the Track Record Period in the future.

Depending on the market condition and competitive landscape, we may have to lower our pricing or adjust our tender strategy in order to maintain the competitiveness of our tenders. In the event that our Group fails to secure new projects from our customers of contract values, size and/or margins comparable to existing ones, our business and financial performance and results of operations will be materially and adversely affected.

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## RISK FACTORS

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

Up to the Latest Practicable Date, we acquired approximately 58.17% equity interest in Hengsheng Changyun, a passenger transportation company specializing in provision of internet ticketing services and customized transportation services in the Zhejiang province market. In addition, we acquired approximately 39.83% equity interest in Anhui Wanmei, a passenger transportation company specializing in provision of internet ticketing services, customized transportation services and digitalization and business solutions in the Anhui province market. Please see "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers" for more information. We may continue to acquire or make investments in other companies, products, or technologies to enhance our services and offerings. 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. Even if we complete acquisitions and investments as we expect, we may not ultimately strengthen our competitiveness or achieve our goals; and any acquisition and investment we complete could be viewed negatively by customers 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 attention 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.

**Our Substantial Shareholders and Controlling Shareholder Group may have potential conflict of interest with us and the Controlling Shareholder Group has substantial influence over our operations, which may adversely affect our business.**

Certain of our directors are nominated by the Substantial Shareholders. Conflict of interest between such directors' duties to our Company and the relevant Substantial Shareholders' interests in our Company may arise. We cannot assure you that when conflict of interest arises, such directors will act for the best interests of our Company. In addition, these persons could violate their non-competition obligations under service contracts with us or their legal duties by diverting business opportunities from us to others, resulting in our loss of corporate opportunities. Should any such event occur, our business, financial condition and results of operations may be negatively affected.

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## RISK FACTORS

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Furthermore, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Jiang will be interested in and will control, directly and indirectly, through Voting Rights Entrustment Entities, an aggregate of approximately [REDACTED] of the voting power of our Company. Therefore, Mr. Jiang and the Voting Rights Entrustment Entities will remain as the Controlling Shareholder Group of our Company upon completion of the [REDACTED]. See "Relationship with our Controlling Shareholder Group." The interests of our Controlling Shareholder Group may differ from the interests of our other shareholders. Our Controlling Shareholder Group will have significant influence on the outcome of any corporate transaction or other matters submitted to our shareholders for approval, including mergers, consolidations, sales of all or substantially all our assets, election of Directors, and other significant corporate actions. This concentration of ownership may discourage, delay, or prevent changes in control of our Company that would otherwise benefit our other shareholders. To the extent that the interests of our Controlling Shareholder Group conflict with those of our other shareholders, our other shareholders may be deprived of opportunities to advance or protect their interests.

**Negative publicity related to us or the industries we operate in could impair our reputation, which in turn could materially and adversely affect our business, results of operations, and price of our H Shares.**

The reputation of our brands is critical to our business and competitiveness. From time to time, negative publicity, whether justified or not, about us or the industries we operate in, could relate to various aspects of our business. This includes our services, platforms, customer experiences, employee relations and welfare, legal compliance, financial condition, or prospects. For example, for the ride-hailing services industry, according to Frost & Sullivan, negative publicity surrounding issues such as ride-hailing capacity saturation, inadequate vetting of driver qualifications by ride-hailing platforms, resale of orders and opaque driver's commission structure would pose challenges. Negative publicity could damage our reputation and negatively impact our business performance and operational results. Prospective passengers and customers may be reluctant to engage in transactions with us if there is any negative publicity in connection with the use of our services, the operation of our business and other aspects about us. In addition, the negative publicity of any of our brands may extend far beyond the brand involved, especially due to our comprehensive presences in the transportation industry in general, to affect some or all our other brands. Furthermore, negative publicity about other market players or isolated incidents, regardless of whether it is factually correct or whether we have engaged in any inappropriate activities, may result in negative perception of our industries as a whole and undermine the credibility we have established. Negative developments in the market may lead to tightened regulatory scrutiny and limit the scope of our permissible business activities. We could lose significant number of passengers and customers due to negative publicity with respect to us or the industries in general.

If any of the foregoing were to occur, our business, financial condition, results of operations, and price of our H Shares could be materially and adversely affected. We may incur additional costs to recover from the impact caused by the negative publicity, which may divert management's attention and other resources from our business and operations.

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## RISK FACTORS

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

Our business has shown seasonal patterns in the past, and we anticipate this trend will continue in the future. For example, we typically record higher revenue during holidays and festival seasons for our passenger transportation services when the public have higher demand for intercity travel. Seasonal fluctuations contribution to fluctuations in our results of operations and any such fluctuations could have a disproportionately material adverse effect on our liquidity and results of operations. Please see “Financial Information — Major Factors Affecting Our Results of Operations and Financial Condition — Seasonality.”

### **Changes in the carrying amounts of redemption rights issued to investors may affect our financial condition and results of operations.**

The redemption rights issued to investors were primarily a result of the private placements in 2021 and the years before 2021. Please see “History, Development and Corporate Structure — [REDACTED]”. The redemption rights of the investors were recorded as our redemption liability to repurchase our own equity instruments. Therefore, the redemption rights issued to investors are initially recognized as financial liabilities measured at the present value of the redemption amount and subsequently measured at amortized cost. Any changes in the carrying amounts of the financial liabilities resulting from the revision of estimated contractual cash flows were recognized in profit or loss as changes in the carrying amounts of redemption rights issued to investors. We recorded loss of RMB512.5 million, RMB442.0 million, RMB464.1 million and RMB267.6 million in 2021, 2022, 2023 and the six months ended June 30, 2024, respectively, from the changes in the carrying amounts of redemption rights issued to investors. The redemption rights and the associated financial liabilities will automatically expire upon the completion of the [REDACTED]. Please see Note 27 to Accountants’ Report in Appendix I to this document.

Any significant fluctuations in the changes in the carrying amounts of redemption rights issued to investors due to changes in the amortized cost may materially affect our financial condition and results of operations.

### **We sustained net losses, net current liabilities and negative operating cashflows during the Track Record Period.**

We incurred losses during the Track Record Period. For the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2023 and 2024, we had loss for the year/period of RMB586.6 million, RMB499.4 million, RMB482.3 million, RMB234.6 million and RMB284.5 million, respectively. Please see “Financial Information — Description of Principal Consolidated Statements of Profit or Loss Items” for more information.

We cannot assure you that we will be able to generate profits in the future. Our ability to achieve future profitability depends largely on our ability to manage our costs and expenses. We intend to control our costs and expenses but cannot assure you that we will achieve this goal. We may experience net losses in the future as we further substantiate our long-term

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## RISK FACTORS

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strategies, which may negatively influence our short-term financial performance. In addition, our ability to achieve and sustain future profitability is affected by various factors, some of which are beyond our control, such as regulatory developments or competitive dynamics in the industries we operate in. In addition, we expect our costs and other operating expenses to increase as we expand our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flow on a consistent basis.

We recorded net current liabilities of RMB1,054.4 million, RMB1,533.1 million, RMB2,013.1 million and RMB2,308.8 million as of December 31, 2021, 2022 and 2023 and June 30, 2024, respectively, primarily attributable to redemption rights issued to investors. Please see “Financial Information — Net Current Liabilities” for more information. The redemption rights and the associated redemption liabilities will automatically expire upon the completion of the [REDACTED]. We had negative operating cash flows of RMB12.6 million and RMB112.9 million for the years ended December 31, 2021 and 2022, respectively.

We may experience net current liabilities and negative operating cash flows in the future, which may expose us to the risk of shortfalls in liquidity. This in turn would require us to seek additional financing from the [REDACTED] and issuing our H Shares, or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. Any difficulty or failure to meet our liquidity needs as and when needed may have a material adverse effect on our business, financial condition, results of operation, and prospects.

**We have granted and may continue to grant shares or options and other types of awards under employee incentive platforms, which may result in increased share-based payments expenses and our accounting treatment for share-based payments could continue to significantly reduce our profit.**

We believe that the granting of share-based payments is significant to enhance our ability to attract and retain key personnel. We have in the past awarded key members of the senior management and employees through the establishment of employee incentive platforms. As of the Latest Practicable Date, there were no outstanding awards to be granted to under such employee incentive platforms. Please see — “History, Development and Corporate Structure — Employee Incentive Platforms.” for details. We are required to recognize share-based payment expenses based on the fair value of such granted awards, taking into consideration the impact of market performance conditions and non-vesting conditions. We recognized equity-settled share-based payments in staff costs of RMB18.5 million, RMB6.9 million, RMB0.5 million, RMB0.2 million and RMB0.2 million for the years ended December 31, 2021, 2022 and 2023, and the six months ended June 30, 2023 and 2024, respectively. Any additional grant of share-based awards by us will further increase our share-based payments, which may adversely affect our results of operations and financial condition, and potentially dilute existing shareholders’ ownership.

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## RISK FACTORS

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### **We are exposed to risks related to customer defaults, payment deferrals or withheld payments.**

Our business operations are subject to the risk of payment deferrals and/or defaults by our customers. As of December 31, 2021, 2022 and 2023, and June 30, 2024, our trade and bills receivables balance was RMB27.6 million, RMB52.1 million, RMB67.0 million and RMB64.0 million. Our trade and bills receivables turnover days in the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2024 were 23.0 days, 17.8 days, 18.0 days and 16.2 days, respectively. Due to the nature of our different business segments, the trade and bills receivables turnover days of each segment varied significantly. The trade and bills receivables of our digitalization and business solutions business accounted for 83.2%, 67.2%, 82.7% and 85.8% of our total trade and bills receivables as of December 31, 2021, 2022 and 2023 and June 30, 2024, respectively. The trade and bills receivables turnover days of our digitalization and business solutions business were 299.8 days, 165.1 days, 152.7 days and 210.6 days, respectively, in the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2024. Please see “Financial Information — Description of Selected Statement of Financial Position Items — Trade and Bills Receivables” for details.

We are exposed to the risk that our customers may delay or withhold their payment for any reason, which may put our cash flow and working capital under pressure. We cannot assure you that we will be able to fully recover the outstanding amounts due from our customers in a timely manner pursuant to the agreed-upon payment schedules. If we fail to collect such outstanding amounts from customers in full amounts or in a timely manner, or at all, our liquidity position could be worsened, and our business, results of operations and financial condition could be materially and adversely affected.

In addition, we face risks associated with the inability to recollect advances made to passenger transportation stations. Please see “Business — Passenger Transportation Services — Internet Ticketing Services — Pricing and Revenue Model”. Our ability to recollect such advances is subject to certain factors beyond our control, including the financial stability and creditworthiness of the passenger transportation stations and the prevailing economic conditions. The failure to recollect advanced payments could adversely affect our results of operations and financial condition.

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

During the Track Record Period, our Company and certain of our subsidiaries were qualified as High and New Technology Enterprises (“**HNTE**”) (高新技術企業) and entitled to a preferential income tax rate of 15.0% during the Track Record Period. In addition, we received government grants including rewards based on the contribution of our ride-hailing services to the local economy.



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## RISK FACTORS

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However, these government grants may not be recurring or sustainable, which could adversely affect our business, results of operations and financial condition. Moreover, evolving tax regulations and the introduction of new policies may require the retroactive collection of historical taxes. In addition, we may not be able to successfully or timely obtain the government grants or preferential tax treatments that may be available to us in the future, which could affect our business, results of operations and financial condition.

**Any unsatisfactory performance of our systems, mobile platform, websites third-party platforms and systems, particularly those leading to disruptions in services, could materially and adversely affect our business and reputation, and our business may be harmed if our infrastructure or technology is damaged or otherwise fails or becomes obsolete.**

The satisfactory performance, reliability, and availability of our systems, mobile platform and websites and third-party platforms and systems, are critical to the success of our business. Any system interruptions that result in the unavailability or slowdown of mobile platform, websites, or other systems and the disruption in our services could reduce the volume of our business and make us less attractive to our customers, passengers and drivers. The technology platforms and computer and communication systems used in our business and operations could be vulnerable to damage or interruption from human error, computer viruses, fire, flood, power loss, telecommunications failure, physical or electronic break-ins, hacking or other attempts at system sabotage, vandalism, natural disasters, and other similar events. We cannot assure you that unexpected interruptions to our systems will not occur in the future. In addition, any such future occurrences could reduce passenger satisfaction levels, damage our reputation, and materially and adversely affect our business.

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

Our business depends on the performance and reliability of internet, mobile, software and hardware and other infrastructures that are not under our control. Disruptions in internet infrastructure or the failure of telecommunications network operators, cloud service providers and other third-party providers of network services that provide us with the bandwidth we need to provide our service offerings could interfere with the performance and accessibility to our platforms. If our platforms are unavailable when our customers, passengers and drivers attempt to access them, or if our platforms do not load as quickly as expect, they may not return to our platforms as often in the future, or at all. In addition, we have no control over the costs of the services provided by national telecommunications operators. If mobile internet access fees or other charges to internet passengers increase, passenger traffic may decrease, which may in turn cause our revenues to significantly decrease.

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We rely on a limited number of telecommunication service providers to provide us with data communications capacity through local telecommunications lines and internet data centers to host our servers. There is no assurance that we can find alternative networks or services in the event of disruptions, failures or other problems with internet infrastructure, or the fixed telecommunications networks provided by telecommunication service providers. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our platform. We cannot assure you that the internet infrastructure and the fixed telecommunications networks provided by telecommunication service providers will be able to support the demands associated with the continued growth in internet usage.

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

In addition, we depend in part on mobile operating systems, such as Android and iOS, and their respective mobile app marketplaces, as well as certain third-party platforms, to make our mobile apps and mini-programs available to our customers, passengers, and drivers on our platforms. Any changes to give preferential treatment to our competitors' apps could adversely affect the utility of our platforms on mobile devices. If such mobile operating systems or mobile app marketplaces limit or prohibit us from making our apps available to our customers, passengers and drivers, make changes that degrade the functionality of our apps, increase the cost of using our apps, impose terms of use unsatisfactory to us or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors' placement in such mobile operating systems' mobile app marketplace is more prominent than ours, the overall growth in our passenger, driver or transportation service provider base could slow. Any of the foregoing risks could adversely affect our business, results of operations and financial condition.

As new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support our platform or effectively roll out updates to our apps. Additionally, to deliver high-quality apps, we need to ensure that our apps are designed to work effectively with a range of mobile technologies, systems, networks and standards. We may not be successful in developing or maintaining relationships with key participants in the mobile industry. If our customers, passengers or drivers on our platform encounter any difficulty accessing or using our apps on their mobile devices or if we are unable to adapt to changes in popular mobile operating systems, our business, results of operations and financial condition could be adversely affected.

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## RISK FACTORS

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

We rely heavily on information technology systems across our operations. Our information technology systems, including our systems, platforms, payment systems and administrative functions, and the information technology systems of our third-party business partners and service providers contain proprietary or confidential information related to business and sensitive personal data, including personally identifiable information, entrusted to us by drivers, passengers, transportation service providers and employees. Please see "Business — Data Privacy and Security". Computer malware, viruses, spamming, and phishing attacks have become more prevalent in our industry, and may occur to us in the future. If we cannot resolve these issues in an effective manner, they could adversely impact our business and results of operations. Because of our prominence, the number of passengers we serve and the types and volume of personal data we hold on our platforms, we may become a particularly attractive target for such attacks. Although we have developed systems and processes that are designed to protect our data and that of passengers on our platforms, and to prevent data loss, undesirable activities on our platforms, and security breaches, we cannot assure you that such measures will provide absolute security. Our efforts on this front may be unsuccessful because of, for example, software bugs or other technical malfunctions, employee, contractor, or vendor error or malfeasance, or the appearance of new threats that we did not anticipate or guard against, and we may incur significant costs in protecting against or remediating cyber-attacks. Any actual or perceived failure to maintain the performance, reliability, security, and availability of our offerings, and technical infrastructure to the satisfaction of passengers and government regulators would likely harm our reputation and result in loss of revenues from the adverse impact to our reputation and brand, disruption to our business, and our decreased ability to attract and retain customers and passengers.

**If we are unable to develop or manage new or upgraded services or technologies that are well-received by the market, our business, results of operations, financial condition and prospects may be adversely affected.**

To continue to attract and retain passengers and customers, we have invested and will need to continue to invest in the R&D of advanced technologies such as big data analytics, AI solutions and cloud technology.

The success of our services, products and technologies depends on several factors, including the timely completion, introduction, government regulation and market acceptance of such services and technologies. Moreover, any advanced technologies may not work as intended or may not provide the intended value to passengers and customers.

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It is also possible that service offerings developed by others will render our service offerings not competitive. Furthermore, our R&D efforts with respect to advanced technologies could distract management from current operations and will divert capital and other resources from our more established service offerings and technologies. If we do not realize the expected benefits of our investments, our business, results of operations, financial condition and prospects may be harmed.

If we are unable to continue to develop or manage advanced technologies, or if passengers or customers do not value them or perceive their benefit, they may subsequently choose not to use our services and offerings, which may adversely affect our business, results of operations, financial condition, and prospects.

**Our business depends substantially on the continuing efforts of our management, other key personnel and a competent workforce to support our existing operations and future growth. If we fail to attract, motivate, and retain talents, our operations and growth prospects may be severely disrupted.**

Our success, in part, depends on the continuing services of our management and other key personnel. We rely on the expertise, experience, and vision of our senior management team. We also rely on the technical know-how and skills of other key personnel. If any of our senior management or key personnel becomes unable or unwilling to continue to contribute their services to us, we may not be able to replace them easily or at all. As a result, our business may be severely disrupted, our results of operations and financial condition may be materially and adversely affected, and we may incur additional expenses to recruit, train and retain key personnel.

Our existing operations and future growth require a competent workforce. However, the industries we operate are characterized by high demand and intense competition for talent. To attract and retain talent, we may need to offer higher compensation, better training and more attractive career tracks and other benefits to our employees, which may be costly and burdensome. We cannot assure you that we will be able to attract or retain qualified personnel necessary to support our future growth. We may fail to manage our relationship with our employees, and any disputes between us and our employees, or any labor-related regulatory or legal proceedings may divert managerial and financial resources, adversely impact staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. In addition, as our business has grown rapidly, our ability to train and integrate new employees into our operations may not meet the increasing demands of our business. Any of the above issues related to our workforce may materially and adversely affect our business, results of operations, financial condition, and prospects.

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## RISK FACTORS

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### **Illegal, improper, or otherwise inappropriate activities by our employees, passengers, customers, drivers and other third parties could harm our business and reputation.**

The industries which we operate in require integrity and the confidence of our passengers and our customers. Illegal, improper or otherwise inappropriate activities by our employees, passengers, customers, drivers and other third parties, including the activities of individuals who may have previously engaged with us, or individuals who intentionally impersonate passengers of our platforms, may adversely affect our customers' and passengers' confidence, brand, business, results of operations and financial condition. Such inappropriate activities may include assault, abuse, theft, other misconducts, and errors.

While we have implemented various measures intended to anticipate, identify, and address the risk of these types of activities, it is not always possible to identify, address and prevent all illegal, improper or otherwise inappropriate activities by these parties. The precautions we take to detect and prevent these activities may not be effective in controlling unknown or unmanaged risks or losses. At the same time, if the measures we have taken to guard against these illegal, improper, or otherwise inappropriate activities are too restrictive, they may inadvertently prevent or discourage drivers or passengers from remaining engaged on our platforms.

If any of our employees, passengers, customers, drivers and other third parties engage in illegal or suspicious activities or other misconduct, we could suffer economic losses and may be subject to regulatory sanctions and significant legal liability, and our financial condition or ability to attract new passengers, customers and drivers may be adversely affected as a result. If any sanction was imposed against an employee during his or her employment with us or a driver during his or her service provision, even for matters unrelated to us, we may be subject to negative publicity which could adversely affect our brand, public image, and reputation, as well as investigations or claims against us. We could also be perceived to have facilitated or participated in the illegal activities or misconduct, and therefore be subject to civil or criminal liability.

### **If there is any deterioration in the quality of the services sourced from our business partners or other third parties, the passengers may claim compensation for damages from us and no continue to use our online platforms.**

Our ability to ensure satisfactory passenger experience substantially depends on our business partners, including passenger transportation companies, ride-hailing drivers and other suppliers, to provide high-quality services and offerings. Our reputation and brand will be negatively affected if our business partners fail to provide quality services.

We have taken several actions to ensure the quality of services provided by our business partners, including (i) specifying the responsibilities of business partners in the agreements with us and (ii) providing our business partners with regular trainings on service quality. These actions may not be sufficient in discovering quality issues in an efficiently manner. If our passengers are dissatisfied with the travel services provided, they may reduce their use of, or

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## RISK FACTORS

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completely forgo, our online platforms, and may even demand refunds of their payments to us or claim compensation from us for the damages they suffered from our transportation service providers' performance or misconduct, which could harm our reputation and materially and adversely affect our business, financial condition and results of operations.

Moreover, our success depends in part on our relationships with other third-party service providers. We select third-party service providers based on a range of criteria, including their demonstrated competence, market reputation and our prior relationship with them. We rely on third-party cloud service providers for storage of our passenger data. If any of our third-party service providers terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would need to find an alternative provider, and may not be able to secure similar terms or replace such provider in an acceptable timeframe. We also rely on other software and services supplied by third parties, such as communications and internal software, and our business may be adversely affected to the extent such software and services do not meet our expectations, contain errors or vulnerabilities, encounter disruption or compromise experience outages. Any of these risks could increase our costs and adversely affect our business, results of operations and financial condition. Further, any negative publicity related to any of third-party partners and third-party service providers could adversely affect our reputation and brand and could potentially lead to increased regulatory or litigation exposure. In addition, our third-party service providers may be subject to regulatory actions from time to time. Any of the foregoing could adversely affect their relationships with us and undermine their abilities to deliver satisfactory services to us, which, in turn, could adversely affect our business, results of operations and financial condition.

**We depend on the interoperability of our platform across third-party applications and platforms that we do not control.**

We have integrations with major third-party payment platforms and a variety of other payment, travel, data management and security vendors. As our services expand and evolve, we may have an increasing number of integrations with other third-party applications, products, and services. Third-party applications, products and services are constantly evolving, and we may not be able to maintain or modify our platform to ensure its compatibility with third-party offerings following development changes. In addition, some of our competitors or technology partners may take actions which disrupt the interoperability of our platform with their own products or services, or exert strong business influence on our ability to, and the terms on which we, operate and distribute our platform. As our services continue to evolve, we expect the types and levels of competition to increase. Should any of our competitors or technology partners modify their products, standards, or terms of use in a manner that degrades the functionality or performance of our platforms or is otherwise unsatisfactory to us or gives preferential treatment to competitive products or services, our business, results of operations and financial condition could be materially and adversely affected.

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## RISK FACTORS

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**Our business involves collection, storage, processing, and transmission of a large amount of data and may be subject to complex and evolving regulations and oversight related to cybersecurity, information security, privacy, and data security. If we fail to comply with the relevant laws and regulations, our business, results of operations and financial condition may be adversely affected.**

Our business involves the collection, storage, processing, and transmission of our data related to our drivers and passengers, including but not limited to identification information, transaction information and other sensitive personal information. We are subject to a variety of laws and regulations regarding cybersecurity, information security, privacy, and data security, including restrictions on the collection, storage and use of personal information and requirements to take steps to prevent personal information from being divulged, stolen, or tampered with.

The regulatory framework for cybersecurity, information security, privacy and data security in China is constantly evolving. Please see “Regulation Overview — Regulations Relating to Information Security and Censorship”, “Regulation Overview — Regulations on Privacy Protection” and “Business — Data Privacy and Security.”

For example, pursuant to the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**CAC Measures**”) published on December 28, 2021 and came into effect on February 15, 2022, the competent authorities may initiate the cybersecurity review against us if the authorities believe that our data processing activities affect or may affect national security. Besides, considering that a critical information infrastructure operator (“**CIIO**”) is subject to the heightened obligation of cybersecurity protection, if we are identified as a CIIO in the future, it is likely to incur more network and data security costs to comply with the relevant regulatory requirements.

On September 24, 2024, the State Council promulgated the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (the “**Cyber Data Security Regulations**”), which shall become effective from January 1, 2025, requiring data processors to comply with certain requirements during their daily operation and further stipulates that data processors must apply for cybersecurity reviews if conducting data processing activities that affects or may affect national security. However, the Cyber Data Security Regulations does not specify what constitutes “affects or may affect national security.” Given that the interpretation of activities that “affect or may affect national security” under the current PRC laws and regulations requires further clarification from the competent authorities, and the scope of data processing activities that affect or may affect national security are subject to further clarification and interpretation by the competent authorities, we cannot guarantee whether we will be subject to the cybersecurity review or if new rules or regulations promulgated in the future will impose additional compliance requirements on us.

The Measures for Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》) (the “**Security Assessment Measures**”) were announced by the CAC on July 7, 2022 and went into effect on September 1, 2022. On March 22, 2024, the CAC issued the *Provisions on Promoting and Regulating Cross-border Flow of Data*, or the New Cross-border Data Flow Provisions, which took effect on the same day. The New Cross-border Data Flow Provisions state that if there is any conflict with the *Security Assessment Measures*, the New

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## RISK FACTORS

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Cross-border Data Flow Provisions shall prevail. The New Cross-border Data Flow Provisions set out scenarios under which certain obligations for the cross-border data transfer are waived, which include, among others, passing the security assessment of cross-border data transfer, concluding a standard contract for the cross-border transfer of personal information or passing the personal information protection certification. Our daily business operations have not involved any transfer of important data or personal information to any overseas recipients during the Track Record Period and up to the Latest Practicable Date. If we engage in cross-border transfer of important data and personal information in future business activities and any of the abovementioned criteria is met, we should fulfill the corresponding obligations of security assessment or other obligations as required under the Security Assessment Measures, the New Cross-border Data Flow Provisions and other applicable laws and regulations pertaining to the cross-border transfer of data and personal information.

In recent years, laws, regulations, and regulatory rules on personal information protection, cybersecurity and data security in China continue to develop and improve, with stricter compliance requirements and more refined regulatory rules for mobile Internet apps and the data processing activities. As we primarily rely on apps to provide services, the level of personal information protection and related compliance regulation measures for the apps could pose a significant impact. We will continually pay close attention to changes in regulatory compliance requirements within these domains, closely track the possible impact of the formulation, revision, and introduction of legislation in these areas on its existing business operation, and earnestly and continuously conduct compliance work by updating security technology measures and improving management in a timely manner. This will be a long-term investment which is difficult to estimate through the existing conditions. If we fail to, through technical and administrative measures, timely address or respond to the compliance issues identified by the regulator during normalized law enforcement with respect to apps, or the rectification measures fail to meet the regulatory requirements due to the limited effectiveness, we may face public criticism for infringement of personal information rights and interests. In serious circumstances, we may also be subject to administrative penalties such as forced removal of apps from app stores, service suspension or fines.

Despite our efforts to protect personal information and other confidential information, our security systems and measures may not detect and prevent all unintended leakages caused by employees' error, misconduct, mistakes, or other malfeasance, or any unauthorized third parties, or fully comply with regulatory requirements. Our information technology and infrastructure may be vulnerable to cyberattacks or security breaches, and third parties may circumvent our security measures, misappropriate proprietary information, and cause interruptions in our information technology systems. Unauthorized third parties may also attempt to fraudulently induce our employees, partners, drivers, passengers or others into disclosing usernames, passwords, payment card information or other sensitive information, or use increasingly sophisticated methods to engage in illegal activities involving personal information. In addition, drivers and passengers on our platforms could have vulnerabilities on their own mobile devices that are entirely unrelated to our systems and platforms but could mistakenly attribute their own vulnerabilities to us or adversely affect our systems and platforms.



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## RISK FACTORS

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Furthermore, credential stuffing attacks are becoming increasingly common and sophisticated actors can mask their attacks, making them increasingly difficult to identify and prevent. Any actual or perceived security breach that leads to leakage of our confidential information, even though anonymized, could still interrupt our operations, temporarily or permanently disable our platforms, result in fraudulent transfer of funds, damage our relationships with passengers and other business partners, and subject us to legal liabilities, regulatory sanctions, financial exposure and reputational damage, any of which may materially and adversely affect our business, results of operations and financial condition. Any breach of privacy or security impacting any entities with which we share or disclose data could have similar effects. Moreover, any cyber-attacks or security and privacy breaches directed at our competitors could reduce confidence in the service industry where we operate in general and, as a result, reduce confidence in our platform.

Additionally, defending against claims or litigation based on any security breach or incident, regardless of their merit, could be costly and divert management's attention. We cannot assure you that our insurance coverage will be adequate for data handling or data security liabilities incurred, that insurance will continue to be available to us on commercially reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our reputation, brand, business, results of operations and financial condition.

We are required to adequately address privacy concerns, and to comply with applicable privacy or data protection laws, regulations, and privacy standards. If we are challenged by competent regulators, we may be subject to additional costs, liabilities, reputational damage, suspended use of our platforms and harm to our business. With the promulgation of new laws, regulations and standards concerning data security and personal information protection in the future, we may incur more expenditure on the upgrading and improvement of our data security mechanisms from both technological and management aspects to comply with increasingly stricter requirements. We are required to comply with these laws, regulations, and standards, otherwise we may be subject to fines or other penalties, which could materially and adversely affect our business, results of operations and financial condition.

**We may not be able to prevent others from using our intellectual property, which may harm our business and expose us to litigation.**

We regard our patents, copyrights, domain names, and other intellectual properties as critical to our success. We rely on a combination of patent, copyright, trademark laws, restrictions on disclosure and other agreements that restrict the use of our intellectual properties, as well as regular trainings for our employees to protect these rights. Please see "Business — Intellectual Property."

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## RISK FACTORS

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Our business partners may not always comply with our contract terms prohibiting the unauthorized use of our brands, images, characters, and other intellectual property rights. The agreements may not effectively prevent unauthorized use of our intellectual properties. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties.

Our competitors and other third parties may register trademarks or apply for patents or copyrights that are similar to ours and may divert potential passengers and customers from us to them. Preventing such unfair competition activities is inherently difficult. If we are unable to prevent such activities, competitors and other third parties may drive potential passengers and travellers away from our platforms, which could harm our reputation and materially and adversely affect our results of operations.

Policing unauthorized use of our proprietary technology, trademarks and other intellectual property in the geographic markets we operate is difficult and expensive, and litigation may be necessary to enforce our intellectual property rights. Future litigation could result in substantial costs and diversion of our resources and could disrupt our business, as well as materially and adversely affect our business, results of operations and financial condition.

**We may be subject to intellectual property infringement claims or other allegations by third parties, which may materially and adversely affect our business, results of operations and financial conditions.**

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights, patents, know-how, trade secrets or other intellectual property rights held by third parties without our awareness. We have not been subject to material proceedings and claims pending or threatened against us relating to the intellectual property rights of others, yet we may from time to time be subject to such proceedings and claims in the future. Furthermore, the application and interpretation laws relating to patents and other intellectual property rights, and the procedures and standards for granting such patents or other intellectual property rights in the geographic markets we operate, are still evolving, and we cannot assure you that the courts or regulatory authorities will agree with our analysis.

We may incur additional costs in monitoring and detecting potential infringement. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against any infringement or licensing allegations and claims can be costly and time consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, reputation, results of operations and financial condition may be materially and adversely affected.

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## RISK FACTORS

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

We have been, and may in the future become, involved in private actions, collective actions, investigations, and various other legal proceedings by drivers, passengers, employees, business partners, service providers, other shareholders, competitors, or government authorities, among others. Please see "Business — Legal Proceedings and Compliance" for more details. The results of any such litigation, investigations, and legal proceedings are inherently unpredictable, and defending against them is expensive. Any claims involving us, whether meritorious or not, could be time consuming, costly, and harmful to our reputation, and could require significant amount of management time and corporate resources. If any of these legal proceedings were to be determined adversely to us, or we were to enter a settlement arrangement, we could suffer monetary damages or be forced to change the way in which we operate our business, which could adversely affect our business, financial condition, and results of operations. Furthermore, our insurance policies and programs may not provide sufficient coverage to adequately mitigate the potential liability we face, and we may have to pay high premiums or deductibles for our coverage, and, for certain situations, we may not be able to secure coverage at all. Please see "— Our insurance coverage may not sufficiently cover the risks related to our business."

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

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

Our risk management and internal control systems 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.

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## RISK FACTORS

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### **We may need additional capital and we may not be able to obtain it on favorable terms.**

We may, from time to time, need additional capital to support our operations, expansions, conduct research and development and expand our service network. We expect that our level of capital expenditure will be significantly affected by the demand of our passenger transportation services or ride-hailing services and of our digitalization and business solutions.

Our ability to obtain necessary financing to carry out our business plan is subject to a number of factors, including, but not limited to, general market conditions and investor acceptance of our business plan. These factors may take the timing, amount, terms and conditions of such financing unattractive or unavailable to us. In particular, recent disruptions in the financial markets and volatile economic conditions could affect our ability to raise capital. If we are unable to raise sufficient funds, we will have to significantly reduce our spending or delay or suspend our planned activities. In addition, our future capital needs and other business reasons could require us to sell additional equity or debt securities or obtain a credit facility. The sale of additional equity or equity-linked securities could dilute our shareholders' shareholding. The issuance of debt securities and incurrence of additional indebtedness would result in increased debt service obligations. Also, if any of our existing or future financing arrangements requires us to maintain specified financial ratios, satisfy financial covenants and contain cross-default clauses, we may need to seek permission from our lenders to engage in some corporate actions as a result of such restrictions. In that case, our lenders' interests may be different from ours, and we may not be able to obtain their permission when needed. This may prevent us from taking actions that we believe are in our best interests. Any failure by us to meet the payment and other obligations, including the financial covenants and security coverage requirement, may lead to defaults under our secured loan agreements. Our lenders could then accelerate our indebtedness, which may adversely impact our business, results of operations, financial condition, and our ability to pay dividends to our shareholders.

### **Our insurance coverage may not sufficiently cover the risks related to our business.**

In line with general market practice, we maintain certain insurances covering unexpected risks associated with our business and operations, including travelling responsibilities insurance, employee insurance, work safety liability insurance, property damage insurance and vehicle damage insurance. We also purchase insurance in relation to our ride-hailing services, including carrier liability insurance and production safety liability insurance. If our insurance coverage is not adequate to cover losses that occur, we could be liable for significant additional costs. Furthermore, any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations.

We do not maintain key man life insurance or business interruption insurance as these insurances are not mandatory under the applicable laws.

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## RISK FACTORS

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The insurance industry in the geographic markets we operate is still at an early stage of development, and insurance companies currently offer limited business-related insurance products. As such, we may not be able to ensure certain risks related to our assets or business even if we desire to. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our network infrastructure or business operations, or any material litigation, our results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from any loss, and we cannot assure you 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, results of operations and financial condition could be materially and adversely affected.

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

Political tensions between the United States and China have escalated due to, among other things, trade disputes, tensions over Taiwan, and various restrictions related to the Chinese semiconductor industry imposed by the U.S. government. Against this backdrop, China has implemented, and may further implement, measures in response to the changing trade policies, treaties, tariffs, and sanctions and restrictions against Chinese companies initiated by the U.S. government.

In addition, the United States has threatened to impose further export controls, sanctions, trade embargoes, and other heightened regulatory requirements on China and Chinese companies for alleged activities both inside and outside of China. These have raised concerns that there may be increasingly regulatory challenges or enhanced restrictions against China or Chinese technology companies, in a wide range of areas such as applications that could be deployed for surveillance or military purposes. Such export controls, sanctions, trade embargoes, and other heightened regulatory requirements could be unilaterally imposed by the U.S. or other jurisdictions from time to time. These measures are expected to have significant impact on the targeted countries, markets and/or entities. Chinese companies may be affected by such sanctions or export control measures. We may also be exposed to risks in dealing with business partners subject to sanctions or export controls. As a result, we could incur additional costs to comply with these regulations and measures and could face penalties for any violation, even if inadvertent, which may in turn adversely and materially affect our operations and financial conditions.

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## RISK FACTORS

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**Changes in global economic, political, or social conditions or government policies could have a material and adverse effect on our business, financial condition and results of operations.**

Our business, financial condition and results of operations could be influenced by political, economic, and social conditions in where we operate.

The global macroeconomic environment is facing numerous challenges. There is considerable uncertainty over the economic conditions and long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's major economies, including problems that may arise from the unwinding of those policies. There have been concerns over unrest, military actions and terrorist threats in the Middle East, Europe, and Africa, which have resulted in market volatility. There have been concerns on the relationship between China and other countries, including the surrounding Asian countries, which may potentially have economic effects. Rising political tensions could reduce levels of trades, investments, technological exchanges, and other economic activities amongst the major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

Furthermore, the speed of global or regional economic growth may vary from year to year, and such growth may be uneven, both geographically and among various industry sectors within any one of the relevant economies. Any economic downturn, whether actual or perceived, in global or regional economy, could further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could affect our business, financial condition, and results of operations. Changes in the economic or political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations and affect our results of operations.

In addition, governmental regulations, and policies in relation to resource allocation, monetary policies, regulations of financial services and institutions, foreign exchange and other aspects of the economy, as well as measures or policies in regulating particular industries or companies may also affect our business and results of operations. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources, including the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises. However, we cannot guarantee the extent to which our business operations will be able to benefit from such measures.

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## RISK FACTORS

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**The PRC regulatory environment and legal system are evolving, and may require us to adopt changes to our operations from time to time, failure to respond to changes could materially and adversely affect our business.**

We are incorporated under the laws of the PRC. The PRC legal system is a civil law system based on written statutes. Different from common law systems, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

We are subject to certain uncertainties embedded in the legal systems of the geographic markets where we operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

The laws and regulations applicable to us are constantly evolving. As a result, we may not be aware of our violation of relevant policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in our geographical markets could materially and adversely affect our business and impede our ability to continue our operations.

**Certain issues relating to our leased properties may disrupt our continued use of the properties or expose us to potential fines.**

Our corporate headquarters are located in Beijing, China. As of the Latest Practicable Date, we did not own any properties and leased 33 properties in various cities in China with an aggregate gross floor area of 6,537.4 square meters, all of which were used as office space for our business operations, staff dormitories or warehouse. Please see "Business — Properties."

At the end of each lease term, we must negotiate an extension of the lease. If we are not able to negotiate an extension on terms acceptable to us, we will be forced to move to a different location, or the rent may increase significantly. This could disrupt our operations and adversely affect our financial condition, and may result in our inability to turn from net loss to net profit. In addition, we cannot assure you that the leases will not be terminated before

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their expiration date for reasons beyond our control, such as breaches of leases by the landlord or the tenant of the premises or invalidation of leases due to the landlords' lack of title to lease the properties. If any of these leases is terminated as a result of challenges by third parties, we may not be able to continue using such properties. In such event, we need to relocate to other premises and may incur additional costs due to relocation.

In addition, as of the Latest Practicable Date, nine of our leased properties with an aggregate gross floor area of 1,417.3 m<sup>2</sup> had title defects as certain lessors failed to provide property ownership certificates or other relevant certificates regarding their legal right to lease such properties. See "Business — Properties." We may face challenges from the property owners or other third parties regarding our right to occupy the premises.

Furthermore, if the landlords fail to perform their obligations under the leases between the landlords and us due to any reason, including but not limited to their own non-compliance with relevant laws and regulations, government-authorized demolition, or any other unforeseeable events, we may be unable to continue using such properties. As of the Latest Practicable Date, we were not aware of any challenges being made by a third party or government authority on the titles of any of these leased properties that may affect our current occupation. Although we do not expect to become subject to any fines or penalties if any of these leases are terminated because of challenges by third parties or government authorities for any of these issues, we may be forced to relocate our operations from the affected offices and incur additional expenses accordingly. If we fail to find suitable replacement sites in a timely manner or on terms commercially acceptable to us, our business operations may be adversely affected.

Moreover, pursuant to the applicable PRC laws and regulations, the parties to a lease are required to register and file such lease with the relevant local branches of the PRC Ministry of Housing and Urban Development. As of the Latest Practicable Date, 22 lease agreements of our leased properties with an aggregate gross floor area of 3,823.7 m<sup>2</sup> had not been registered and filed with relevant land and real estate management departments in China. While the lack of registration will not affect the validity of the leases under PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant leases within a prescribed period, otherwise we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each incident of non-compliance of lease registration requirements.

### **Gains on the sale of H Shares and dividends on the H Shares may be subject to PRC income taxes.**

Under current PRC tax laws, regulations and rules, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.



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Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate under Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) for the interests, dividends, and bonus they obtain from the PRC. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. Generally, in accordance with the Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 Issued by the SAT (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends to overseas resident individuals in the jurisdiction of the tax treaty, withhold individual income tax at the rate of 10%. When a tax rate of 10% is not applicable, the withholding company shall: (a) return the excessive tax amount pursuant to due procedures if the applicable tax rate is lower than 10%; (b) withhold such foreign individual income tax at the effective tax rate agreed on if the applicable tax rate is between 10% and 20%; or (c) withhold such foreign individual income tax at a rate of 20% if no taxation treaty is applicable.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those have establishments or premises in China but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by SAT, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares shall be 10%, subject to a further reduction under special arrangements or applicable treaties between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise.

In addition, the PRC's tax laws and regulations may develop and the interpretation and application of applicable PRC tax laws and regulations may be amended from time to time. For example, there is no assurance whether non-PRC resident individual holders will be subject to an individual income tax on their gains from the sale of H Shares due to any changes in PRC tax laws and regulations or relevant interpretation or implementation of such laws and regulations. In addition, the interpretation and application of applicable PRC tax laws and regulations may vary, and may constantly evolve and subject to significant change, including individual income tax on dividends paid to non-PRC resident shareholders, and on gains realized on sale or other disposition of our H Shares. If there is any change to applicable tax laws and regulations or in the interpretation or application of such laws and regulations, the value of [REDACTED] in our H Shares may be materially affected.

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**Regulations governing the use of algorithms have been adopted from time to time. If new or existing regulations restrict our ability to use algorithms in our business, our business, financial condition, results of operations, and prospects could be adversely affected.**

We use algorithms in our operations. For example, we use various SQL aggregation algorithms during our operations to classify and analyze data. In addition, we have a technology and data advantage due to our large passenger base and significant transaction volume, which allows us to analyze data to power and improve our services and technology.

China has adopted regulations governing the use of algorithms and algorithm-generated recommendation. The Anti-Monopoly Guidelines on Platform Economy effective on February 7, 2021, prohibit differentiated transaction prices or other transaction conditions without justifiable reasons, based on data analytics regarding passengers’ paying capacity, consumption preference, and habits, among others. The Guidelines on Strengthening the Comprehensive Regulation of Algorithm for Internet Information Services issued on September 17, 2021, require competent regulatory authorities to monitor daily data use, application scenarios, and effects of algorithms, conduct security assessment of algorithms, establish an algorithm filing system, and promote classified security management of algorithms. The Provisions on the Administration of Algorithm Recommendation for Internet Information Services effective on March 1, 2022, require algorithmic recommendation service providers to fulfil their responsibilities for algorithm security, inform passengers in a conspicuous manner of their provision of algorithmic recommendation services, and publicize and regularly review the basic principles, purposes, and main operating mechanisms of algorithmic recommendation services in an appropriate manner. The Cyber Data Security Regulations requires the large network platform service providers to utilize fair and impartial algorithms and platform rules. See “Regulatory Overview — Regulations Relating to Information Security and Censorship.” If new or existing regulations restrict our ability to use algorithms in our business, we may be unable to leverage our competitive advantage to the same extent, and our business, financial condition, results of operations, and prospects could be adversely impacted.

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

PRC laws and regulations require us to pay statutory social welfare benefits for our employees, including social insurance premium. During the Track Record Period, we engaged a third party to pay social insurance and housing provident fund on behalf of us and we did not make adequate contributions to the social insurance plan and housing provident fund for our employees as required under applicable PRC law. Pursuant to relevant PRC laws and regulations, (1) if we fail to make the full contribution of social insurance premiums as required, the local social insurance agencies may require us to pay the outstanding amount within a prescribed period and may impose a late payment fee equivalent to 0.05% of the overdue payment per day from the date on which the payment is payable; if such payment is not made within the prescribed period, the competent authority may further impose a fine from one to three times the amount of the overdue payment; (2) if we fail to make the full

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contribution of housing provident fund on time with the required amount, the Housing Fund Management Center may require us to make the payments within a specified deadline or apply to court for enforcement if we still fail to pay after the deadline. For details, please see “Regulatory Overview — Regulations Relating to Labor and Social Security — Social Insurance and Housing Provident Fund.” Although we did not receive any fines or penalties or order of correction from competent authorities as a result of our inadequate contribution to our employees’ social insurance plan and housing provident fund during the Track Record Period and up to the Latest Practicable Date, if the relevant local authorities require us to pay the outstanding amount and impose late fees or fines on us, our business, financial condition, and results of operations could be adversely affected.

### **The approval, filing or other requirements of the CSRC or other PRC government authorities may be required under PRC laws.**

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and five supporting guidelines, which has come into effect on March 31, 2023, pursuant to which the PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfil the filing procedure with the CSRC and report relevant information. Where an issuer submits an application for initial public offering to competent overseas regulators, filing application with the CSRC shall be submitted within three business days thereafter.

Moreover, upon the occurrence of any of the material events specified below after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within three business days after the occurrence and public disclosure of the event: (i) change of control; (ii) investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities; (iii) change of listing status or transfer of listing segment; (iv) voluntary or mandatory delisting. Where an issuer’s main business undergoes material changes after overseas offering and listing, and is therefore beyond the scope of business stated in the filing documents, such issuer shall submit to the CSRC an ad hoc report and a relevant legal opinion issued by a domestic law firm within three business days after occurrence of the changes. Please see “Regulatory Overview — Regulations Relating to Overseas Listing.”

Based on the foregoing, we will be required to complete the filing procedures with the CSRC in connection with the [REDACTED] in accordance with the Overseas Listing Trial Measures. However, since these rules are newly promulgated, the interpretation, application and enforcement of the rules are still evolving and subject to change. We may fail to complete such filing or meet the requirements in a timely manner or at all, which may subject us to rectification order, warning, or fines, and therefore materially and adversely affect our reputation, business, financial condition, results of operations and prospects, as well as the [REDACTED] of our H Shares.

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## RISK FACTORS

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**You may experience difficulties in effecting service of process, enforcing foreign judgments or bringing original actions in China or Hong Kong based on foreign laws against us, our Directors, Supervisors or senior management.**

We are a company incorporated under the laws of the PRC and substantially all our assets and subsidiaries are located in the PRC. Most of our Directors, Supervisors and senior management reside within the PRC. The assets of these Directors, Supervisors and senior management also may be located within the PRC. Therefore, there remains the possibility that investors may not be able to directly effect service of process in Hong Kong or outside of China upon us or our Directors, Supervisors or senior management.

There are currently no treaties in the PRC providing for reciprocal recognition and enforcement of court judgments in certain countries, including without limitation, the United States, the United Kingdom and Japan. As a result, recognition and enforcement of court judgments from these jurisdictions may be difficult. On July 14, 2006, China and Hong Kong signed 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 “**Arrangement**”), which came into effect on August 1, 2008. Under the Arrangement, where any designated People’s Court of the PRC or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, any party concerned may apply to the relevant People’s Court of PRC or Hong Kong court for recognition and enforcement of the judgment. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute have not agreed to enter into such a choice of court agreement in writing. The interpretation and implementation of the Arrangement is still evolving and the outcome and effectiveness of an action brought under the Arrangement may be difficult to evaluate.

On January 18, 2019, the PRC Supreme Court and the Hong Kong government signed 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 “**New Arrangement**”), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the PRC. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme Court and the completion of the relevant legislative procedures in Hong Kong. The New Arrangement will, upon its effectiveness, supersede the Arrangement. Before the New Arrangement comes into effect, there remains the possibility that a judgment rendered by a Hong Kong court may not be enforced in China if the parties in the dispute do not agree to enter into a choice of court agreement.

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## RISK FACTORS

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### **Policies and regulations regarding foreign currency conversion may limit our ability to pay dividends and satisfy other obligations.**

Our ability to obtain foreign exchange is subject to significant foreign exchange regulations and, in the case of transactions under the capital account, requires the approval of and/or registration with PRC government authorities, including the SAFE. In particular, if we finance by means of foreign debt, the amount is not allowed to, among other things, exceed the statutory limits and such loans must be registered with the local counterpart of the SAFE. If we finance by means of additional capital contributions, these capital contributions are subject to registration with the SAMR or its local branch, reporting of foreign investment information with the MOFCOM, or registration with other governmental authorities in China. In the light of the various requirements imposed by PRC regulations on loans to, and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government procedures or obtain the necessary government approvals on timely basis. If we fail to complete such registrations or obtain such approval, our ability to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

In addition, a portion of our revenue may be converted into other currencies in order to meet our foreign currency obligations. For example, we need to obtain foreign currency to make payments of declared dividends, if any, on our H Shares. Under China's existing laws and regulations on foreign exchange, following the completion of the [REDACTED], we will be able to make dividend payments in foreign currencies by complying with certain procedural requirements and without prior approval from SAFE. However, in the future, the PRC government may, at its discretion, take measures to restrict access to foreign currencies for capital account and current account transactions under certain circumstances. As a result, we may not be able to pay dividends in foreign currencies to holders of our H Shares. The value of the Renminbi against the U.S. dollar and other currencies fluctuates from time to time and is affected by several factors, such as changes in China's and international political and economic conditions and the fiscal and foreign exchange policies prescribed by the PRC government. The development of foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization may in the future result in further modification by regulators to the exchange rate system, and the Renminbi could appreciate or depreciate significantly in value against the Hong Kong dollar or the U.S. dollar in the future.

The [REDACTED] from the [REDACTED] will be received 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 the decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

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## RISK FACTORS

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### RISKS RELATING TO THE [REDACTED]

**There has been no previous public market for our H Shares, and the liquidity and [REDACTED] of our H Shares following the [REDACTED] may be volatile.**

Prior to completion of the [REDACTED], there has been no public market for our H Shares. There can be no guarantee that an active [REDACTED] market for our H Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED] for our H Shares is the result of negotiations between us and the [REDACTED] (for itself and on behalf of the [REDACTED]), which may not be indicative of the price at which our H Shares will be [REDACTED] following completion of the [REDACTED]. We have applied for the [REDACTED] of, and permission to deal in, our H Shares on the Hong Kong Stock Exchange. A [REDACTED] on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid [REDACTED] market for our H Shares will develop, or, if it does develop, will be sustained following the [REDACTED] or that the [REDACTED] of our H Shares, will not decline following the [REDACTED]. The [REDACTED] of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED]. Furthermore, the [REDACTED] and [REDACTED] volume of our H Shares may be volatile. The following factors may affect the volume and [REDACTED] at which our H Shares will trade:

- actual or anticipated fluctuation in our revenues and results of operations;
- news regarding the recruitment or loss of key personnel by ourselves or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industries;
- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industries;
- the operating and stock price performance of other companies, other industries, and other events or factors beyond our control; and
- the release of lock-up or other transfer restrictions on our outstanding H Shares, or sales or perceived sales of additional H Shares by us or other shareholders.

Moreover, the securities market has from time to time experienced significant price and volume fluctuations that were unrelated, or not directly related, to the operating performance of the underlying companies. These broad market and industry fluctuations may have a material and adverse effect on the [REDACTED] and [REDACTED] volume of our H Shares.

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## RISK FACTORS

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**Future sales or perceived sales or conversion of substantial amounts of our H Shares in the public market, including any future [REDACTED] of H Shares or conversion of our [REDACTED] Shares into H Shares, could have a material and adverse effect on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.**

The [REDACTED] of our H Shares could decline as a result of future sales or issuances of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the perception that such sales or issuances may occur. Moreover, such future sales or perceived sales may also adversely affect the prevailing [REDACTED] of our H Shares and our ability to raise capital in the future at favorable time and price.

Upon completion of the [REDACTED], we would have two classes of Shares: [REDACTED] Shares and H Shares. Our [REDACTED] Shares may be converted into H Shares under certain circumstances, subject to the applicable PRC laws, regulations, and approvals, including internal approval and the approval from the relevant PRC regulatory authorities, and subject to the rules, regulations, and procedures of the Hong Kong Stock Exchange. If a significant number of [REDACTED] Shares are converted into H Shares, the supply of H Shares may be substantially increased, which could materially and adversely affect the prevailing [REDACTED] of our H Shares. Furthermore, if additional funds raised through our issuance of new equity or equity-linked securities other than on a pro-rata basis to our existing shareholders, the percentage ownership for such shareholders may be reduced. Such new securities may also confer rights and privileges that take priority over those conferred by the H Shares.

**Since the [REDACTED] of our H Shares is higher than the consolidated net tangible book value per share, purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases and may experience further dilution if we issue additional H Shares upon the exercise of the [REDACTED] or if we issue additional Shares in the future to raise additional capital.**

As the [REDACTED] of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the [REDACTED], purchasers of our H Shares in the [REDACTED] will experience an immediate dilution. To expand our business, we may consider [REDACTED] and issuing additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. In addition, holders of our H Shares may experience further dilution of their interest if the [REDACTED] exercise the [REDACTED] or if we issue additional Shares in the future to raise additional capital.

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## RISK FACTORS

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**We may have discretion as to how we use the [REDACTED] of the [REDACTED] and you may not necessarily agree with how we use them.**

Our management may use the [REDACTED] from the [REDACTED] in ways that you may not agree with or that do not yield favorable returns for our shareholders. For more details about our [REDACTED] of the [REDACTED], please see “Future Plans and [REDACTED] — [REDACTED].”

However, our management will have discretion as to the actual utilization of the [REDACTED] within the disclosed scope of planned usage. You are entrusting your funds to our management, upon whose judgment you must depend for the specific uses we will make of the [REDACTED] from the [REDACTED].

**There can be no assurance whether and when we will pay dividends in the future.**

Since our inception, we have not declared or paid any dividends on our H Shares. We expect to continue to invest in technology and innovation to implement our growth strategies, which we believe will contribute to the value creation for customers, employees, and shareholders. When determining whether to declare or pay dividends, our Board of Directors take into consideration a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that it may consider important. Any declaration and payment, as well as the amount of the dividends, will be subject to our Articles and the relevant PRC laws and regulations. As a result, there can be no assurance whether, when, and in which form we will pay dividends in the future or that we will pay dividends in accordance with our dividend policy.

**We have no experience operating as a public company, and we may incur increased costs as a result of becoming a [REDACTED] company.**

We have no experience conducting our operations as a public company. As a result of the [REDACTED] on the Hong Kong Stock Exchange, we may face enhanced administrative and compliance requirements, which may make us incur substantial related costs and expenses that we did not incur as a private company. We expect compliance with rules and regulations applicable to public companies would increase our accounting, legal and financial compliance costs and to make certain corporate activities more time-consuming and costly. Our management may be required to devote substantial time and attention to our public reporting obligations and other compliance matters. We will evaluate and monitor developments with respect to these rules and regulations, but we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance obligations as a public company may place a significant strain on our management, operational and financial resources and systems for the foreseeable future.



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In addition, since we are becoming a public company, our management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, listing standards and securities and investor relationships issues. As a public company, our management will have to evaluate our internal controls system with new thresholds of materiality, and to implement necessary changes to our internal controls system. We cannot guarantee that we will be able to do so in a timely and effective manner.

**If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations relating to our H Shares, the [REDACTED] and [REDACTED] volume of our H Shares may decline.**

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

**There can be no assurance of the accuracy or completeness of certain facts, forecasts, and other statistics contained in this Document.**

This Document, particularly the sections headed "Business" and "Industry Overview," contains information and statistics relating to our industry. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. However, we cannot guarantee the quality or reliability of such source materials. The information derived from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], [REDACTED], the [REDACTED], the [REDACTED] or any of our or their respective directors, officers or representatives or any other party involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

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

Subsequent to the date of this document but prior to the completion of the [REDACTED], there may be press and media coverage regarding us and the [REDACTED], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We do not have sufficient control over the press and media coverage, and analysts might issue negative views or recommendations on us, which could have an adverse effect on the market price of H Shares. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, [REDACTED] are cautioned to make their investment decisions on the basis of the information contained in this document only and should not rely on any other information.

You should rely solely upon the information contained in this document, the [REDACTED] and any formal announcements made by us in making [REDACTED] decision regarding our H Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, [REDACTED] should not rely on any such information, reports or publications in making their decisions as to whether to invest in the [REDACTED]. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the [REDACTED].

**Forward-looking statements contained in this Document are subject to risks and uncertainties.**

This Document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we

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do not intend to publicly update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to this cautionary statement. See "Forward-Looking Statements." in this document.

**You should only rely on the information included in this Document to make investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H Shares or the [REDACTED].**

## **WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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

### **WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG**

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This will normally mean that at least two of its executive directors must be ordinarily resident in Hong Kong. Given that (i) our Group's management headquarters, senior management, business operations and assets are primarily based outside Hong Kong, namely in the PRC; (ii) our executive Directors and members of the senior management team principally reside in the PRC; and (iii) the management and operations of the Company have been mainly under the supervision and guidance of our executive Directors and senior management team, who are principally responsible for the overall management, corporate strategy, planning, business development and control of the Group's businesses and it is important for them to remain in close proximity to the Group's operations located in the PRC, the Directors consider that the appointment of executive directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group and therefore would not be in the best interests of our Company or the Shareholders as a whole. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying Rule 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, we have applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rule 8.12 and Rule 19A.15 of the Listing Rules. We will ensure that there is an effective channel of communication between the Stock Exchange and us 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 who shall act at all times as the principal channel of communication with the Stock Exchange. Each of our authorized representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail to deal promptly with enquiries from the Stock Exchange and will be able to meet with the Stock Exchange within a reasonable time frame on request. Both of our authorized representatives are authorized to communicate on our behalf with the Stock Exchange. Our Company will also inform the Stock Exchange promptly in respect of any change in our authorized representatives. At present, our two authorized representatives are Ms. CHENG Qian (程千女士), our executive Director, and Ms. AU Wai Ching (區慧晶女士), our joint company secretary;

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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- (b) pursuant to Rule 3.20 of the Listing Rules, each Director will provide his/her contact information (including telephone number, mobile phone number, facsimile number (if available), email address (if available), residential address and contact address (if different from the residential address)) to the Stock Exchange and to the authorized representatives. This will ensure that the Stock Exchange and the authorized representatives should have means for contacting all Directors promptly at all times as and when required;
- (c) we will endeavour to ensure that each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period;
- (d) pursuant to Rule 3A.19 of the Listing Rules, we have retained the services of Somerley Capital Limited as our compliance advisor (the "**Compliance Advisor**"), who will act as an additional channel of communication with the Stock Exchange from the [REDACTED] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the [REDACTED]. The Compliance Advisor will maintain constant contact with the authorized representatives, Directors and senior management of our Company through various means, including regular meetings and telephone discussions whenever necessary. Our authorized representatives, Directors and other members of the senior management of our Company will promptly provide such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules; and
- (e) meetings between the Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Advisor, or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any change in our authorized representatives and/or our Compliance Advisor.

**WAIVERS IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARY**

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 under the Guide for New Listing Applicants published by the Stock Exchange, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification nor Relevant Experience (both as defined under paragraph 11 of Chapter 3.10 under the Guide for New Listing Applicants) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 under the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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Our Company has appointed Ms. CHEN Jia (陳佳女士) as one of our joint company secretaries. She has extensive experience in board and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have appointed Ms. AU Wai Ching, an associate member of both The Chartered Governance Institute in the United Kingdom and The Hong Kong Chartered Governance Institute, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. CHEN Jia for an initial period of three years from the [REDACTED] to enable Ms. CHEN Jia to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Given Ms. AU Wai Ching's professional qualification and experience, she will be able to explain to both Ms. CHEN Jia and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. AU Wai Ching will also assist Ms. CHEN Jia in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. CHEN Jia is expected to work closely with Ms. AU Wai Ching and will maintain regular contact with Ms. AU Wai Ching. In addition, Ms. CHEN Jia will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance her knowledge of the Listing Rules during the three-year period from the [REDACTED]. She will also be assisted by our compliance advisor and our legal advisors as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. CHEN Jia does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such Ms. CHEN Jia may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Ms. CHEN Jia must be assisted by Ms. AU Wai Ching who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules; and (b) the waiver will be revoked immediately if and when Ms. AU Wai Ching ceases to provide assistance to Ms. CHEN Jia as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the end of the three-year period, our Company must demonstrate and seek for the Stock Exchange's confirmation that Ms. CHEN Jia, having had the benefits from Ms. AU Wai Ching's assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the function of a company secretary, so that a waiver will not be necessary.

## **WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

### **WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS**

Pursuant to Chapter 14A of the Listing Rules, a new applicant must, after [REDACTED], comply with the announcement, circular and/or independent shareholders’ approval requirements (as applicable) for continuing connected transactions entered into by the new applicant or its subsidiaries.

We have conducted, and is expected to continue after the [REDACTED], certain transactions that will constitute non-exempt continuing connected transactions of the Company under the [REDACTED] upon the [REDACTED].

Accordingly, pursuant to Rule 14A.105 of the Listing Rules, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with certain requirements under Chapter 14A of the Listing Rules in respect of such non-exempt continuing connected transactions. For further details of such continuing connected transactions and the waivers, please see “Connected Transactions.”

### **WAIVER IN RESPECT OF ACQUISITION AFTER THE TRACK RECORD PERIOD**

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountants’ report to be included in a document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which our latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the document.

On May 25, 2024, our Company entered into an equity transfer agreement with Shanghai Jitu Information Technology Co., Ltd. (上海極途信息技術有限公司) (the “**Seller**”), pursuant to which our Company had agreed to conditionally acquire, and the Seller had agreed to conditionally sell, 7.57576% equity interests of Anhui Wanmei (the “**Acquisition**”) for a consideration of RMB3.5 million. The consideration was determined at commercial arm’s length negotiations with reference to the valuation of the shareholders’ equity at the time of acquisition. We had settled the 50% of the consideration in May 2024 with the remaining consideration settled in August 2024. See “History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers — Acquisition of Anhui Wanmei in 2024.” for further details.

Anhui Wanmei is a company incorporated under the laws of the PRC. Anhui Wanmei principally engaged in provision of internet ticketing services, customized transportation services and digitalization and business solutions targeting the Anhui province market. According to the unaudited consolidated financial statements of Anhui Wanmei: (i) the total assets of Anhui Wanmei amounted to approximately RMB12.1 million and RMB20.8 million as of December 31, 2022 and 2023, respectively; (ii) the total revenue of Anhui Wanmei amounted to approximately RMB5.2 million and RMB12.8 million for the years ended December 31, 2022 and 2023, respectively; and (iii) the profits before taxation of Anhui Wanmei amounted to approximately RMB75,000.0 and RMB5.9 million for the years ended December 31, 2022 and 2023, respectively.



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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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The Seller is primarily engaged in the provision of information technology services and is the subsidiary of a listed company on the NASDAQ. To the best of our knowledge and belief of our Directors, the Seller is an Independent Third Party.

The Acquisition is expected to support our Group's long-term business development. Our Directors believe that the Acquisition will complement and support the growth of our Group, by benefitting our Group's expansion into internet ticketing services, customized transportation services and digitalization and business solutions market in Anhui province.

**Conditions for Granting the Waiver and Its Scope in Respect of the Acquisition**

We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Acquisition on the following grounds:

***The Percentage Ratios of The Acquisition Are All Less Than 5% By Reference to the Most Recent Financial Year of the Track Record Period***

The relevant percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Acquisition are all less than 5% by reference to the most recent financial year of the Track Record Period. Moreover, the Acquisition is not significant enough to require our Company to prepare [REDACTED] financial information under Rule 4.28 of the Listing Rules.

Accordingly, we do not expect the Acquisition to result in any significant changes to our financial position since the Track Record Period, and all information that is reasonably necessary for potential investors to make an informed assessment of our activities or financial position will be included in this document. As such, we consider that a waiver from strict compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investors.

***Historical Financial Information is Not Available and Would Be Unduly Burdensome to Obtain or Prepare***

Following the Acquisition, Anhui Wanmei became an associate of our Company. Detailed or complete historical financial information of Anhui Wanmei is not readily available for disclosure in this document in accordance with the Listing Rules. It would require considerable amount of time and resources for us and the Reporting Accountants to fully familiarize ourselves with the management accounting policies of Anhui Wanmei and compile the necessary financial information and supporting documents for disclosure in this document. As such, we believe that it would be impractical and unduly burdensome for us to prepare and disclose the audited historical financial information of Anhui Wanmei as required under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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In addition, having considered that the financial results of Anhui Wanmei will not be consolidated into our Group following the Acquisition and will have no material impact to our financial results after the Acquisition, we believe that it would not be meaningful and would be unduly burdensome for us to prepare and include the financial information of Anhui Wanmei during the Track Record Period in this document. As we do not expect the Acquisition to result in any material changes to our financial position after the Track Record Period, we do not believe the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would prejudice the interests of the investors.

***The Acquisition is Made During the Ordinary and Usual Course of Business***

We engaged in the provision of internet ticketing services, customized transportation services and digitalization and business solutions during the Track Record Period and up to the Latest Practicable Date. Investing into certain of our business partners, in particular those we consider having competitive advantage in a particular regional market, has been one of our growth strategies. We have acquired equity interests in Anhui Wanmei which is our business partner and is compatible with our strategic position. See "Business — Our Strategies." Our Directors believe that the Acquisition is in line with our growth strategy and we believe the Acquisition will be fair and reasonable and in the interests of the Shareholders as a whole.

***Alternative Disclosure of the Acquisition Available in This Document***

We have provided alternative information about the Acquisition in this document. Such information includes that which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that our Directors consider to be material, including, for example, descriptions of:

- (i) the principal business activities of Anhui Wanmei and the Seller;
- (ii) the book value of assets, revenue, profits before taxation of Anhui Wanmei for the two financial years immediately prior to the Acquisition;
- (iii) the statement as to whether the Seller is an Independent Third Party;
- (iv) the date of the equity transfer agreement in relation to the Acquisition;
- (v) the basis of the consideration, including the amount of consideration, of the Acquisition;
- (vi) the reasons and benefits of the Acquisition; and
- (vii) the statement that our Directors believe that the terms of the Acquisition are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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Since the relevant percentage ratios of the Acquisition are less than 5% by reference to the most recent audited financial year of the Track Record Period, we believe the current disclosure is adequate for potential investors to form an informed assessment of our Company.

**WAIVER IN RESPECT OF STRICT COMPLIANCE WITH RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH SECTION 342(1) IN RELATION TO PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

According to Section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, this document shall state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and set out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this document a statement as to the gross trading income or sales turnover (as may be appropriate) of our Company during each of the three financial years immediately preceding the issue of this document as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this document a report by our auditors with respect to profits and losses and assets and liabilities of our Group in respect of each of the three financial years immediately preceding the issue of this document.

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with the relevant requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

According to Rule 4.04(1) of the Listing Rules, the Accountants' Report contained in Appendix I to this document must include the consolidated results of our Group in respect of each of the three financial years immediately preceding the issue of this document or such shorter period as may be acceptable to the Stock Exchange.

According to Rule 13.49(1) of the Listing Rules, our Company is required to publish preliminary financial results not later than three months after the end of each financial year.

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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Pursuant to Chapter 1.1A of the Guide for New Listing Applicants published by the Stock Exchange, in view of the shortened deadline for releasing preliminary results announcements and to enable potential investors to have adequate and timely information, where an applicant issues its listing document within three months after the latest financial year end, the Stock Exchange has provided the conditions for granting a waiver from strict compliance with Rule 4.04(1) of the Listing Rules as follows:

1. the applicant must list on the Stock Exchange within three months after the latest financial year end;
2. the applicant must obtain a certificate of exemption from the SFC on compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance requirements; and
3. the listing document must include the financial information for the latest financial year and a commentary on the results of the year. Such financial information to be included in the listing document must (i) follow the same content requirements as for a preliminary results announcement under Rule 13.49 of the Listing Rules; and (ii) be agreed with the reporting accountants following their work under Practice Note 730 "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the HKICPA.

The financial year of our Company ends on December 31. The Accountants' Report for each of the three years ended December 31, 2021, 2022, 2023 and the [●] months ended [●], 2024 has been prepared and set out in Appendix I to this document.

Pursuant to the relevant requirements set out above, our Group is required to produce audited consolidated financial statements for the three years ended December 31, 2022, 2023 and 2024.

Therefore, we have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, on the conditions that:

- (a) [this document will be issued on or before March 31, 2025 and H Shares of our Company must be listed on the Stock Exchange on or before March 31, 2025 (i.e. three months after the latest financial year end of our Company);
- (b) our Company obtains a certificate of exemption from the SFC on strict compliance with requirements under section 342(1) in relation to paragraphs 27 and 31 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

- (c) this document contains preliminary unaudited financial information for the year ended December 31, 2024 and a commentary on the results of the same year (in compliance with Rule 13.49 of the Listing Rules); and
- (d) our Company is not in breach of our constitutional documents or laws and regulations of the PRC or other regulatory requirements regarding our obligation to publish preliminary results announcements.]

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under section 342A in relation to paragraphs 27 and 31 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and a certificate of exemption [has been granted] by the SFC under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that: [(i) the particulars of the exemption are set out in this document; (ii) this document will be issued on or before [REDACTED]; and (iii) H Shares of our Company will be listed on the Stock Exchange on or before [REDACTED] (i.e. three months after the latest financial year end of our Company).]

The applications to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under paragraphs 27 and 31 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance were made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and the exemption would not prejudice the interest of the investing public as:

- (a) there would not be sufficient time for our Company and our Reporting Accountants to finalize the audited consolidated financial statements of our Group for the year ended December 31, 2024 for inclusion in this document. If the audited consolidated financial information for the year ended December 31, 2024 is required to be audited, our Company and the Reporting Accountants would have to undertake substantial work to prepare, update and finalize the Accountants’ Report and this document and the relevant sections of this document will need to be updated to cover such additional period within a short period of time, therefore will lead to a delay of the current listing timetable and be unduly burdensome for our Company and the Reporting Accountants;
- (b) our Company has included in this document (i) the Accountants’ Report covering the three financial years ended December 31, 2021, 2022, 2023 and the [●] months ended [●], 2024; (ii) the unaudited preliminary financial information of our Group for the year ended December 31, 2024 and a commentary on the results of the year, which has been agreed with the Group’s Reporting Accountants, following their work under Practice Note 730 “Guidance for Auditors Regarding Preliminary Announcements of Annual Results” issued by the HKICPA, and such disclosure is no less than the content requirements for a preliminary results announcement under Rule 13.49 of the Listing Rules; and (iii) the information regarding the recent development of our Group subsequent to the Track Record Period and up to the Latest Practicable Date;

**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

- (c) our Company is of the view that the Accountants’ Report covering the three financial years ended December 31, 2021, 2022, 2023 and the [●] months ended [●], 2024 as set out in Appendix I to this document, the unaudited [REDACTED] financial information as set out in Appendix II to this document, the unaudited preliminary financial information for the year ended December 31, 2024 as set out in Appendix III to this document, together with other disclosure included in this document, have already provided the potential investors with adequate and reasonably up-to-date information of the circumstances to form a view on the track record and earnings trend of our Company; and our Directors and the Sole Sponsor confirm that all information which is necessary for the investing public to make an informed assessment of our activities, assets and liabilities, financial position, trading position, management and prospects has been included in this document. Therefore, the waiver and exemption would not prejudice the interest of the investing public;
- (d) our Company will not be in breach of the Articles of Associations or laws and regulations of the PRC or other regulatory requirements as a result of not publishing our preliminary results announcement for the year ended December 31, 2024 in accordance with Rule 13.49(1) of the Listing Rules. Pursuant to the Note to Rule 13.49(1) of the Listing Rules, our Company will publish an announcement after the completion of the [REDACTED] and no later than March 31, 2025 stating that the relevant financial information has been included in this document; and
- (e) our Company will comply with the requirements under Rule 13.46 of the Listing Rules in respect of the publication of our annual report. We currently expect to issue our annual report for the financial year ended December 31, 2024 on or before April 30, 2025. In this regard, our Directors consider that the Shareholders, the investing public, as well as potential investors of our Company, will be kept informed of the financial results of our Group for the financial year ended December 31, 2024.

**WAIVER IN RESPECT OF DISCLOSURE REQUIREMENTS OF CHANGES IN SHARE CAPITAL**

We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in respect of disclosing the particulars of any alterations in the capital of any member of our Group within the two years immediately preceding the issue of this document.

We have identified 5 Principal Subsidiaries that we consider are material to our operations and/or contributed significantly to our financial performance during the Track Record Period, namely, Shengzhi Yilian, Shengwei Changxing, Hengsheng Changyun, Beijing Hongbo and Henan Shengwei. See “History, Development and Corporate Structure — Principal Subsidiaries and Operating Entities” for further details.

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**WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM STRICT COMPLIANCE WITH THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

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As of the Latest Practicable Date, our Group had 299 subsidiaries and branches established in the PRC. It would be unduly burdensome for us to disclose particulars of any alterations in the capital in relation to all the subsidiaries within our Group, which would not be material or meaningful to investing public. None of the non-Principal Subsidiaries in our Group is individually material to us in terms of its contribution to our Company’s total revenue, total net income or total assets nor holds any major assets, licenses, intellectual property rights, proprietary technologies and research and development that are material to our Group. For the year ended December 31, 2023, the aggregate assets and aggregate revenue of our Company and the Principal Subsidiaries in respect of which the relevant information is disclosed represents 33.7% and 89.2% of our total assets and total revenue, respectively. Accordingly, the remaining subsidiaries in our Group are relatively insignificant to the overall results of our Group.

The particulars of the changes in the share capital of our Company and the Principal Subsidiaries are disclosed in “Appendix VII — Statutory and General Information — 1. Further Information About Our Company — B. Changes in the Share Capital of Our Company.” and “Appendix VII — Statutory and General Information — 1. Further Information About Our Company — D. Further Information About Our Subsidiaries” to this document. Furthermore, all major shareholding changes of our Company have been included in “History, Development and Corporate Structure” in this document.

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**INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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[REDACTED]



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**INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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[REDACTED]

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**INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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**INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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[REDACTED]

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**INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]**

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[REDACTED]

**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

**DIRECTORS**

**Executive Directors**

<b>Name</b>	<b>Address</b>	<b>Nationality</b>
Mr. JIANG Shengxi (姜生喜先生)	No. 1-1001, Building 6, Tianyueyuan, 68 Beiyuan Road, Asian Games Village, Chaoyang District, Beijing, PRC	Chinese
Mr. YANG Yang (楊揚先生)	Room 1204, Gate 1, Building 11, Yard 7, Fengqiao Road, Fengtai District, Beijing, PRC	Chinese
Mr. ZHANG Jintao (張勁濤先生)	Room 102, Unit 1, Building 19, Jinbangyuan, Huilongguan Town, Changping District, Beijing, PRC	Chinese
Ms. CHENG Qian (程千女士)	Room 302, Gate 4, 3/F, Building 6, Dongxinyuan, 38 Dongbeiwang Road, Haidian District, Beijing, PRC	Chinese

**Non-executive Directors**

<b>Name</b>	<b>Address</b>	<b>Nationality</b>
Mr. LI Chen (李晨先生)	Room 1801, 18/F, Building 205, Zhuxin Garden, Chaoyang District, Beijing, PRC	Chinese
Mr. CHEN Xin (陳欣先生)	Room 302, 3rd Floor, No. 16, Lane 951, Fanglin Road, Nanxiang Town, Jiading District, Shanghai, PRC	Chinese

**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

**Independent non-executive Directors**

<b>Name</b>	<b>Address</b>	<b>Nationality</b>
Mr. GUO Xinping (郭新平先生)	Room 1504, Building 3, Yard 1 Zizhuyuan Road, Haidian District, Beijing, PRC	Chinese
Mr. GUAN Jizhen (關積珍先生)	Room 1305, Tower 1, District 9, No. 3 Shangyuan Village, B-40 Gaoliangqiao Xie St. Haidian District, Beijing, PRC	Chinese
Mr. HUI Kai Lung (許佳龍先生)	Flat G, 13/F, Block 1, Phase 7 Cotton Tree Mansions, Whampoa Garden, 11 Tak On Street, Hung Hom, Kowloon, Hong Kong	Chinese

**SUPERVISORS**

<b>Name</b>	<b>Address</b>	<b>Nationality</b>
Mr. ZHAO Changsheng (趙昌勝先生)	Room 403, Unit 1, Building C, Hongfuyuan South 2nd District, Beiqijia Town, Changping District, Beijing, PRC	Chinese
Ms. LUO Yan (羅燕女士)	Room 401, Gate 1, Building 1, Zhongguancun East Courtyard, No. 1 Zhongguancun South First Street, Haidian District, Beijing, PRC	Chinese
Mr. YU Min (余敏先生)	Room 2103, Unit 2, Building 17, Phase 4, Hankou City Plaza, No. 111 Houhu Street, Jiang'an District, Wuhan City, Hubei Province, PRC	Chinese

Further information is disclosed in the section headed “Directors, Supervisors and Senior Management” in this document.

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**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

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**PARTIES INVOLVED IN THE [REDACTED]**

**Sole Sponsor**

**China Securities (International)  
Corporate Finance Company Limited**  
18/F Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

[REDACTED]

**Legal Advisers to our Company**

*As to Hong Kong law*

**Linklaters**  
11th Floor, Alexandra House  
Chater Road  
Hong Kong

**DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]**

*As to PRC law*

**Haiwen & Partners**

Haiwen & Partners  
20/F, Fortune Financial Center  
5 Dong San Huan Central Road  
Chaoyang District  
Beijing 100020  
PRC

**Legal Advisers to the Sole Sponsor  
and [REDACTED]**

*As to Hong Kong law*

**Han Kun Law Offices LLP**

Rooms 4301-10  
43/F., Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

*As to PRC law*

**Tian Yuan Law Firm**

Suite 509 Tower A, Corporate Square  
No. 35 Financial Street  
Xicheng District  
Beijing

**Auditors and Reporting Accountants**

**KPMG**

*Certified Public Accountants*  
8/F, Prince's Building  
10 Chater Road  
Central  
Hong Kong

**Compliance Adviser**

**Somerley Capital Limited**

20/F., China Building  
29 Queen's Road Central  
Hong Kong

**Industry Consultant**

**Frost & Sullivan (Beijing) Inc.,  
Shanghai Branch Co.**

Suite 2504, Wheelock Square  
No. 1717 Nanjing West Road  
Shanghai  
PRC

[REDACTED]



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## CORPORATE INFORMATION

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<b>Registered Office</b>	4/F, No. 3 Building No. 1 Courtyard Shangdi East Road Haidian District, Beijing PRC
<b>Headquarters and Principal Place of Business in the PRC</b>	4/F, No. 3 Building No. 1 Courtyard Shangdi East Road Haidian District, Beijing PRC
<b>Principal Place of Business in Hong Kong</b>	40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wan Chai Hong Kong
<b>Company's Website</b>	<b><u><a href="http://www.shengweitimes.com">www.shengweitimes.com</a></u></b> <i>(The information contained in this website does not form part of this document)</i>
<b>Joint Company Secretaries</b>	Ms. CHEN Jia (陳佳女士) Room 501, Unit 2, No. 1 Building Chenguang New Court, 77 Hongguang Road Qinhuai District, Nanjing PRC  Ms. AU Wai Ching (區慧晶女士) (CGI, HKCGI) 40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wan Chai Hong Kong
<b>Authorised Representatives</b>	Ms. CHENG Qian (程千女士) Room 302, Gate 4, 3/F Building 6 Dongxinyuan, 38 Dongbeiwang Road Haidian District, Beijing PRC  Ms. AU Wai Ching (區慧晶女士) (CGI, HKCGI) 40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wan Chai Hong Kong

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## CORPORATE INFORMATION

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### Audit Committee

Mr. GUO Xinping (郭新平先生)  
(Chairperson)  
Mr. GUAN Jizhen (關積珍先生)  
Mr. HUI Kai Lung (許佳龍先生)

### Remuneration Committee

Mr. GUAN Jizhen (關積珍先生)  
(Chairperson)  
Mr. GUO Xinping (郭新平先生)  
Mr. HUI Kai Lung (許佳龍先生)

### Nomination Committee

Mr. JIANG Shengxi (姜生喜先生)  
(Chairperson)  
Ms. CHENG Qian (程千女士)  
Mr. GUO Xinping (郭新平先生)  
Mr. GUAN Jizhen (關積珍先生)  
Mr. HUI Kai Lung (許佳龍先生)

[REDACTED]

### Principal Banks

**China Minsheng Banking Corp., Ltd.,  
Beijing Wanliu Branch**  
101, No. 2 Building  
No. 6 Courtyard  
Wanliu Middle Road  
Haidian District, Beijing  
PRC

**China Minsheng Banking Corp., Ltd.,  
Beijing Shangdi Branch**  
No. 4 Building  
Shangdi Dongli District One  
Haidian District, Beijing  
PRC

**China Merchants Bank Co., Ltd.,  
Beijing Shangdi Branch**  
1/F, Tower B, No. 2 Building  
Silicon Valley Bright City  
1 Nongda South Road  
Haidian District, Beijing  
PRC

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## INDUSTRY OVERVIEW

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*This and other sections of this Document contain information relating to the industry in which we operate. Certain information and statistics set forth in this section and other sections of this document have been extracted from the Frost & Sullivan Report issued by Frost & Sullivan, an independent market research agency, which we commissioned, and from various official government publications and other publicly available publications. The information from official government and non-official sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of the [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED] (excluding Frost & Sullivan), and no representation is given as to its accuracy or completeness of such information and statistics.*

### SOURCE AND RELIABILITY OF INFORMATION

We have commissioned Frost & Sullivan, a market research and consulting company and an independent third party, to conduct an analysis of, and to report on China's road passenger transportation market, road passenger transportation information services market, ride-hailing market and digitalization and business solutions for road passenger transportation market. The report prepared by Frost & Sullivan for us is referred to in the document as the F&S Report. The F&S Report has been prepared by Frost & Sullivan independent of our influence. The fee payable to Frost & Sullivan for preparing the F&S Report is RMB400,000 which we believe reflects market rates for similar services. Founded in 1961, Frost & Sullivan has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists. Our Directors confirm, to the best of their knowledge, and after making reasonable enquiries, that there have been no adverse changes in the industry since the date of the F&S report and up to the Latest Practicable Date which may qualify, contradict or have an impact on the information set out in this section.

### RESEARCH METHODOLOGY

During the preparation of the F&S Report, Frost & Sullivan collected, analyzed, assessed and validated the information and statistics using its in-house analysis models and techniques. Primary research was conducted via discussions and interviews with industry participants and industry experts. Secondary research involved analysis of market statistics obtained from several publicly available data sources, such as releases from the governments of the research countries, company reports, independent research reports and Frost & Sullivan's own internal database. The methodology applied by Frost & Sullivan is based on information and statistics gathered from multiple levels and allows such information and statistics to be cross-referenced for accuracy. In light of the above, we consider the information and statistics reliable.

## INDUSTRY OVERVIEW

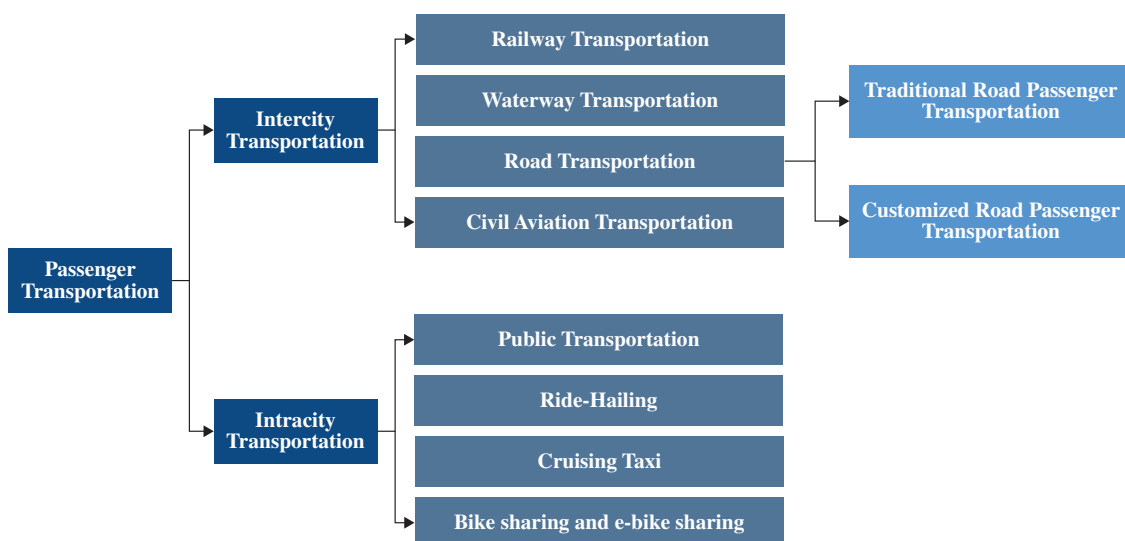
### BASIS AND ASSUMPTION

The F&S Report contains a series of market projections which were produced based on the following assumptions, without limitations: (i) China’s and global economy is likely to maintain steady growth in the next decade; (ii) China’s and global social, economic, and political environment is likely to remain stable from 2024 to 2028 (“**Forecast Period**”).

### OVERVIEW OF CHINA’S ROAD PASSENGER TRANSPORTATION INDUSTRY

#### Definition and Classification of Passenger Transportation

Passenger transportation refers to the commercial activity of conveying passengers, which can be classified as intercity transportation and intracity transportation. Intercity travel generally refers to travel from one city to another, or from a city to the counties, townships, and towns below it. On the other hand, intracity travel typically occurs within the boundaries of a city. Intercity transportation involves various modes of transportation like trains, which operate on dedicated railway networks connecting cities; waterways, such as rivers or canals, where ships or ferries transport passengers across bodies of water; roads, where buses travel between cities on road networks; and civil aviation, which involves air travel using airplanes between airports located in different cities. For intracity transportation, public transportation systems like buses, trams, subways, or metro systems play a vital role in providing efficient and accessible transportation options for residents and visitors. Ride-hailing plays a crucial role in intracity transportation, it not only promote cost-efficient and environmentally friendly transportation options but also contribute to reducing traffic congestion, minimizing carbon emissions, and enhancing overall urban mobility. Cruising taxis are also a common mode of transportation within cities, offering convenient point-to-point travel. Additionally, bike sharing and e-bike sharing programs provide alternative means of transportation, promoting eco-friendly and healthy commuting options for short distances within a city.



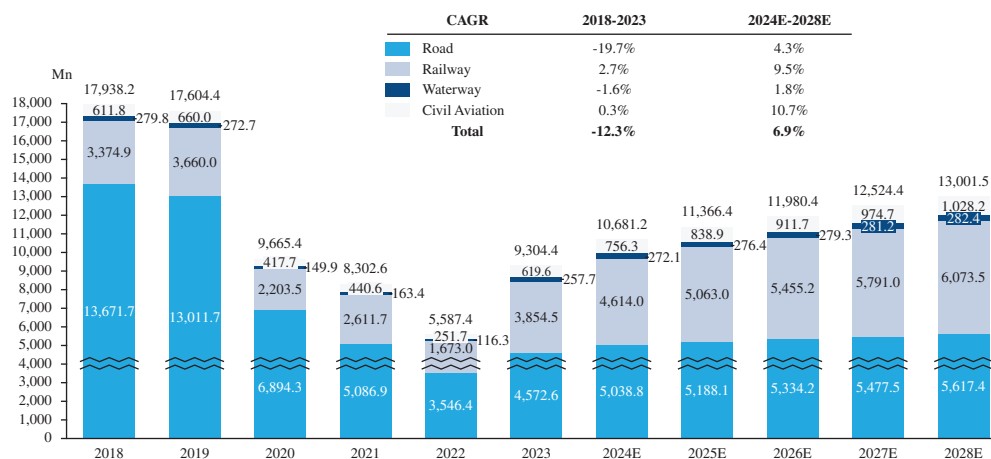
## INDUSTRY OVERVIEW

### Passenger Transportation Volume

Prior to 2020, China’s passenger transportation volume had been steadily increasing. However, from 2020 to 2022, due to travel restrictions brought about the COVID-19 pandemic, the overall passenger transportation volume experienced a sharp decline, from 17,604.4 million in 2019 to 5,587.4 million in 2022. In 2023, as the impact of the pandemic diminished and the economy recovered, the overall travel market showed strong recovery. Looking forward, it is expected that the overall passenger transportation market will continue to grow steadily, reaching 13,001.5 million in 2028, representing a CAGR of 6.9% since 2023.

Despite the increasing presence of alternative modes of transportation such as high-speed railway in recent years, road transportation remains a crucial means of passenger transportation, accounting for 49.1% of total passenger transportation volume in 2023.

**Total Passenger Volume of the Passenger Transportation Market (China), 2018 — 2028E**



Source: MOT, National Bureau of Statistics, Frost & Sullivan Analysis

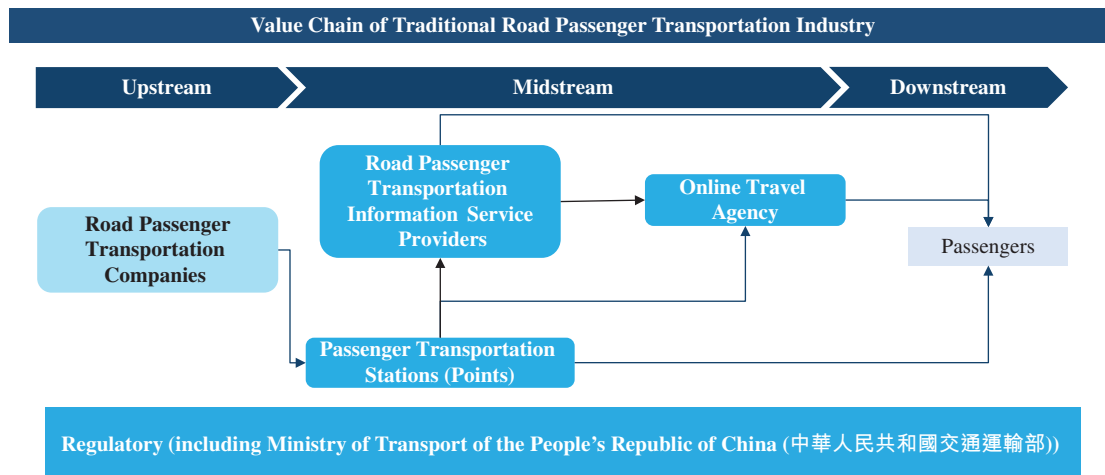
### Definition and Classification of Road Passenger Transportation

Road passenger transportation services refer to the commercial road passenger transportation activities of transporting passengers by passenger vehicles and providing public services, which include the passenger transportation by regular vehicles (extra vehicles), the passenger transportation by chartered vehicles, and the tourist passenger transportation. Customized transportation refers to a mode of transportation services where licensed passenger transportation companies utilize online platforms to publish information about the pick-up and drop-off points, conduct online ticket sales, flexibly determine departure times based on passenger needs, and provide transportation services. Traditional road passenger transportation refers to passenger transportation service excluding customized road passenger transportation.

## INDUSTRY OVERVIEW

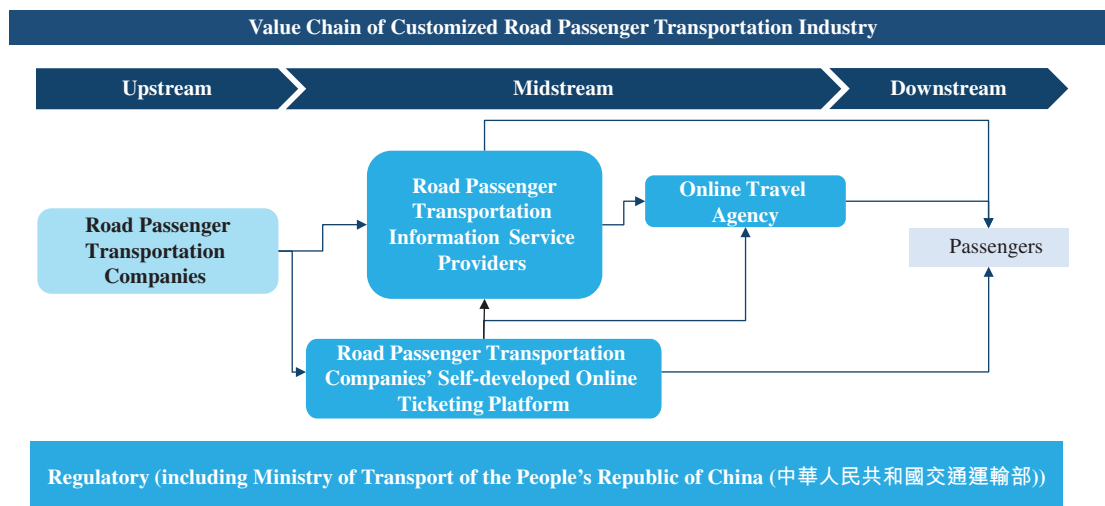
### Value Chain Analysis

The upstream mainly consists of road passenger transportation companies. Then midstream including road passenger transportation information service providers, who act as a crucial role to connect road passenger transportation companies and main sales channels. The midstream also encompasses other ticketing agents such as online travel agencies and passenger transportation stations (points), which serve multiple functions such as facilitating the gathering and dispersal of passengers, providing ticketing services, and organizing transportation operations.



Similar to the traditional road passenger transportation industry, the upstream of the customized road passenger transportation industry includes road passenger transportation companies, while the downstream consists of passengers.

Notably, as per the regulations outlined in the “Provisions on the Administration of Road Passenger Transportation and Passenger Stations” (道路旅客運輸及客運站管理規定), the customized road passenger transportation industry relies on e-commerce platforms to disseminate information regarding road passenger transportation routes, destinations, and to facilitate online ticket sales.



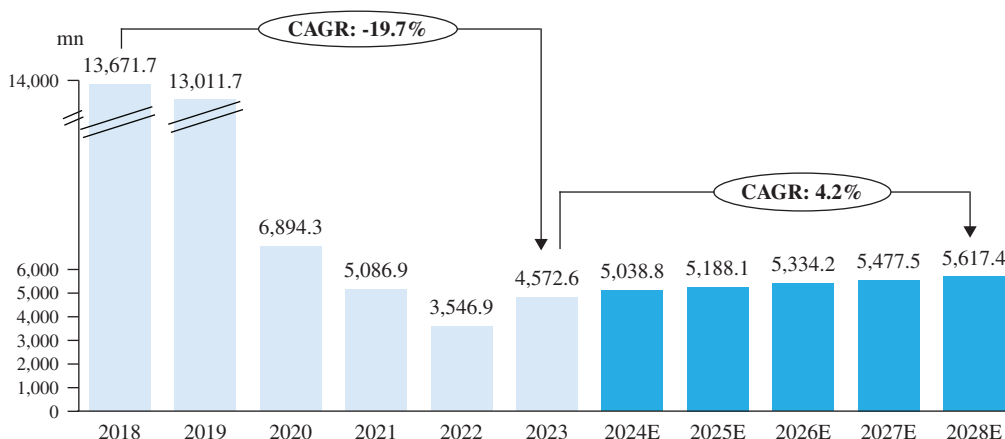
## INDUSTRY OVERVIEW

### Market Size of China Road Passenger Transportation Market

Prior to 2020, the volume of road passenger transportation in China experienced a gradual decline, primarily due to the emergence of high-speed rail as a substitute resulting from improved infrastructure, and an increase in private car ownership. In 2020, the COVID-19 pandemic severely impacted people’s mobility, leading to a significant decrease in road passenger transportation volume from 13,011.7 million in 2019 to 6,894.3 million in 2020. The decline in volume persisted in the subsequent years, reaching a low point of 3,546.4 million in 2022. However, as the effects of the pandemic gradually diminished and both the economy and consumer travel demands started to recover, the road passenger transportation volume saw an upward trend from 2023. It rebounded to 4,572.6 million, driven by the resumption of economic activities and a resurgence in consumer travel needs.

Looking ahead, with the continuous and robust demand for consumer travel, the overall market is expected to maintain a slow but steady recovery. The volume of road passenger transportation in China is expected to reach 5,617.4 million in 2028, representing a CAGR of 4.2% since 2023.

**Market Size of Road Passenger Transportation Market (China), by Volume,  
2018 — 2028E**



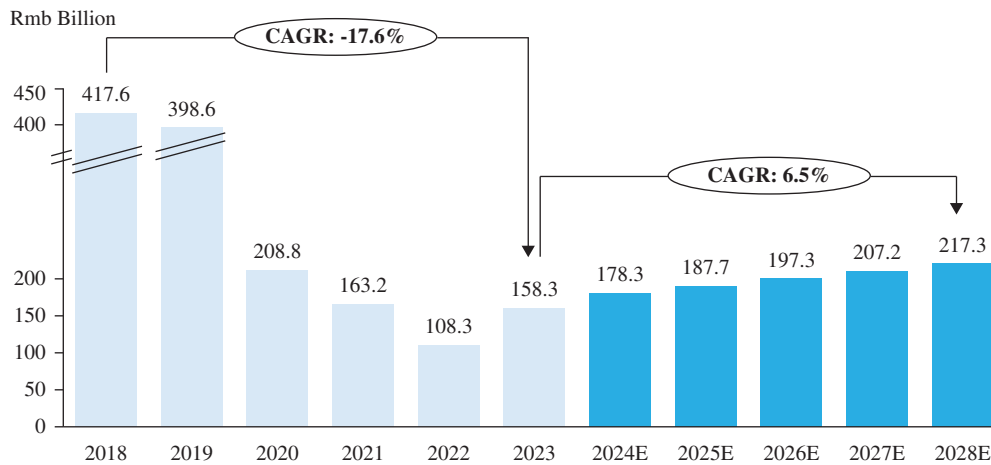
Source: National Bureau of Statistics, Frost & Sullivan Analysis

In terms of GTV, the basic trend aligned with the volume of road passenger transportation because the prices for road passenger transportation remained relatively stable. From 2018 to 2023, the GTV of China road passenger transportation market decreased from RMB417.6 billion to RMB158.3 billion, representing a CAGR of -17.6%, primarily due to travel restrictions imposed during the COVID-19 pandemic, which significantly reduced passenger mobility.

It is expected that in the future, as the volume of road passenger transportation continues to recover driven by economic recovery and growth, the GTV of road passenger transportation market will also experience sustained growth, reaching RMB217.3 billion in 2028 with a CAGR of 6.5% from 2023.

## INDUSTRY OVERVIEW

### Market Size of Road Passenger Transportation Market (China), by GTV, 2018 — 2028E



Source: National Bureau of Statistics, Frost & Sullivan Analysis

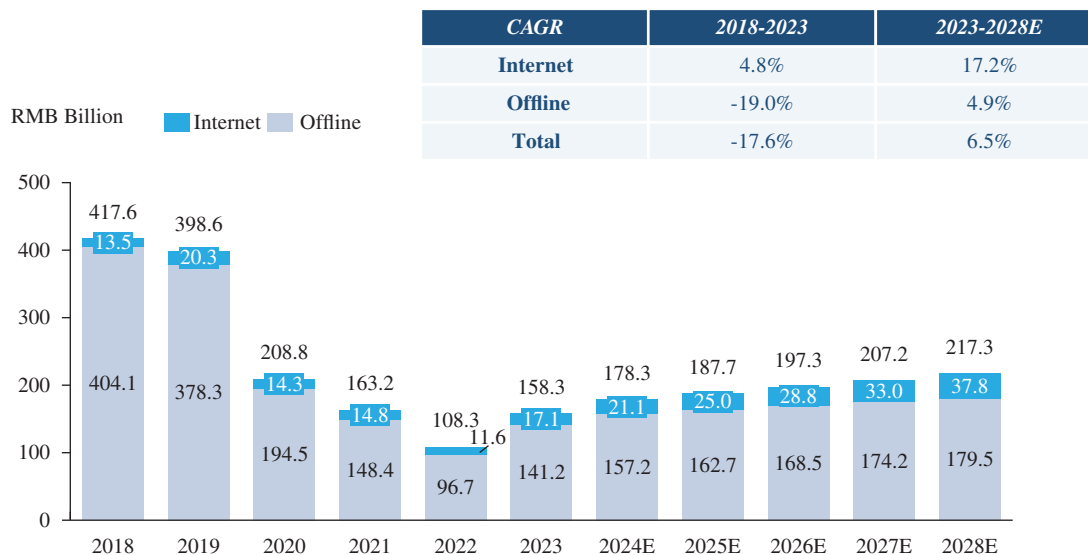
In terms of sales channels, online channels are experiencing a rapid growth trend. Traditionally, the road passenger transportation tickets were primarily sold offline at bus stations and other physical locations. However, in recent years, several factors, such as the increasing number of mobile internet users and the expanding user base of OTA platforms, have contributed to a rapid increase in the internet ticketing rate within the industry.

From 2018 to 2023, the GTV from internet ticketing of road passenger transportation market increased from RMB13.5 billion to RMB17.1 billion with a CAGR of 4.8%, whereas for offline channel, the number decreased from RMB404.1 billion to RMB141.2 billion during the same period, representing a CAGR of -19.0%. In the future, the online penetration rate for selling road passenger transportation tickets is expected to continue increasing. Currently, the internet ticketing rate for road transportation is relatively low compared to other intercity transportation modes. For instance, in 2023, the internet ticketing rate for road transportation was 10.8%, while railway transportation and civil aviation transportation had nearly reached 90% internet ticketing rate during the same period. Looking ahead, the online segment of the road passenger transportation market is poised for substantial growth. With a high CAGR of 17.2%, the GTV from internet ticketing is anticipated to experience significant expansion, reaching RMB37.8 billion by 2028, in contrast, the offline channels GTV is expected to reach RMB179.5 billion, with a CAGR of 4.9% from 2023.



## INDUSTRY OVERVIEW

### Market Size of Road Passenger Transportation Market (China), by GTV, Breakdown by Channel, 2018 — 2028E



Source: National Bureau of Statistics, Frost & Sullivan Analysis

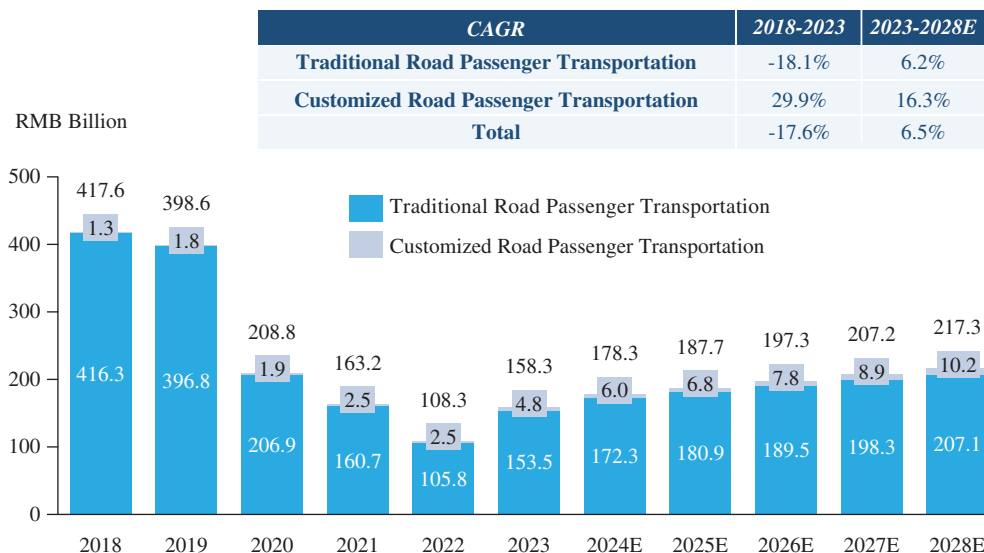
In recent years, customized road passenger transportation has shown a faster growth rate compared to traditional road passenger transportation. Customized road passenger transportation offers greater convenience and comfort, which has been well-received by consumers. Additionally, regulatory authorities have actively introduced multiple policies to support the development of the customized road passenger transportation industry. For example, the Ministry of Transport (MOT) released the “Guiding Opinions on Deepening Reform and Accelerating the Transformation and Upgrading of Road Passenger Transport” in 2016, the need to fully utilize mobile internet and other information technologies, and encourage the development of flexible, rapid, and small-batch customized road passenger transportation services. Moreover, in 2020, the MOT revised the Regulations on Road Passenger Transport and Passenger Station Management (道路旅客運輸及客運站管理規定) (the “Passenger Regulations”) to promote more flexible and customizable transportation options.

From 2018 to 2023, the GTV of customized road passenger transportation market grew from RMB1.3 billion to RMB4.8 billion with a CAGR of 29.9%. This growth far surpassed the performance of the traditional road passenger transportation market, which experienced a negative CAGR of -18.1% during the same period.

Looking forward, the GTV of customized road passenger transportation market is expected to keep increasing and reach RMB10.2 billion in 2028, representing a CAGR of 16.3% since 2023. During the same period of time, the GTV of traditional road passenger transportation market is expected to grow from RMB153.5 billion in 2023 to RMB207.1 billion in 2028 with a CAGR of 6.2%, which is lower than the growth of customized road passenger transportation market.

## INDUSTRY OVERVIEW

### Market Size of Road Passenger Transportation Market (China), by GTV, Breakdown by Category, 2018 — 2028E



Source: MOT, Frost & Sullivan Analysis

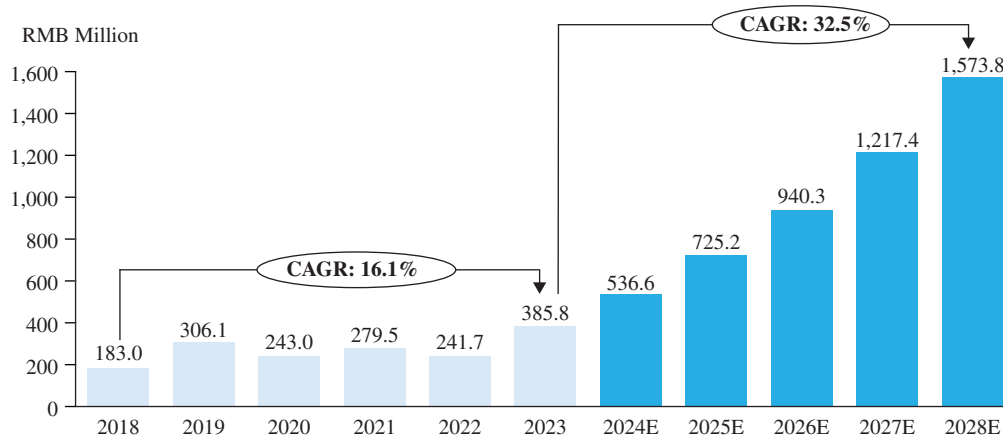
### Market Size of China Road Passenger Transportation Information Services Market

The road passenger transportation information services market in China has experienced rapid growth in recent years, which can be primarily attributed to the widespread adoption of internet ticketing platforms and the integration of digital technologies within the transportation sector. The convenience and accessibility offered by internet ticketing have resonated with consumers, leading to a substantial surge in demand for associated information services.

From 2018 to 2023, the road passenger transportation information services market in China grew to RMB385.8 million with a CAGR of 16.1%. In the future, as the online ticketing rate for China’s road passenger transportation continues to increase, the market for road passenger transportation information services is expected to witness sustained growth.

## INDUSTRY OVERVIEW

### Road Passenger Transportation Information Services Market (China), 2018 — 2028E



Source: Frost & Sullivan Analysis

### Market Drivers of China Road Passenger Transportation Information Services Market

**Increasing demands from road passenger transportation companies:** Road passenger transportation companies encounter significant challenges due to their limited scale, fragmented nature, and inadequate information technology capabilities. These companies often consist of many small entities, which hinders their ability to effectively address the dynamic demands of passengers. Moreover, the recent decline in road passenger transportation volumes has further compounded the operational difficulties faced by the majority of these enterprises, pushing them into a state of financial strain. Given these circumstances, it becomes imperative for road passenger transportation companies to improve their digitalization capacity and seek the assistance of road passenger transportation information service providers, who specialize in offering tailored technological solutions. By partnering with such providers, road passenger transportation companies can enhance their information technology capabilities, streamline their operations, and improve overall efficiency.

**Low internet ticketing rate in road passenger transportation industry:** At present, the internet ticketing rate for road passenger transportation is relatively low compared to other intercity transportation modes. For example, in 2023, the internet ticketing rate for road transportation stood at 10.8%, whereas railway transportation and civil aviation transportation had nearly reached 90% in internet ticketing during the same period. However, there is an optimistic outlook for the future. It is expected that the internet ticketing rate for road transportation will continue to rise steadily. As more passengers become accustomed to the convenience and advantages of internet ticketing, there will likely be a growing demand for digital solutions and services in the road passenger transportation information market.

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## INDUSTRY OVERVIEW

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***Favorable government policies:*** In recent years, the government has introduced a series of policies to support the development of the road passenger transportation industry, particularly providing strong policy guarantees for the healthy development of customized passenger transportation services. For example, In 2019, the “Program of Building National Strength in Transportation” (交通強國建設綱要) was issued by the CPC Central Committee and the State Council. This program emphasized the need to develop a well-functioning and seamless transportation network, particularly within city clusters. The program specifically highlighted the importance of improving the city cluster expressway network and enhancing the integration between highways and urban roads. Moreover, in 2020, the MOT revised the Regulations on Road Passenger Transport and Passenger Station Management (道路旅客運輸及客運站管理規定). These policies encourage companies to optimize transportation service models and support the development of customized passenger transportation services, pushing companies to offer personalized and flexible transportation services based on market demand. Simultaneously, these policy actions contribute to enhancing the overall environment of the road passenger transportation industry and promoting technological upgrades and service innovation within enterprises.

***Rapid development of tourism market:*** The rapid growth of the domestic tourism market has led to a significant increase in the need for intercity travel. As the tourism industry continues to flourish, a large number of passengers are traveling between cities, and road passenger transportation serves as a crucial transportation mode to fulfill their travel demands. In order to seize the market opportunities created by the tourism industry, road passenger transportation companies must enhance their service quality to meet the ever-growing intercity travel demand. This, in turn, will stimulate the growth of the road passenger transportation information service market.

***Steady growth of the economy:*** The consistent growth of China’s economy will have a positive impact on the road passenger transportation industry. As the economy expands, there is an increasing demand for tourism, business trips, and other forms of travel. Road passenger transportation is increasingly being recognized as offering better value for money compared to other travel options. This consumer preference for cost-effective travel solutions is expected to drive further growth in the sector. In this context, road passenger transportation companies need to focus on enhancing their operational efficiency and service standards to meet the growing market demands and ensure long-term viability. This trend is expected to further stimulate the growth of the road passenger transportation information service market.

***Potential in the rural market:*** In recent years, substantial government investments have been directed towards the expansion of rural highways in China, exemplified by initiatives like the “Village Connectivity” (村村通) project, which plays a crucial role in accelerating the construction of a new socialist countryside, propelling rapid and robust socio-economic growth in rural areas, and fostering the process of urban-rural integration. MOT data reveals that the total length of rural road in China has expanded from 4.0 million km in 2018 to 4.6 million km in 2023, with a CAGR of 2.6%. As road infrastructure continues to mature, the road passenger transportation industry will continue to benefit from these developments.

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## INDUSTRY OVERVIEW

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### Market Challenges of China Road Passenger Transportation Market

**Low Informatization Level:** Compared to the railway and civil aviation industries, the road passenger transportation sector significantly lags in informatization and intelligent development, making it challenging to provide convenient and high-quality services to passengers. Additionally, the industry lacks innovation drive and fails to attract the younger generation with unique services and differentiated products. These factors may cause the road passenger transportation sector to lose competitiveness in the modern transportation system.

**Traditional Road transportation Fails to Meet Diverse Needs:** With the development of the economy and the improvement of living standards, passengers' travel needs have become more diverse and personalized. However, traditional road passenger transportation services struggle to meet these demands in terms of flexibility, comfort, and convenience. This inability to adapt has led to a decline in passenger numbers, directly affecting companies' revenue and operational capabilities.

**Shortage of Integrated Transportation Services:** Currently, passenger transportation market in China is divided between intracity and intercity travel services, with few platforms offering a cohesive experience. While passengers can choose from a variety of ride-hailing options for intracity travel and intercity bus or train services for longer journeys, there is a lack of platforms that combine these services into a unified, end-to-end solution. This fragmented approach forces passengers to switch between different platforms, making it difficult to achieve a smooth, uninterrupted travel experience, especially in smaller cities and rural areas, where service integration is even more limited.

## OVERVIEW OF CHINA'S RIDE-HAILING INDUSTRY

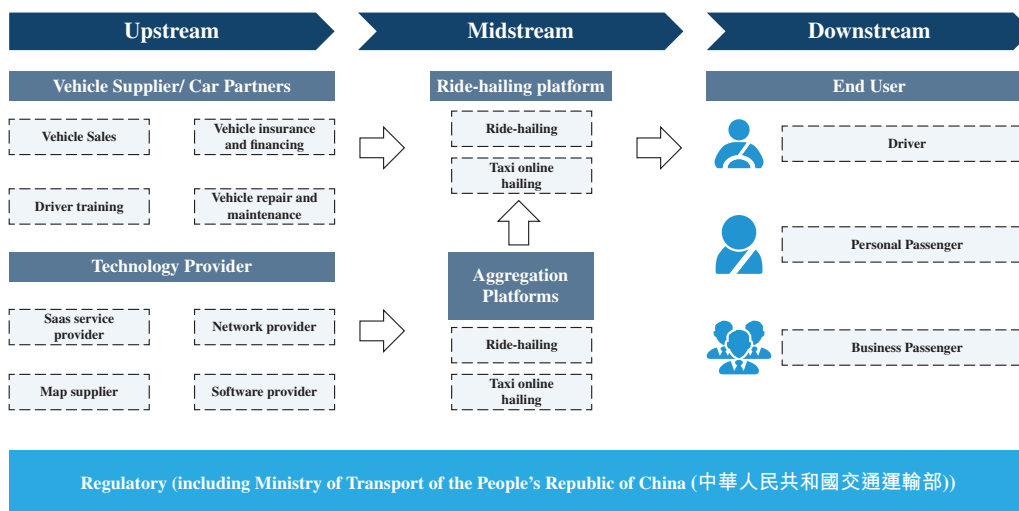
### Definition of Ride-hailing

Ride hailing leverages online platforms to match the demand from platform users and the available supply from drivers and vehicles registered on the platforms in real time. Ride-hailing service which leverages online-enabled platforms to integrate demand from passengers and supply from cars and drivers. Ride-hailing platforms offer services to convey passengers between the location of their choice by reservation through matching ride-hailing cars and drivers. Passengers pay for the ride and drivers get income from orders.

### Value Chain Analysis

The ride-hailing industry chain includes upstream vehicle and technical service providers, midstream ride-hailing platform, and downstream end user. Upstream vehicle suppliers mainly provide vehicle tools and services required for business development for ride-hailing platforms, such as vehicle sales, car rental and maintenance, etc.; Mid-stream ride-hailing service providers are mainly divided into ride-hailing platform and aggregation platforms. The ride-hailing platform distributes orders, plans routes and provides vehicle-related combined services for both individual and business usage.

## INDUSTRY OVERVIEW

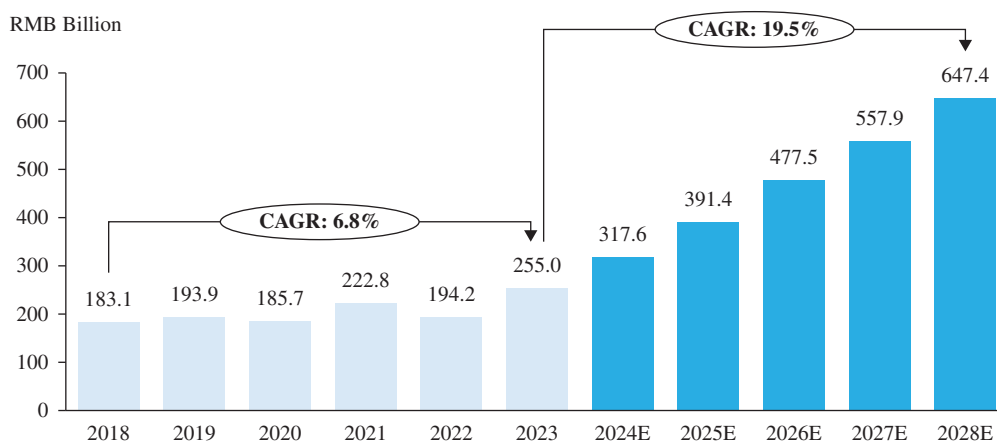


### Market Size of Ride-Hailing Industry

Since 2018, the ride-hailing market in China has continued to increase from RMB183.1 billion to RMB193.9 billion in 2019. In 2020, the market size of ride-hailing market declined to RMB185.7 billion due to the COVID-19 pandemic. In 2022, due to the impact of COVID-19 the repeated intensification of the epidemic across the country and travel restrictions led to a decline in the ride-hailing industry in China.

In 2023, with the full liberalization of epidemic control and the policies issued by the national and local governments, it can be seen that the policies as a whole are encouraging for the development of the ride-hailing industry while ensuring the future development of the industry by constantly updating the norms and standards. The market will be growing at a CAGR of 19.5%, and it is expected to reach RMB647.4 billion by 2028.

### Market Size of Ride-Hailing Industry (China), by GTV, 2018 — 2028E



Source: Frost & Sullivan

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## INDUSTRY OVERVIEW

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### Market Drivers of China Ride-Hailing Market

**Continuous expansion of BEV application:** Compared with traditional internal combustion engine vehicles (ICEVs), battery energy vehicles (BEVs) are more likely to become the mainstream vehicle types for providing ride-hailing services with its lower total cost of ownership and greater environmental friendliness. For example, in the typical vehicle types that provide premium service in ride-hailing, the average total cost of ownership of BEVs is no more than 5,000 RMB per month, less than the average cost of ownership of the ICEVs of approximately 6,787 RMB per month. The lower cost of BEVs compared to ICEVs is mainly reflected in energy costs and maintenance costs. The initial purchase cost of BEVs is often higher than that of fuel cars, which is due to the fact that the research and development cost of BEVs is still relatively high and there is no scale effect yet. In the future, with the continuous improvement of battery technology and the gradual formation of production scale effect, it is expected that the marginal cost of BEVs will continue to decline, promoting the further reduction of the purchase cost of BEVs, so as to increase the application of more BEVs in the ride-hailing market.

**Increasing compliant supply of vehicles and drivers:** In recent years, the Ministry of Transport began to issue ride-hailing business licenses to standardize the industry entry threshold. The government actively promoted the compliance of the ride-hailing industry, and issued polices to ban vicious competition that disrupted the normal market order, maintain the stable development of the industry, and provide a favorable policy environment for the supply of ride-hailing services. In addition, as improving cost structures and attracting and retaining drivers become increasingly essential for boosting profitability and capturing market share, some mobility service providers have begun to develop their capability to exert more control over the lifecycle of their vehicles and provide more high-quality support to drivers. Such control over the lifecycle of vehicles will also increase the supply of compliant vehicles and drivers in the ride-hailing market. Having control over vehicles naturally means mobility service providers can deploy more compliant vehicles and gradually reduce the size of their noncompliant vehicles. With increased control of vehicles, mobility service providers may also have more leverage to require drivers to obtain their requisite licenses, since many of them may lease or purchase vehicles from mobility service providers or with the help of mobility service providers. The lack of compliant drivers and vehicles partially contributed to the slower growth of the ride-hailing market from 2018 to 2023, as mobility service providers bore increasing compliance cost in light of increasing regulatory scrutiny. As the market starts to gain more compliant drivers and vehicles, the ride-hailing market is expected to expand further.

**Aggregation model’s impact on ride-hailing market evolution:** The aggregation model in the ride hailing industry serves as a crucial driver of market development, significantly enhancing passengers’ travel experience. This model integrates resources from multiple platforms, optimizing order matching accuracy and efficiency, thereby reducing passenger wait times and increasing vehicle utilization rates. Meanwhile, aggregation platforms have their own stock of users, such as the navigation users, and when they are converted into users of ride-hailing, it is less costly than the traditional ride-hailing platforms to develop new user. By adopting the aggregation model, leaders in the ride hailing industry, established mutually beneficial partnerships with other platforms, reduce passenger acquisition and retention costs, collectively building a thriving industry ecosystem. This strategic transformation not only brings new development opportunities for platforms but also helps to reduce operational costs, expand market share, and improve service quality. Between 2021 and 2023, the total number

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## INDUSTRY OVERVIEW

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of order from aggregation platform increased from 2.3 billion to 3.3 billion orders, demonstrating significant growth. Among these, the performance of the Gaode was particularly notable, with its order volume rising from 1.3 billion to 2.2 billion orders, reflecting a CAGR of 20.3%. Gaode's share of the total orders from aggregation platform increased from 57.0% in 2021 to 67.0% in 2023. In the long run, the proactive adoption of the aggregation model will promote the healthy and stable development of the entire ride hailing industry. Through resource sharing and complementary cooperation, it addresses market challenges and achieves sustainable growth within the industry.

***Meeting varied travel scenarios:*** The sustained prosperity of the ride hailing market owes much to its dual drivers of diversified transportation services and tailored offerings for specific user demographics. From cost-effective economy rides to premium executive and luxurious options, the array of service types not only meets diverse passenger needs across various occasions but also showcases the platform's adaptability and flexibility. Customized services for specific user groups, such as accessibility features and pet-friendly vehicles, further underscore the industry's relentless pursuit of diversity and customer-centricity. These services not only elevate the overall service standards of the ride hailing market but also enhance its market appeal, propelling continuous expansion and innovation within the industry. With ongoing technological advancements and increasingly diverse societal demands, the ride hailing market will continue to explore new service areas, continuously meeting passengers' personalized needs, and driving sustained and healthy industry growth.

***Ride hailing penetrates lower-tier cities, activating a vast consumer base:*** The growth momentum of the ride hailing market is fueled by the continuous penetration of its service habits, particularly the spread from tier-one to tier-two and lower-tier cities. This trend not only demonstrates the widespread potential of ride hailing services nationwide but also activates a vast consumer base, injecting new vitality into the market. Lower-tier cities, including tier-three, tier-four cities, and below, boast a large population base. With steady economic growth and urbanization advancement, residents in these areas have an increasing demand for convenient and efficient transportation services. Ride hailing services, with their flexibility, convenience, and relatively affordable prices, are gradually becoming the new choice for residents in lower-tier cities. Consumers are becoming increasingly accustomed to using smartphone applications to book vehicles, enjoying personalized and on-demand travel services. Ride hailing platforms are also adapting to the characteristics of lower-tier markets by introducing services and pricing strategies that cater to local consumption levels, as well as conducting localized market promotions to attract more users. The widespread adoption of mobile internet and mobile payment technologies has increased the acceptance and usage frequency of online services among residents in lower-tier cities, providing a favorable development environment for ride hailing platforms.

***Accelerating issuance of drives and vehicles while the issuance to the permit of ride-hailing platforms remains slow:*** The ride hailing industry's growth is greatly aided by regulatory authorities expediting the issuance of ride hailing operating permits and licenses. In recent years, there's been a notable uptick in permits for drivers and vehicles, with qualification certificate for ride-hailing drivers growing from 2.89 million in 2020 to 6.57 million in 2023, and vehicle transportation permits rising from 1.12 million to 2.79 million over the same period, achieving a CAGR of 31.5% and 35.6%, respectively. Improved compliance not only fosters passenger trust and satisfaction but also empowers platforms to manage risks and uphold quality and safety standards more effectively. With a greater number



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## INDUSTRY OVERVIEW

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of compliant drivers and vehicles, ride hailing platforms can deliver stable, efficient services, meeting escalating demand and propelling industry growth. However, from the perspective of the ride-hailing platforms, the issuance of License to Operate Network Reservation Taxi (《網路預約計程車經營許可證》) has not accelerated, and some cities have even strengthened the management of platforms that have already obtained the license and revoked the license for those that do not meet the requirements, which will raise the entry threshold for the entire ride-hailing industry.

### Challenges of China Ride-Hailing Market

***For Users — The Dilemma to Choose Between Price and Experience:*** Currently, express and premier are the two predominant types of service lines in China’s current ride-hailing market, while users often face the dilemma to choose between price and experience. The lack of good value-for-money options with consistently high-quality and intelligent ride experience remain as the major pain point for users. While premier mobility service typically provides superior user experience, its high price results in a low penetration rate in the ride-hailing market. Express ride-hailing service, on the other hand, currently features a large number of vehicle models of various quality. There are currently more than 200 different express vehicle models employed by the largest ride-hailing service provider alone for the provision of express ride-hailing service in China. With a wide variety of vehicle models, users may not be assured a consistent ride hailing experience by each ride.

***For Drivers — High Vehicle Total Cost of Ownership and the Lack of Driver-Care Features:*** Vehicle total cost of ownership accounted for around 55% of a driver’s gross income on average. High vehicle total cost of ownership hinders drivers from increasing their net income. This situation often results in low driver retention rates on ride-hailing service providers, presenting considerable challenges for the industry. Amortized monthly purchase cost or monthly leasing cost is the biggest component of a vehicle total cost of ownership. Drivers often lack the opportunity to choose a mobility operating vehicle model that offers considerably lower vehicle total cost of ownership, thereby restricting their ability to achieve cost efficiency. Another major component of vehicle total cost of ownership is the auto servicing cost including insurance and maintenance and repair cost. Insurance cost of a driver represents insurance charges collected by insurance companies and depends on the frequency of car accidents where this car driver bears legal liability for the associated damages and the severity of such accidents. In addition, auto maintenance and repair services typically require significant down-time that cannot be controlled by drivers. Auto servicing shops also typically lack transparency of pricing and service quality guarantee. These factors significantly increase a driver’s operating cost. In 2023, Chinese ride-hailing drivers worked around 10 hours on average in a vehicle each working day. Traditional vehicles typically lack driver-care features that are critical to drivers’ health and convenience, including driver seat ventilation, adjustable waist support, driver rest mode, and traffic heatmap to support order in-take.

***For Ride-hailing Service Providers — High Compliance Cost and Shortage of Compliant Drivers and Vehicles:*** Ride-hailing service providers also face a high compliance cost and a shortage of compliant drivers and vehicles, as there is increasing regulatory scrutiny on the industry. The high compliance costs are reflected in the following ways: 1. There are specific requirements for vehicle service years and configuration, which prevent price reductions. 2. Insurance costs for commercial vehicles are higher than private usage vehicles. 3. Policies mandate the installation of on-board equipment, leading to additional expenses.

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## INDUSTRY OVERVIEW

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***Other Challenges to the Development of the Ride-hailing Industry:*** In recent years, as the ride-hailing industry has continued to expand, its development has faced multiple challenges. In one hand, increasing capacity of ride-hailing industry has intensified competition among drivers, leading to reduced incomes. At the same time, some ride-hailing platforms have lax requirements for driver qualifications, which has resulted in declining service quality and potential safety risks. The resale of orders across different platforms also undermines drivers' interests and reduces their earnings, while hidden high commissions from platforms further erode drivers' profit margins, exacerbating their financial pressure. All of these challenges pose risks for the sustainable development of China's ride-hailing industry. In addition, the development robotaxi may set rising requirement to the ride-hailing platform and those players who are in lack of technology in robotaxi may lose their market position in this trend as the robotaxi is relatively competitive in operation cost and management.

### OVERVIEW OF CHINA'S DIGITALIZATION AND BUSINESS SOLUTIONS FOR ROAD PASSENGER TRANSPORTATION INDUSTRY

#### Definition and Classification of Digitalization and Business Solutions for Road Passenger Transportation

Digitalization and business solutions for road passenger transportation refer to the integration of advanced information technology and intelligent devices to create a comprehensive, networked, and intelligent road passenger transportation service system. The aim is to enhance the efficiency, safety, and user experience of road passenger transportation services. The comprehensive informatization solution for modern road passenger transportation enterprises includes passenger station management system, small express transport system, enterprise networking platform and settlement platform system, as well as intelligent hardware management system (self-service ticketing terminals, mobile handheld ticketing terminals, intelligent gates, etc.) and enterprise WeChat public number management system, etc. The road passenger transportation network ticketing solution builds a unified road passenger transportation network ticketing system, which realizes ticket information query and ticketing at passenger transportation stations and social agencies, as well as on the internet, cell phones, self-service terminals and other channels, through the road passenger transportation network public information service system, the road passenger transportation network ticketing clearing and settlement system, the road network integrated management system, the road passenger transportation information monitoring and decision-making assistance system, and the ticket management system. The regional tourism cloud platform utilizes cloud computing and other new technologies to realize automatic sensing, timely transmission and mining analysis of various types of tourism information through the internet, wireless networks, and with the help of portable terminal equipment. The transportation and tour integration solution creates personalized and comprehensive travel service products with intermodal transportation and integration of transportation and tours, and at the same time establishes a peer purchasing and distribution platform to provide online e-transaction services for suppliers and distributors. The big data solution is based on the traffic data of passenger transportation enterprises. It establishes relevant analysis models to maximize the response to the trend of passenger travel and tourism. At the same time, based on the data collected from the internet, it provides enterprises with more timely and accurate analysis of users' willingness to travel and tourism and hot spots.

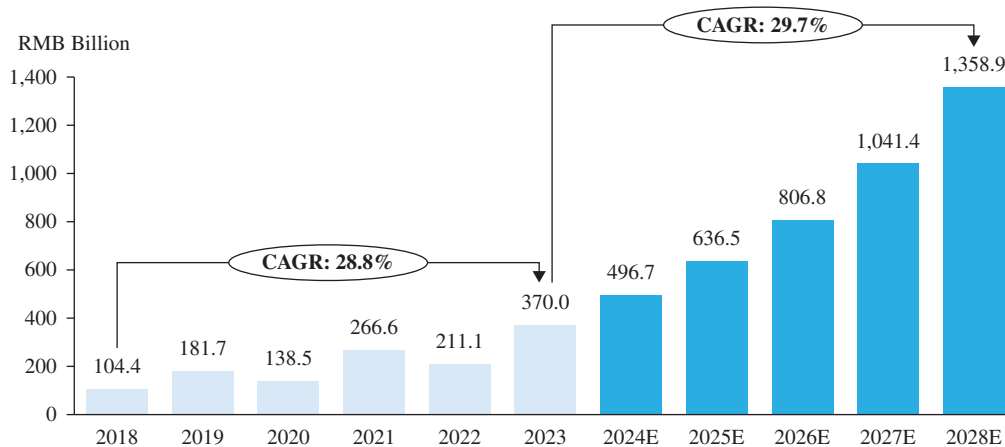
## INDUSTRY OVERVIEW

### Market Size of China Digitalization and Business Solutions for Road Passenger Transportation Market

Since 2018, the project amount of the digitalization and business solutions for road passenger transportation market in China has continued to increase from RMB104.4 million to RMB181.7 million in 2019. In 2020, the market size of digitalization and business solutions for road passenger transportation declined to RMB138.5 million due to the COVID-19 pandemic. In 2021, the total investment saw a significant rise to RMB266.6 million. In 2022, the total amount was RMB211.1 million, and in 2023, the total investment peaked at RMB370.0 million.

From 2023, recovery of pandemic and economy had a positive impact on the digitalization and business solutions for road passenger transportation industry and the market also reached the stage of fast development. Therefore, the market size will grow steadily. The market size of the digitalization and business solutions for road passenger transportation is expected to grow at a CAGR of 29.7% from 2023 to 2028, and reach RMB1,358.9 million by 2028.

#### Digitalization and Business Solutions for Road Passenger Transportation Industry (China), 2018 — 2028E



Source: Frost & Sullivan

### Market Drivers of China Digitalization and Business Solutions for Road Passenger Transportation Market

**The Demand for Enhanced Operational Efficiency:** In the highly competitive road transport industry, the need to enhance operational efficiency is a critical market driver for digitalization and business solutions. Digital tools, such as big data analytics, intelligent dispatch systems, and process automation, enable companies to optimize vehicle routing, streamline supply chain management, and ensure compliance with safety regulations. These technologies help reduce operational costs, improve service quality, and increase responsiveness, allowing enterprises to maintain a competitive edge. This demand for operational efficiency improvement is driving the widespread adoption of digital and enterprise solutions across the industry.

## INDUSTRY OVERVIEW

**Related technology development accelerates construction:** At present, there is still a big gap between the level of road informatization management in China and the requirement of “intelligent road”, which is mainly reflected in the lack of province-level monitoring and scheduling system, the inability to share the information between the related departments, the lack of integrated planning of infrastructure construction, and the backwardness of the means of public service, and so on, which are mainly combined with the specific road conditions and traffic environment to solve a single aspect of the problem. In the process of actual system construction, it is mainly combined with specific road conditions and transportation environment to solve a single aspect of the problem, and has not yet formed a real “wisdom” connotation. Cloud computing, big data, Internet of Things, mobile applications, artificial intelligence and other new-generation technologies continue to innovate, will help the continuous development of intelligent road, in order to solve the current problems of intelligent transportation, these functions need to be realized through many projects to achieve. This will accelerate the development of the digitalization and business solutions for road passenger transportation industry.

**Demand for national development strategies:** To accelerate the implementation of major national strategies such as the “belt and road” construction, the coordinated development of the Beijing-Tianjin-Hebei region and the development of the Yangtze river economic belt, road transportation must play the role of a forerunner, not only in terms of transportation infrastructure connectivity, but also in terms of higher requirements for transportation management and service levels. It is required to make full use of information technology to enhance the synergy of operation, management and services among countries, regions and different modes of transport, and to promote the facilitation and integration of transport through the interconnection and sharing of information.

## COMPETITIVE LANDSCAPE

The Company was China’s largest intercity road passenger transportation information services provider in terms of number of tickets sold in 2023. China’s road passenger transportation information service market is relatively fragmented with the top 3 players occupying approximately 38.0% of the total market share. In 2023, the number of market players in China’s road passenger transportation information service industry is more than 50.

### Ranking of Top 3 Road Passenger Transportation Information Service Providers in Terms of Number of Tickets Sold (China), 2023

Rank	Company	Identities or Background	Number of Tickets Sold (million)		Market Share (%)	
			2023	2023	2023	2023
1	The Company	/	71.5	17.4%		
2	Company A	Established in 2015, Company A is a non-public company. Headquartered in Suzhou, this company primarily focuses on providing road passenger transportation information services. This company has a comprehensive travel service system that includes a variety of transportation services for both intercity and intracity travel.	49.8	12.1%		
3	Company B	Established in 2010, Company B is a listed company on NEEQ. Headquartered in Chengdu, this company primarily focus is on ticketing agency services, vehicle agency services, and the development of smart transportation infrastructure	35.0	8.5%		
		Others	255.2	62.0%		
		<b>Total</b>	<b>411.5</b>	<b>100.0%</b>		

Source: Company data is provided by the Company, Frost & Sullivan

## INDUSTRY OVERVIEW

The Company ranked first in China’s traditional road passenger transportation information service market in terms of ticket sales volume of internet ticketing services in 2023. China’s traditional road passenger transportation information service market is relatively fragmented with the top 3 players occupying approximately 42.9% of the total market share. In 2023, the number of market players in China’s traditional road passenger transportation information service industry is more than 50.

### Ranking of Top 3 Traditional Road Passenger Transportation Information Service Providers in Terms of Sales Volume of Internet Ticketing Services (China), 2023

Rank	Company	Identities or Background	Sales Volume (million) 2023	Market Share (%) 2023
1	The Company	/	61.2	19.7%
2	Company A	<i>Established in 2015, Company A is a non-public company. Headquartered in Suzhou, this company primarily focuses on providing highway passenger transportation information services. This company has a comprehensive travel service system that includes a variety of transportation services for both intercity and intracity travel.</i>	41.6	13.4%
3	Company B	<i>Established in 2010, Company B is a listed company on NEEQ. Headquartered in Chengdu, this company primarily focus is on ticketing agency services, vehicle agency services, and the development of smart transportation infrastructure.</i>	30.5	9.8%
		<b>Others</b>	<b>177.2</b>	<b>57.1%</b>
		<b>Total</b>	<b>310.5</b>	<b>100.0%</b>

*Source: Company data is provided by the Company, Frost & Sullivan*

The Company ranked first in China’s customized road passenger transportation information service market in terms of ticket sales volume in 2023. China’s customized road passenger transportation information service market is relatively fragmented with the top 3 players occupying approximately 22.8% of the total market share. In 2023, the number of market players in China’s customized road passenger transportation information service industry is more than 50.

## INDUSTRY OVERVIEW

### Ranking of Top 3 Customized Road Passenger Transportation Information Service Providers in Terms of Sales Volume (China), 2023

Rank	Company	Identities or Background	Sales Volume (million) 2023	Market Share (%) 2023
1	The Company	/	10.3	10.2%
2	Company A	<i>Established in 2015, Company A is a non-public company. Headquartered in Suzhou, this company primarily focuses on providing highway passenger transportation information services. This company has a comprehensive travel service system that includes a variety of transportation services for both intercity and intracity travel.</i>	8.2	8.1%
3	Company B	<i>Established in 2010, Company B is a listed company on NEEQ. Headquartered in Chengdu, this company primarily focus is on ticketing agency services, vehicle agency services, and the development of smart transportation infrastructure.</i>	4.5	4.5%
<b>Others</b>			78.0	77.2%
<b>Total</b>			<b>101.0</b>	<b>100.0%</b>

Source: Company data is provided by the Company, Frost & Sullivan

The Company ranked the 15th in China’s ride-hailing service market in terms of GTV in 2023. China’s ride-hailing service market is relatively concentrated with the top 5 players occupying approximately 90.7% of the total market share. In 2023, the number of market players in China’s ride-hailing industry is more than 300. The Company ranked second in China’s ride-hailing service market in terms of the number of Online Ride-Hailing Operating Permits as of June 30, 2024.

### Ranking of the number of Online Ride-Hailing Operating Permits in China, June 30, 2024

Company Name	Number Of Online Ride-Hailing Operating Permits
Company C	212
<b>The Company</b>	<b>181</b>
Company D	168
Company E	160
Company F	152

Source: Company data is provided by the Company, Frost & Sullivan

## INDUSTRY OVERVIEW

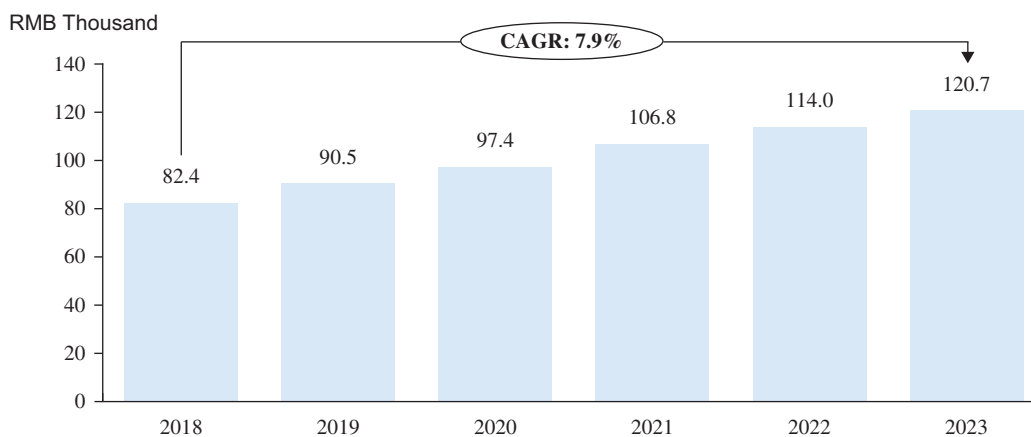
In 2023, the number of market players in China’s digitalization and business solutions for road passenger transportation industry is more than 100.

As of June 30, 2024, the Company had undertaken the road passenger transportation digitalization projects for 17 provinces, autonomous regions, and municipalities and was the largest digitalization and business solutions provider in China’s road passenger transportation market in terms of the number of the digitalization projects in provincial-level.

## COST ANALYSIS

Labor cost is the major cost component for companies in road passenger transportation industry, ride-hailing industry and digitalization and business solutions for road passenger transportation industry. Driven by steady economic growth and continuous urbanization efforts, the average annual salary of urban employees in China experienced continuous growth and reached RMB120.7 thousand in 2023, representing a CAGR of 7.9% from 2018.

### Average Annual Salary of Urban Employees in China, 2018-2023



Source: National Bureau of Statistics

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## REGULATORY OVERVIEW

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This section sets out an overview of the current laws and regulations applicable to the Group in the PRC that may materially affect the Group and its operations. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to the Group.

This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations of the Group and/or which may be important to potential investors.

### REGULATIONS RELATING TO FOREIGN INVESTMENT

The Company Law of the PRC (《中華人民共和國公司法》), promulgated by the Standing Committee of the National People’s Congress of the PRC (全國人民代表大會常務委員會) (the “SCNPC”) on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024, governs the establishment, operation and management of companies in the PRC, including foreign-invested companies. Unless foreign investment laws provide otherwise, foreign-invested companies shall abide by the Company Law of the PRC.

Foreign investment in the PRC is subject to the Catalogue of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the “Catalogue”), amended on October 26, 2022 and effective since January 1, 2023 and the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 edition) (《外商投資准入特別管理措施(負面清單) (2024年版)》) (the “Negative List”), promulgated on September 6, 2024 and effective since November 1, 2024, both of which issued by the National Development and Reform Commission (中華人民共和國國家發展和改革委員會) (the “NDRC”) and the Ministry of Commerce of the PRC (中華人民共和國商務部) (the “MOFCOM”). The Catalogue 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 Catalogue or the Negative List are generally deemed as falling into a fourth category, “permitted”, unless specifically restricted by other PRC laws and regulations.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “FIL”), promulgated by the National People’s Congress (全國人民代表大會) on March 15, 2019, effective since January 1, 2020, and 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”), promulgated by the State Council (國務院) on December 26, 2019, effective since January 1, 2020, are the principal existing law and regulation governing foreign investment in the PRC. The FIL and the Implementation Regulations for FIL are enacted to further expand opening-up, actively promote foreign investment, protect legitimate rights and interests in foreign investment, and standardize foreign investment management. Pursuant to the FIL and the Implementation Regulations for FIL, the PRC adopts a system of national treatment plus the Negative List with respect to foreign investment administration. Foreign investment and domestic investment in industries outside the scope of the Negative List issued or released upon approval by the State Council would be treated equally.



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On December 30, 2019, the MOFCOM and State Administration for Market Regulation (國家市場監督管理總局) (the “SAMR”) promulgated the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》) (the “Reporting Measures”), which came into effect on January 1, 2020. The Reporting Measures regulate information reporting relating to foreign investment in the PRC. Pursuant to the Reporting Measures, foreign investors and foreign-invested enterprises who directly or indirectly carry out investment activities in the PRC shall report investment information to the competent departments of commerce by submitting initial reports, change reports, cancellation reports and annual reports.

On December 19, 2020, the NDRC and the MOFCOM jointly promulgated the Measures on the Security Review of Foreign Investment (《外商投資安全審查辦法》), effective on January 18, 2021, setting forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. Foreign investor or relevant parties in China must declare the security review prior to (i) the investments in the military industry, military industrial supporting and other fields relating to the security of national defense, and investments in areas surrounding military facilities and military industry facilities; and (ii) investments in important agricultural products, important energy and resources, important equipment manufacturing, important infrastructure, important transportation services, important cultural products and services, important information technology and Internet products and services, important financial services, key technologies and other important fields relating to national security; and obtaining control in the target enterprise.

### REGULATIONS RELATING TO OVERSEAS LISTING

On February 17, 2023, the CSRC promulgated Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”) and five relevant guidelines, which became effective on March 31, 2023. Meanwhile, the Special Provisions of the State Council for the Share Offerings and Listings Overseas of Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) and the Circular of the State Council Concerning Further Strengthening the Administration of Share Issuance and Listing Overseas (《國務院關於進一步加強在境外發行股票和上市管理的通知》), which were previously the main institutional basis for overseas offering and listing by domestic enterprises, were repealed on March 31, 2023.

According to the Overseas Listing Trial Measures, PRC domestic enterprises which seek to issue and list securities in overseas markets by direct or indirect means are required to complete the filing procedures with and submit relevant materials to the CSRC. The Overseas Listing Trial Measures provides that an overseas offering and listing is prohibited if there is one of the following circumstances: (i) the listing is specifically prohibited for financing purposes by laws, administrative regulations, or applicable requirements imposed by the country; (ii) the overseas offering and listing might endanger national security as reviewed and determined by competent authorities under the State Council in accordance with relevant laws;

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(iii) the domestic enterprise or its controlling shareholder(s) and de facto controller(s) have committed corruption, bribery, embezzlement, misappropriation of property, or other criminal offenses disruptive to the order of the socialist market economy in recent three years; (iv) the domestic enterprise is currently under judicial investigations for suspicion of criminal offenses or materially breaching laws or regulations, where no definitive conclusions have been reached; or (v) there are material ownership disputes with respect to equity interests held by controlling shareholder(s) or equity interests held by other shareholders controlled by controlling shareholder(s) and/or de facto controller(s).

The Overseas Listing Trial Measures 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 an indirect overseas offering and listing by PRC domestic enterprises: (i) the amount of any of the operating revenue, total profit, total assets or net assets of the domestic enterprise represents over 50% of that of the relevant item in the issuer's audited consolidated financial statements for the most recent fiscal year; and (ii) the main parts of the issuer's business activities are conducted in mainland China, or its principal place of business is located in mainland China, or the majority of senior management in charge of its business operations and management are PRC citizens or have their usual place of residence located in mainland China. Where an issuer submits an application for an initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as a change of control or voluntary or forced delisting of the issuer who has completed an overseas offering and listing.

To enhance confidentiality and archive management for domestic enterprises' overseas offerings and listings, CSRC, the Ministry of Finance of the PRC (財政部), National Administration of State Secrets Protection (國家保密局), and National Archives Administration (國家檔案局) promulgated the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (CSRC Announcement [2023] No. 44) (《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》(證監會公告[2023]44號)) on February 24, 2023, which came into effect on March 31, 2023, and at the same time, replaced the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings (CSRC Announcement [2009] No. 29) (《關於加強在境外發行證券與上市相關保密和檔案管理工作的規定》(證監會公告[2009]29號)). These provisions now cover domestic joint stock companies directly listing overseas and entities indirectly listing abroad. They outline procedural requirements and specify enterprises' confidentiality responsibilities and accounting archives administration, in alignment with the Overseas Listing Trial Measures.

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### REGULATIONS RELATING TO ONLINE RIDE HAILING SERVICES

Pursuant to the Notice of the General Office of the State Council on Deepening Reform and Promoting the Healthy Development of the Taxi Industry (《國務院辦公廳關於深化改革推進出租汽車行業健康發展的指導意見》) promulgated on July 26, 2016, the online ride hailing platform shall have the ability to provide services both online and offline, vehicles and drivers engaged in the online ride hailing services shall comply with the basic conditions for providing passenger-carrying transport services.

On July 27, 2016, the Ministry of Transport (交通運輸部) (the “MOT”), the Ministry of Industry and Information Technology (工業和信息化部) (the “MIIT”), the Ministry of Public Security (公安部) (the “MPS”), the MOFCOM, State Administration of Industry and Commerce (國家工商行政管理總局) (the “SAIC”), the General Administration of Quality Supervision, Inspection and Quarantine (國家質量監督檢驗檢疫總局) (together with the SAIC are reformed and merged into the SAMR) and the Cyberspace Administration of China (國家互聯網信息辦公室) (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”), which became effective on November 1, 2016 and was last amended on November 30, 2022, to regulate the business activities of the online ride hailing services and to ensure the safety of the passengers by establishing a regulatory system for the platforms, vehicles and drivers engaged in the online ride hailing services. Before carrying out the online ride hailing services, an online ride hailing services platform shall obtain the license for the online ride hailing business, complete the record filing of internet information services with the provincial authorities of communications administration in the place of its enterprise registration and handle the filing procedures with the acceptance agency designated by the provincial authorities of public security where the management and operation organization of the online ride hailing services platform locates. Such platform must be capable of exchanging and processing the relevant information and data with its servers located within the PRC, sign an agreement on the provision of payment and settlement services with the bank or non-banking payment institution for electronic payment, establish a sound operational management system, work safety management system and service quality assurance system, and fulfill other conditions as stipulated. Platforms that conduct the activities of online ride hailing operation 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.

Based on the Online Ride Hailing Measures, vehicles used for the online ride hailing services shall be equipped with the transportation permit for the vehicles used for the online ride hailing services, issued by the competent transport authorities in the place where relevant services activities are carried out. The relevant parties may be imposed a fine of RMB3,000 to RMB10,000 for online ride hailing business without the necessary permit for used vehicles. Drivers must also satisfy certain conditions in order to engage in the online ride hailing services, including, among others, the driver license for corresponding vehicles, driving experience of over 3 years and no criminal records of violence. Failure of obtainment of the driver license for online ride hailing services may lead to a fine of RMB200 to RMB2,000. If

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the vehicle or the driver engaged in the online ride hailing services does not obtained the necessary permit for used vehicles or the driver license for online ride hailing services, the platform may be imposed a fine of RMB5,000 to RMB10,000, and a fine of RMB10,000 to RMB30,000 if the circumstances are serious.

The Online Ride Hailing Measures stipulate that the competent transport authorities shall build and improve the government supervision platform and realize sharing of information with the online ride hailing platform. The information to be shared includes the basic information of the vehicles and drivers, service quality and the comments from the passengers.

The Online Ride Hailing Measures require that the vehicles used for the online ride hailing services shall be insured against the risks in relation to the operational vehicles and the online ride hailing services platform shall purchase carrier liability insurance for the passengers. Some municipal authorities have promulgated local measures or rules to govern operation and services of online ride hailing with more specific provisions regarding to the types or amount of aforementioned insurance. For example, pursuant to the Interim Measures of Kunming Municipality for the Management and Service of Online Ride Hailing Operation (《昆明市網絡預約出租汽車經營服務管理暫行辦法》) promulgated by the People's Government of Kunming Municipality on January 3, 2018, effective on February 15, 2018, the online ride hailing platform shall purchase carrier liability insurance for the passengers, and the vehicles used for provision of the online ride hailing services shall purchase the compulsory traffic accident liability insurance, the passenger accident insurance and the compulsory third party liability insurance with the compensation amount of no less than RMB1,000,000.

On February 7, 2022, 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 "MHRSS"), the People's Bank of China (中國人民銀行) (the "PBOC"), State Taxation Administration (國家稅務總局) (the "STA"), the General Office of the SAMR and the CAC jointly promulgated 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》), according to which the enterprises of the online ride hailing platform 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 online ride hailing operation without obtaining the permit, distributing orders to drivers or vehicles failing to obtain the corresponding permits, failing to transmit relevant data information to the regulatory information interaction platform of online ride hailing as required and illegally operating payment or settlement of capital.

Pursuant to 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臺運行管理辦法》) promulgated by the MOT and becoming effective on July 1, 2022, the municipal transport authorities shall transmit the relevant licensing information of the platform companies, vehicles and drivers engaged in online ride hailing services in real time through the information system of the transport administration in order that such information will be shared in real time among the industry platform. The information that cannot be shared in real time

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shall be entered and uploaded promptly into the industry platform, in principle, at least once a week. The online ride hailing platform companies shall transmit some basic static data, which includes the relevant information of the platform companies, vehicles and drivers, and some dynamic data, which includes order information, operation information, location information, service quality information to the industry platform, from the next day of the date when the online ride hailing platform companies obtain the licenses for the online ride hailing business.

### REGULATIONS RELATING TO AUTONOMOUS DRIVING VEHICLES

The Norms on Administration of Road Testing and Demonstrative Employment of Autonomous Driving Vehicles (Trial Implementation) (《智能網聯汽車道路測試與示範應用管理規範(試行)》) (the "Road Testing and Demonstrative Employment Norms") were promulgated by the MIIT, the MPS and the MOT on July 27, 2021 and became effective on September 1, 2021. Pursuant to the "Road Testing and Demonstrative Employment Norms", road testing refers to the testing activities of self-driving function of the autonomous driving vehicles carried out on the designated sections of highways (including expressways), urban roads, regional roads and other roads used for the passage of social motor vehicles. And the Road Testing and Demonstrative Employment Norms define demonstrative employment as the running activities of autonomous driving vehicles to carry passengers and cargos, with pilot or trial implementation effects, on the designated sections of highways (including expressways), urban roads, regional roads and other roads used for the passage of social motor vehicles. The entities intending to conduct a road testing or demonstrative employment of autonomous driving vehicles must apply to the competent authorities of industry and information, public security and transport. Any activity of road testing or demonstrative employment shall not last longer than 18 months and the validity period of the safety technology inspection certificate and the insurance certificate. The entities carrying out activities of road testing and demonstrative employment are also required to apply to the traffic management departments of the public security authorities for a temporary car number plate for tested or employed vehicles with relevant certificates and materials, including self-declaration by such entities on the safety of the road testing or demonstrative employment of autonomous driving vehicles confirmed by the competent authorities. During road testing or demonstrative employment activities, the entities should post a noticeable identification logo for autonomous driving test or demonstrative employment on each tested or employed car and should not use autonomous driving model unless in the sections or areas specified in the self-declaration. In addition, the entities are required to submit periodical reports to the competent authorities every six months and final reports within one month after completion of the road testing or demonstrative employment. The entities shall report car accidents occurring during the period of the road testing or demonstrative employment to the competent authorities each month. In the case of a car accident causing severe injury or death of personnel or vehicle damage, the entities must report the accident to the competent authorities within 24 hours through the information system and submit a comprehensive analysis report in writing covering cause analysis, final liability allocation results and complete accident analysis within five working days after the liability is determined for the accident.

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### REGULATIONS RELATING TO VALUE-ADDED TELECOMMUNICATIONS SERVICES

#### Regulations Relating to Value-Added Telecommunications Services

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the "Telecommunications Regulations"), which were promulgated by the State Council on September 25, 2000 and amended on July 29, 2014 and February 6, 2016, provide the regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations categorize telecommunications services in the PRC into basic telecommunications services and value-added telecommunications services, and value-added telecommunications services are defined as telecommunications and information services provided through public network infrastructures. Under the Telecommunications Regulations, telecommunications services providers shall obtain operating licenses from the MIIT or its provincial counterparts prior to the commencement of operations.

The Administrative Measures for Telecommunications Business Operating License (《電信業務經營許可管理辦法》) with latest amendments becoming effective from September 1, 2017 set forth more specific provisions regarding the types of licenses required for value-added telecommunications services and the qualifications and procedures for obtaining such licenses. The value-added telecommunications services operators providing value-added services across multiple provinces are required to obtain inter-regional licenses from the MIIT, whereas value-added telecommunications services operators providing such services within a single province are required to obtain local licenses from the provincial level counterparts.

The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) promulgated by the State Council on September 25, 2000 and 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 such as provisions of 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.

The Catalog of Classification of Telecommunications Services (《電信業務分類目錄》), attached to the Telecommunications Regulations and last amended on June 6, 2019 by the MIIT, divides information services business into information publication platform and delivery services, information search and inquiry services, information communities platform services, instant message services, and information security and management services.

In addition, the provision of application information services and application distribution services in the PRC is specially regulated by the Administrative Provisions on Mobile Internet Application Information Services (《移動互聯網應用程序信息服務管理規定》) (the "APP Provisions"), which was promulgated by the CAC on June 28, 2016 and last amended on June 14, 2022. According to the APP Provisions, the CAC and local offices of cyberspace

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administration shall be responsible for the supervision and administration of nationwide or local application information respectively. The application information service providers shall acquire relevant qualifications required by laws and regulations and implement the information security management responsibilities strictly and fulfill their obligations, including verifying user identity information, protecting users’ information, examining and managing information content.

### **Regulations Relating to Foreign Investment in Value-Added Telecommunications Services**

Foreign direct investment in telecommunications companies in the PRC is regulated by the Regulations for Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the “FITE Regulations”), which were 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 equity interest acquired by the foreign investors in such enterprises shall not exceed 50%. In addition, the foreign investors of the enterprises engaged in value-added telecommunications services must satisfy a number of stringent performance and operational experience requirements, including demonstrating a track record and experience in operating such business. The enterprises that meet these 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. Moreover, pursuant to the Negative List, foreign equity in enterprises providing value-added telecommunications business shall not exceed 50%, but such stipulation is not applied to e-commerce, domestic multi-party communications, store-and-forward and call centers services.

However, the State Council promulgated 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》) on March 29, 2022, 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. In addition, the New FITE Regulations simplify the application process for telecommunication business operation licenses and shorten the review period.

The Notice of the Ministry of Information Industry of the PRC (which is the predecessor of the “MIIT”) 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》) issued on July 13, 2006 requires foreign investors investing in and operating value-added telecommunications services in the PRC to set up foreign-invested enterprises and obtain licenses for such 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. In addition to restricting dealings with foreign investors, it contains a number of detailed requirements applicable to the operators of value-added telecommunications services, including that operators or their shareholders shall legally own the domain names and trademarks used in their daily operations and each operator must possess the necessary facilities for its approved business operations and maintain its facilities in the regions covered by its license.

According to 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 for obtainment or change of the licenses for operation of telecommunications business.

### REGULATIONS RELATING TO THE PAYMENT SERVICES AND USER FUNDS

According to the Regulation on Supervision and Administration of Non-bank Payment Institutions (《非銀行支付機構監督管理條例》) which was promulgated by the State Council on December 9, 2023, effective on May 1, 2024, non-bank payment institutions refer to entities, other than banking financial institutions, that have obtained a payment business license to engage in payment activities, such as the transfer of monetary funds, based on electronic payment instructions submitted by payees or payers. Without the approval of the PBOC, no organization or individual may engage in payment business directly or in a disguised form. Non-bank payment institutions that are illegally established without approval, or those engaging in payment business directly or in a disguised form, shall be banned by the PBOC, and any illegal income shall be confiscated. If the amount of the illegal income reaches RMB500,000 or above, a fine ranging from one to five times the amount of the illegal income shall be imposed. If there is no illegal income or the amount of the illegal income is less than RMB500,000, a fine ranging from RMB500,000 to RMB2,000,000 shall be imposed, either separately or concurrently.

On May 9, 2019, the MOT, the PBOC, the NDRC, the MPS, the SAMR and China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) (the “CBIRC”), jointly issued the Measures for the Administration of User Funds in New Forms of Transport Business (Trial) (《交通運輸新業態用戶資金管理辦法(試行)》) (the “Trial Measures on Administration of User Funds”), which became effective on June 1, 2019 and were amended on June 23, 2022. According to the Trial Measures on Administration of User Funds, the “new forms of transport business” refer to the construction of a service platform based on the internet and other information technologies, the integration of supply and demand information and the innovation of service mode, technology and management to engage in transportation service business, including online ride-hailing, time-share car rental and online bicycle rental. An operating enterprise engaging in new forms of transport business shall open a special deposit account for user deposits and a special deposit account for prepayments,



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respectively, as are nationwide unique at the bank in the place of its registration in mainland China, and the bank where the special deposit accounts are opened shall be the depository bank to preserve user funds. User deposits shall be the property of users, which cannot be misappropriated by any entities. In addition, an entity may use prepayments by its customers exclusively for its main business relating to services provided to its customers, rather than other activities, such as investing in real estate, equity, securities and debentures, or other lending. The entity shall set up a reserve system of prepayments by its customers, and the reserve shall not fall under 40% of the balance of all prepayments.

### REGULATIONS RELATING TO ANTI-MONOPOLY AND ANTI-UNFAIR COMPETITION

According to the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》), which was adopted by the SCNPC on September 2, 1993, came into effect as of December 1, 1993, and last amended on April 23, 2019, unfair competition refers to that the operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the PRC Anti-Unfair Competition Law in the production and operating activities. Pursuant to the PRC Anti-Unfair Competition Law, operators must abide by the principle of voluntariness, equality, impartiality, integrity and adhere to laws and business ethics during market transactions. Operators in violation of the PRC Anti-Unfair Competition Law should bear corresponding civil, administrative or criminal liabilities depending on the specific circumstances.

In February 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》) were promulgated by the Anti-Monopoly Commission of the State Council. These guidelines outline certain practices that may, if without justifiable reasons, constitute abuse of dominant position. The guidelines also expressly state that concentration involving variable interest entities will also be subject to antitrust filing requirements.

On August 17, 2021, the SAMR issued the Provisions on Preventing Unfair Online Competition (Draft for Comments) (《禁止網絡不正當競爭行為規定(公開徵求意見稿)》), which detailed the implementation of the PRC Anti-Unfair Competition Law, including specifying certain online unfair competition behaviors that should be prohibited. As of the date of this document, the draft has not been formally adopted.

On June 24, 2022, the SCNPC adopted an amendment to the PRC Anti-Monopoly Law (《中華人民共和國反壟斷法》), which introduced a "safe harbor" for vertical monopoly agreements entered into by operators whose market share falls below a specific threshold to be set by the SAMR, granted the SAMR the power to suspend the review period in merger investigations under specified circumstances, allowed public prosecutors to bring a civil public interest lawsuit based on monopolistic behaviors, and significantly increased the penalties for violation of PRC Anti-Monopoly Law, among others. This amendment emphasized the enforcement of PRC Anti-Monopoly Law in the internet and other key industries.

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The Provisions on the Review of Concentrations of Undertakings (《關於經營者集中申報標準的規定》) issued by the State Council on January 22, 2024 further clarified the factors that should be considered to determine whether an undertaking acquires control over, or may exercise decisive influence on, other undertakings.

### REGULATIONS RELATING TO TRAVEL AGENCY

On April 25, 2013, the SCNPC promulgated the Tourism Law of the PRC (《中華人民共和國旅遊法》), which came into effect on October 1, 2013 and was amended on November 7, 2016 and October 26, 2018. The Tourism Law of the PRC aims to protect tourists' and tour operators' legal rights, regulate travel market, protect and make a reasonable use of travel resources, and promote the development of travel industry, and sets forth specific requirements for the operation of travel agencies. Travel agencies are prohibited from (i) leasing, lending, or illegally transferring travel agency operation licenses, (ii) disseminating untrue or inaccurate information when soliciting customers and organizing tours or conducting any false publicity to mislead customers, (iii) arranging visits to or participation in any project or activity in violation of PRC laws and regulations or social morality, (iv) organizing tours at unreasonably low prices to induce or cheat tourists, or obtaining unlawful profits such as kickbacks, and (v) changing or ceasing scheduled itineraries without reasons and forcing the tourists to participate in other activities against the will of the tourists. In addition, travel agencies must enter into contracts with customers for travel services; and before a tour starts, a customer may assign his personal rights and obligations in a packaged-tour contract to any third person, whom the travel agency cannot refuse without cause, as long as any fee increase will be borne by the customer and the relevant third person. Accordingly, travel agencies may be subject to civil liabilities for failing to fulfill the obligations discussed above, 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 subject to the supervision of the Ministry of Culture and Tourism (文化和旅遊部) (the "MCT") and local tourism administrations. The principal regulations governing travel agencies in China include the Travel Agency Regulations (《旅行社條例》), promulgated by the State Council on February 20, 2009, which came into effect on May 1, 2009 and most recently amended on November 29, 2020, and the Implementing Rules of Travel Agency Regulations (《旅行社條例實施細則》) promulgated by the National Tourism Administration (later reformed as the MCT in March 2018) on April 3, 2009, which came into effect on May 3, 2009 and most recently amended on December 12, 2016. Under these regulations, a travel agency must obtain a license for outbound travel agency business from the National Tourism Administration or its authorized provincial-level tourism administration, and a license for domestic and inbound travel agency business from the provincial-level tourism administration or its authorized municipal tourism administration.

The Travel Agency Regulations permit foreign investors to establish foreign invested travel agencies. Foreign-owned travel agencies are allowed to open branches nationwide, but are restricted from engaging in outbound tourism business for mainland China residents, unless otherwise determined by the State Council, or provided under a free trade agreement between the country and China, or any closer economic partnership arrangements between mainland

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China, Hong Kong, and Macao. In December 2009, the State Council promulgated the Opinion on Accelerating Development of Travel Industry (《國務院關於加快發展旅遊業的意見》), which gradually allows foreign invested travel agencies to operate business of arranging PRC residents traveling to overseas destinations on a trial basis. On August 29, 2010, the National Tourism Administration and the MOFCOM further promulgated the Interim Measures for Supervising Pilot Operation of Overseas Travel Business by Sino-Foreign Joint Venture Travel Agencies (《中外合資經營旅行社試點經營出境旅遊業務監管暫行辦法》), according to which the National Tourism Administration may choose and approve certain qualified Sino-foreign joint venture travel agencies to operate business of arranging PRC residents traveling to overseas destinations, Hong Kong and Macao (excluding Taiwan), on a trial basis. Based on the Plan to Strengthen the Reform and Open-up Policy in China (Shanghai) Pilot Free Trade Zone (《全面深化中國(上海)自由貿易試驗區改革開放方案》) promulgated by the State Council in March 2017, China (Shanghai) Pilot Free Trade Zone has implemented a pilot project that allows the wholly foreign-owned travel agencies registered in China (Shanghai) Pilot Free Trade Zone that satisfied with required conditions to operate outbound tourism business. On January 31, 2019, the State Council promulgated the Approval to the Work Plan on Fully Promoting the Comprehensive Pilot Program for Expanding the Opening-Up of the Service Industry of Beijing Municipality (《國務院關於全面推進北京市服務業擴大開放綜合試點工作方案的批覆》), which allows wholly foreign-owned travel agencies registered in Beijing to provide outbound travel services (except for Taiwan) for PRC citizens on a trial basis.

On August 20, 2020, the MCT promulgated a Tentative Administrative Measure on Online Travel Operation (《在線旅遊經營服務管理暫行規定》), which intends to standardize the online travel operation business. The online travel operation services mean provision of travel services to the travelers via the information network such as internet and such services include package tour, transportation, accommodation, dining, sightseeing, entertainment, and so on. The operator of online travel business must provide real and accurate travel services information without false promotion and advertisement. The operator of online travel platform must verify the identification, license, quality standard, and credit rating of all travel business operator registered on the platform. The online travel business operator must protect the personal data privacy of travelers and must not set unfair trading conditions based on traveler's consumption records and preferences by abusing data analyzing technology. The platform operator must examine the license and qualification of travel business operators inside the platform and alert the travelers for safety warning, and should take the liability if it fails to perform the obligations requested by such administrative measures.

### REGULATIONS RELATING TO AIR-TICKETING

The air-ticketing business is subject to the supervision of the China Air Transport Association (中國航空運輸協會) (the "CATA") and its branches. 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》) promulgated by the CATA came into effect on March 1, 2019, which encourages self-discipline administration for air transportation sale agency industry. The CATA has 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 introduce general business standards applied

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by airlines for selecting and authorizing their air-ticketing sales agents. For example, basic requirements for passenger air transportation sales agencies are, including but not limited to, (i) having proper business license, (ii) having telecommunication and information services business license if conducting online air-ticketing sales, (iii) having suitable capital contributed for business operation, (iv) having capital guarantee or pledge in favor of airlines, (v) agencies and their principals not having poor credit records, and (vi) having sufficient, properly trained employees.

On August 9, 2017, the Civil Aviation Administration of China (中國民用航空局) issued the Notice on Regulating Online Air-ticketing (《關於規範互聯網機票銷售行為的通知》), pursuant to which online air-ticketing platform cannot conduct bundle sales of any other services and products by default along with selling air tickets. The online air-ticketing platform must display ancillary air-ticket-related services and products (such as VIP lounge coupon and insurance) in an explicit and accurate manner and can only offer such services and products to customers as options in addition to their air ticket purchases.

On March 3, 2021, 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 came into effect on September 1, 2021, stipulating certain obligations of aviation sales online platform operators and agents.

### REGULATIONS RELATING TO E-COMMERCE

The Measures for the Supervision and Administration of Online Trading (《網絡交易監督管理辦法》) promulgated by the SAMR in March 2021 and effective in May 2021 stipulate the obligations of online trading operators. Social networking, live streaming, or other network services providers who provide online trading platform services for operators must perform the obligations in accordance with the laws and regulations. On December 24, 2014, the MOFCOM promulgated the Provisions on the Procedures for Formulating Transaction Rules of Third-Party Online Retail Platforms (Trial) (《網絡零售第三方平台交易規則制定程序規定(試行)》) which came into effect on April 1, 2015 to regulate the formulation, revision, and enforcement of transaction rules for online retail marketplace platforms.

On August 31, 2018, the SCNPC promulgated the E-Commerce Law of the PRC (《中華人民共和國電子商務法》), which came into effect on January 1, 2019. The E-commerce Law of the PRC imposes a series of requirements on e-commerce operators including e-commerce platform operators, merchants operating on the platform and the individuals and entities carrying out business online. According to the E-commerce Law of the PRC, e-commerce operators who provide search results based on consumers' characteristics, such as hobbies and consumption habits, must also provide consumers with options that are not targeted at their personal characteristics at the same time, respect and fairly protect the legitimate interests of the consumers. In addition, e-commerce platform operators are not allowed to impose unreasonable restrictions over or add unjustified conditions to transactions concluded on their platforms by merchants, or charge merchants operating on its platform any unreasonable fees.

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An e-commerce platform operator must obtain a license for value-added telecommunications services with the specification of online data processing and transaction processing business from appropriate telecommunications authorities, pursuant to the Telecommunications Regulations and the Catalog of Classification of Telecommunications Services.

### REGULATIONS RELATING TO ADVERTISING SERVICES

The Advertisement Law of the PRC (《中華人民共和國廣告法》), which was promulgated by the SCNPC on October 27, 1994 and last amended on April 29, 2021, requires advertisers to ensure that the content of the advertisements are true. The content of advertisements cannot contain prohibited information, including but not limited to: (i) information that harms the dignity or interests of the nation or divulges the secrets of the nation, (ii) information that contains wordings such as “national level,” “highest level,” or “best,” and (iii) information that contains ethnic, racial, religious, or sexual discrimination. Advertisements posted or published through the internet cannot affect normal usage of network by users. Advertisements published in the form of pop-up window on the internet must display the close button in a clear manner to make sure that the viewers can close the advertisement by one click.

The Internet Advertisement Interim Measures (《互聯網廣告管理暫行辦法》), which were promulgated by the SAIC on July 4, 2016 and came into effect on September 1, 2016, regulate any advertisement published on the internet, including but not limited to, those on websites, webpage, and apps, those in the forms of word, picture, audio, video, and others. According to the Internet Advertisement Interim Measures, internet information service providers must stop any person from using their information services to publish illegal advertisements if they are aware of, or should reasonably be aware of, such illegal advertisements even if the internet information service provider merely provides information services and has not involved in the internet advertisement businesses. On February 25, 2023, the SAMR promulgated the Measures for Administration of Internet Advertising (《互聯網廣告管理辦法》), which stipulate the obligations of the advertisers, the internet advertising operators, and the internet information service providers. According to these measures, the product seller or the service provider who markets any product or service through live streaming on the internet, which constitutes a commercial advertisement, must take the corresponding responsibilities and perform obligations of advertisers in accordance with the laws and regulations, and the live streaming operators and marketers should also take corresponding responsibilities and perform obligations if they provide advertising design, production, agency, or publishing services or constitutes an advertising endorsement.

### REGULATIONS RELATING TO 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 first promulgated by the SCNPC on October 31, 1993 and was last amended on October 25, 2013, effective on March 15, 2014. The Consumer Protection Law sets out the obligations of business operators and the rights and interests of consumers.

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Business operators must guarantee the quality, function, usage and term of validity of the goods or services they sell or provide, if these goods and services are consumed under normal standards. The consumers whose interests have been damaged due to their purchase of goods or acceptance of services on online platforms may claim damages from the sellers or service providers. Online platform operators may be subject to liabilities if the lawful rights and interests of consumers are infringed in connection with consumers' purchase of goods or acceptance of services on online platforms if the platform operators fail to provide consumers with authentic contact information of the sellers or service providers. The Implementation Rules of the Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法實施條例》) was promulgated by the State Council on March 15, 2024 and came into effect on July 1, 2024, according to which, if the business operators adopt automatic extension, automatic renewal, or other similar mechanisms in connection with the provisions of their services, the business operators must prominently draw the attention of the consumers before they accept the service and before the dates of automatic extension, automatic renewal, or effectiveness of other mechanisms. The business operators cannot send commercial information to consumers or make commercial telephone calls without the consent of the consumers. In the event that a consumer consents to receiving commercial information and/or commercial telephone calls, the business operators must provide clear and convenient means of cancellation and must immediately stop these behaviors if the consumer chooses to cancel.

### REGULATIONS RELATING TO INFORMATION SECURITY AND CENSORSHIP

Internet content in China is regulated and restricted from a state security standpoint. The SCNPC enacted the Decisions on the Maintenance of Internet Security (《關於維護互聯網安全的決定》) on December 28, 2000, which was amended on August 27, 2009, that may subject persons to criminal liabilities in China for any attempt to: (i) gain improper entry to a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information or (v) infringe upon intellectual property rights.

On June 22, 2007, the MPS, National Administration of State Secrets Protection (國家保密局), State Council Information Office (abolished) and State Cryptography Administration (國家密碼管理局) issued the Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》), which regulate that the security protection of an information system may be graded into five. As for an information system of Grade II or above which has been put into operation, its operator or user shall, within 30 days since the date when its security protection grade is determined, complete the record-filing procedures at the local public security organ at the level of city divided into districts or above. For an information system of Grade II or above newly built, its operator or user shall, within 30 days after it is put into operation, complete the record-filing procedures at the local public security organ at the level of municipality divided into districts or above.

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According to the Regulations of the PRC on the Security Protection of Computer Information System (《中華人民共和國計算機信息系統安全保護條例》), which were issued by the State Council on February 18, 1994 and amended on January 8, 2011, securing computer information systems includes safeguarding the computer and its related and supporting sets of equipment and facilities (including network), the operating environment and information and ensuring the normal performance of computer functions, so as to maintain the safe operation of computer information systems.

In 1997, the MPS issued the Administration Measures on the Security Protection of Computer Information Network with International Connections (《計算機信息網絡國際聯網安全保護管理辦法》), which were amended by the State Council on January 8, 2011 and prohibit using the Internet in ways which, among others, result in a leakage of state secrets or a spread of socially destabilizing content.

On November 7, 2016, the SCNPC promulgated the Cyber Security Law of the PRC (《中華人民共和國網絡安全法》), which became effective on June 1, 2017, pursuant to which, network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and the network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in violation of the provisions of laws or agreements between both parties, and network operators of key information infrastructure shall store within the territory of the PRC all the personal information and important data collected and produced within the territory of PRC. Their purchase of network products and services that may affect national security shall be subject to national cybersecurity review.

On December 28, 2021, the CAC together with 12 other authorities, jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "CAC Measures"), which took effect on February 15, 2022 and replaced its previous version promulgated on April 13, 2020. The CAC Measures provide that: (i) network platform operators that are engaged in data processing activities which have or may have an implication on national security shall undergo a cybersecurity review; (ii) the CSRC is one of the regulatory authorities for purposes of jointly establishing the state cybersecurity review mechanism; (iii) network platform operators that master personal information of more than one million users and seek to list abroad (國外上市) shall file for a cybersecurity review with the Cybersecurity Review Office; and (iv) the risks of core data, material data or large amounts of personal information being stolen, leaked, destroyed, damaged, illegally used or transmitted to overseas parties, and the risks of critical information infrastructure, core data, material data or large amounts of personal information being influenced, controlled or used maliciously shall be collectively taken into consideration during the cybersecurity review process.

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On June 10, 2021, the SCNPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which took effect in September 2021. The PRC Data Security Law introduces a data classification and hierarchical protection system based on the materiality of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of persons or entities when such data is tampered with, destroyed, divulged, or illegally acquired or used. It also provides for a security review procedure for the data activities which may affect national security. In addition, the PRC Data Security Law provides that important data processors shall appoint a data security officer and establish a management department to take charge of data security, and such processors shall evaluate the risk of their data activities periodically and file assessment reports with the relevant regulatory authorities. Furthermore, data transaction intermediary service providers shall check the sources of the data, the identities of parties involved in the data transactions and keep records accordingly.

On 30 July 2021, the State Council issued the Regulations for the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the “CII Regulations”), which took effect on 1 September 2021. Pursuant to the CII Regulations, “critical information infrastructures” refer to important network facilities and information systems of important industries and sectors such as public communications and information services, energy sources, transport, water conservation, finance, public services, e-government, and science and technology industry for national defense, as well as other important network facilities and information systems that may have severe impact on national security, national economy and citizen’s livelihood and public interests if they are damaged or suffer from malfunctions, or if any leakage of data in relation thereto occurs.

On July 7, 2022, the CAC issued the Measures for the Security Assessment of Data Cross-border Transfer (《數據出境安全評估辦法》) which took effective on September 1, 2022. The Measures for the Security Assessment of Data Cross-border Transfer require that any data processor providing important data collected and generated during operations within the territory of the PRC or personal information that should be subject to security assessment according to law to an overseas recipient shall conduct security assessment. It provides five circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial level, apply to the national cyberspace administration for security assessment of data cross-border transfer. These circumstances include: (i) where the data to be transferred to an overseas recipient is personal information collected and generated by operators of critical information infrastructure; (ii) where the data to be transferred to an overseas recipient contain important data; (iii) where a personal information processor that has processed personal information of more than one million people provides personal information overseas; (iv) where the personal information of more than 100,000 people or sensitive personal information of more than 10,000 people are transferred overseas accumulatively; or (v) other circumstances under which security assessment of data cross-border transfer is required as prescribed by the national cyberspace administration. On March 22, 2024, the CAC issued the *Provisions on Promoting and Regulating Cross-border Flow of Data*, or the New Cross-border Data Flow Provisions, which took effect on the same day. The New Cross-border Data Flow Provisions state that if there is any conflict with the *Security Assessment Measures*,



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the New Cross-border Data Flow Provisions shall prevail. The New Cross-border Data Flow Provisions set out scenarios under which certain obligations for the cross-border data transfer are waived, which include, among others, passing the security assessment of cross-border data transfer, concluding a standard contract for the cross-border transfer of personal information or passing the personal information protection certification.

On September 24, 2024, the Cyber Data Security Regulations (《網絡數據安全管理條例》) was promulgated by the State Council and will come into effect on January 1, 2025. The Cyber Data Security Regulations reiterate the general regulations for data processing activities and rules of personal information protection, important data security protection, network data cross-border transfer management, and internet platform service providers’ obligations. The Cyber Data Security Regulations do not include the content related to cybersecurity review standards for listing abroad and in Hong Kong in the Administration Governing the Cyber Data Security (Draft for Comments), published on November 14, 2021.

On December 8, 2022, the MIIT promulgated the Measures for the Administration of Data Security in the Field of Industry and Information Technology (Trial) (《工業和信息化領域數據安全管理辦法(試行)》), which came into effect on January 1, 2023. Data processors in the field of industry and information technology shall take the main responsibility for the security of data processing activities, implement hierarchical protection for various types of data, and where different levels of data are being processed at the same time and it is difficult to take separate protection measures, the protection shall be implemented in accordance with the requirements of the highest levels, to ensure that the data continues to be effectively protected and legally utilized.

### REGULATIONS ON PRIVACY PROTECTION

On December 13, 2005, the MPS issued the Regulations on Technological Measures for Internet Security Protection (《互聯網安全保護技術措施規定》) (the “Internet Protection Measures”) which took effect on March 1, 2006. The Internet Protection Measures require Internet service providers to take proper measures including anti-virus, data back-up and other related measures, and to keep records of certain information about their users (including user registration information, log-in and log-out time, IP address, content and time of posts by users) for at least 60 days, and detect illegal information, stop transmission of such information, and keep relevant records. Internet services providers are prohibited from unauthorized disclosure of users’ information to any third parties unless such disclosure is required by the laws and regulations. They are further required to establish management systems and take technological measures to safeguard the freedom and secrecy of the users’ correspondences.

On December 29, 2011, the MIIT promulgated the Several Provisions on Regulating the Market Order of Internet Information Service (《規範互聯網信息服務市場秩序若干規定》), becoming effective on March 15, 2012, which stipulate that without the consent of users, Internet information service providers shall not collect information relevant to the users that can lead to the recognition of the identity of the users independently or in combination with

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other information (hereinafter referred to as "personal information of users"), nor shall they provide personal information of users to others, unless otherwise provided by laws and administrative regulations. The Several Provisions on Regulating the Market Order of Internet Information Service also require that Internet information service providers shall properly keep the personal information of users; if the preserved personal information of users is divulged or may possibly be divulged, Internet information service providers shall immediately take remedial measures; where such incident causes or may cause serious consequences, they shall immediately report the same to the telecommunications administration authorities that grant them with the Internet information service license or filing and cooperate in the investigation and disposal carried out by relevant departments.

On December 28, 2012, the SCNPC promulgated the Decision on Strengthening Information Protection on Networks (《關於加強網絡信息保護的決定》) to enhance the protection of information security and privacy on the Internet. In particular, network service providers and other enterprises and institutions shall, when gathering and using electronic personal information in business activities, adhere to the principles of legality, rationality and necessity, explicitly state the purposes, manners and scopes of the collection and use of information, and obtain the consent of those from whom information is collected, and shall not collect and use information in violation of laws and regulations and the agreement between both sides; strictly keep the electronic personal information collected in business activities confidential and may not divulge, alter, damage, sell, or illegally provide others with such information; take technical and other necessary measures to ensure information security and prevent the leakage, damage, or loss of personal electronic information collected in business activities; and take remedial measures immediately when information leakage, damage or loss occurs or may occur.

In July 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》) to regulate the collection and use of users' personal information in the provision of telecommunication services and Internet information services in the PRC. According to such provisions, the personal information includes a user's name, birth date, identification card number, address, phone number, account name, password and other information that can be used for identifying a user independently or in combination with other information. Telecommunication business operators and Internet service providers are required to constitute their own rules for the collecting and use of users' information and they cannot collect or use user's information without users' consent. Telecommunication business operators and Internet service providers must specify the purposes, manners and scopes of information collection and uses, obtain consent of the relevant citizens, and keep the collected personal information confidential. Telecommunication business operators and Internet service providers are prohibited from disclosing, tampering with, damaging, selling or illegally providing others with, collected personal information. Telecommunication business operators and Internet service providers are required to take technical and other measures to prevent the collected personal information from any unauthorized disclosure, damage or loss.

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On June 28, 2016, the CAC promulgated the Administrative Provisions on Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》), which was amended in June 2022 and came into effect on August 1, 2022, providing that mobile internet application providers are prohibited from engaging in any activity that may endanger national security, disturb social order or infringe the legal rights of third parties, and may not produce, copy, release, or disseminate through mobile internet applications any content prohibited by laws and regulations. The Administrative Provisions on Internet Follow-up Comment Services (《互聯網跟帖評論服務管理規定》) came into effect on December 15, 2022. According to these provisions, the providers of mobile internet applications or internet follow-up comment services must verify the identity information of registered users, and cannot provide certain services to users who have not verified their identity information or falsely use the identity information of any organization or other individuals. Security assessments must be conducted in accordance with the regulations when the internet follow-up comment services providers with public opinion attributes or social mobilization capabilities launch new technologies, applications or functions, or when the mobile internet application providers launch new technologies, applications or functions with public opinion attributes or social mobilization capabilities.

On May 8, 2017, the Supreme People’s Court and the Supreme People’s Procuratorate released the Interpretations of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens’ Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (the “Interpretations”), effective from June 1, 2017. The Interpretations clarify several concepts regarding the crime of “infringement of citizens’ personal information” stipulated by Article 253A of the Criminal Law of the PRC (《中華人民共和國刑法》), including “citizen’s personal information”, “provision”, and “unlawful acquisition”. Also, the Interpretations specify the standards for determining “serious circumstances” and “particularly serious circumstances” of this crime. Pursuant to the Ninth Amendment to the PRC Criminal Law (《中華人民共和國刑法修正案(九)》) issued by the SCNPC in August 2015 and became effective in November 2015, under certain serious situations, an internet service provider that fails to fulfill the obligations related to the internet information security administration as required by the applicable laws and refuses to rectify upon orders, shall be subject to criminal penalty.

According to the Cyber Security Law of the PRC, network operator shall not collect personal information irrelevant to the services it provides or collect or use personal information in violation of the provisions of laws or agreements between both parties.

On November 28, 2019, the CAC, the MIIT, the MPS and the SAMR jointly issued the Notice of Illegal Collection and Use of Personal Information by APP (《APP違法違規收集使用個人信息行為認定方法》), which lists six types of illegal collection and usage of personal information.

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Pursuant to the PRC Civil Code (《中華人民共和國民法典》), which was promulgated by the National People’s Congress on May 28, 2020, and became effective on January 1, 2021, the personal information of a natural person shall be protected by law. Any organization or individual that needs to collect, use, process, transmit, offer, disclose the personal information of others shall pursuant to the law and ensure information security, and may neither illegally collect, use, process or transmit the personal information of others, nor illegally trade, provide or disclose the personal information of others. Anyone whose civil rights and civil interests, including personal information, are infringed upon shall have the right to seek tort liability against the infringer.

On March 12, 2021, the CAC, the MIIT, the MPS and the SAMR jointly issued the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications (《常見類型移動互聯網應用程序必要個人信息範圍規定》) (the “Necessary Personal Information Rules”), which came into effect on May 1, 2021. According to the Necessary Personal Information Rules, mobile app operators shall not deny users’ access to its basic functions and services on the basis that such user disagrees with the provision of their personal information that is not necessary. The Necessary Personal Information Rules further provide relevant scopes of necessary personal information for different types of mobile apps.

On 16 August 2021, the CAC, joint with MIIT and other government authorities, promulgated Several Provisions for the Administration of the Automobile Data Security (Interim) (《汽車數據安全管理若干規定(試行)》), (the “Automobile Data Security Provisions”), effective as of 1 October 2021. Pursuant to the Automobile Data Security Provisions, automobile data includes the personal information and important data generated from the designing, producing, selling, using and repairing of automobiles. The “important data” refers to the data that might harm the national security, public interest or the rightful interest of individuals and associations once revised, destroyed, leaked or illegally obtained or used. Automobile data operators must conduct automobile data operating activity according to the Automobile Data Security Provisions, including collecting, storing, using, processing, transferring, providing, publicising automobile data. Furthermore, automobile data operators shall conduct risk assessment for their important data operating activities, and report it to relevant government authorities. When an automobile data operator needs to make a cross-border transferring of important data for business purpose, such operator needs to pass the security assessment organised by CAC and other relevant government authorities, and shall not provide important data beyond the security assessment range.

On 20 August 2021, the SCNPC promulgated the Personal Information Protection Law (《個人信息保護法》), which took effect on 1 November 2021. The Personal Information Protection Law requires, among others, that (i) the processing (including the collection, storage, use, processing, transmission, provision, disclosure and deletion) of personal information shall be processed following the principles of lawfulness, legitimacy, necessity and good faith, and shall not be processed through misleading, fraudulent, coercive and other means, (ii) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Entities processing personal information bear responsibilities for their activities of processing personal information, and shall adopt necessary measures to safeguard the security of the personal information that they process.

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On 31 December 2021, the CAC, the MIIT, the MPS, the SAMR jointly promulgated the Administrative Provisions on Internet Information Service Algorithm Recommendation (《互聯網信息服務算法推薦管理規定》), which came into effect on 1 March 2022. The Administrative Provisions on Internet Information Service Algorithm-Based Recommendation implements classification and hierarchical management for algorithm recommendation service providers based on various criteria. Moreover, it requires algorithmic recommendation service providers to provide users with options that are not specific to their personal characteristics, or provide users with convenient options to cancel algorithmic recommendation services. If the users choose to cancel the algorithm recommendation service, the algorithm recommendation service provider must immediately stop providing relevant services. Algorithmic recommendation service providers must also provide users with the function to select or delete user labels that are based on personal characteristics and used for algorithmic recommendation services.

The Administrative Provisions on the Account Information of Internet Users (《互聯網用戶賬號信息管理規定》), which was promulgated by the CAC on June 27, 2022 and became effective on August 1, 2022, sets out guidelines on the provision the account information of Internet users. Internet-based information service providers shall perform their responsibilities as the administrative subjects of the account information of Internet users, have in place professionals and technical capacity appropriate to the scale of services, and establish, improve and strictly implement the authentication of real identity information, verification of account information, security of information content, ecological governance, emergency responses, protection of personal information and other management systems.

## REGULATIONS RELATING TO INTELLECTUAL PROPERTY

### Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) govern trademark registration, protection, and usage in China. Enacted on August 23, 1982, and last amended on April 23, 2019, the Trademark Law, effective from November 1, 2019, follows the “first-to-file” principle. It grants exclusive rights to trademark registrants, administered by the Trademark Office of the China National Intellectual Property Administration (國家知識產權局) (the “NIPA”).

Registered trademarks are valid for ten years, renewable in ten-year increments. Renewal procedures must be completed within twelve months before expiry, with a possible six-month extension. The Trademark Office announces trademarks eligible for renewal. Trademark registrants can authorize others via licensing contracts, but licensing details must be filed with the Trademark Office. Failure to file won’t affect bona fide third parties. Quality supervision is the licensor’s responsibility, and licensees must maintain product quality when using the registered trademark.

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### Patent

The Patent Law of the PRC (《中華人民共和國專利法》) and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) govern patent activities in China. Enacted on March 12, 1984, and last amended on October 17, 2020, the Patent Law became effective on June 1, 2021. The Patent Office of the NIPA oversees national patent work. Provincial, autonomous region, or municipal patent administration departments handle local jurisdictions.

The Patent Law and its Implementation Rules recognize three patent types: “invention,” “utility model” and “design.” Invention patents cover new technical solutions for products, methods, or their improvements. Utility model patents apply to practical technical solutions for product shapes, structures, or combinations. Design patents protect new aesthetic designs for products, including shape, pattern, and color combinations. Invention patents are valid for twenty years, design patents for fifteen years, and utility model patents for ten years from the application date.

China follows the “first to file” principle, granting patents to the earliest applicant for the same invention. Patentable inventions or utility models must be novel, inventive, and practical. Patent holders’ rights are legally protected, allowing others to use the patent only with proper authorization. Unauthorized use constitutes patent infringement unless specified by law.

### Copyright

According to the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990, lastly amended on November 11, 2020 and effective on June 1, 2021, and the Implementation Regulations of the Copyright Law of the PRC (《中華人民共和國著作權法實施條例》) promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and effective on March 1, 2013, works of PRC citizens, legal entities or unincorporated organizations, whether published or not, shall enjoy copyright. Works refer to intellectual achievements in the field of literature, art and science that are original and can be expressed in a certain form, including written works, oral works, photographic works, video and audio works, and computer software. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

### Domain Name

According to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) issued by the MIIT on August 24, 2017 (effective from November 1, 2017), and the Implementation Rules for National Top-Level Domain Name Registration (《國家頂級域名註冊實施細則》) released by the China Internet Network Information Center on June 18, 2019 (effective on the same day), domain name owners must register their domain names. The MIIT oversees China’s Internet domain names, while provincial, autonomous region, and municipal telecommunications management bureaus are responsible for domain name services

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within their respective regions. Registration operates on a "first come, first file" basis. Applicants must provide accurate information and enter registration agreements with domain name registration service providers. Upon completing the registration process, applicants become the domain name holders.

### REGULATIONS RELATING TO PROPERTY LEASING

Pursuant to the PRC Civil Code, a lessee may, upon the lessor's consent, sublease the leased object to a third person. The lease contract between the lessee and the lessor shall continue to be valid despite the sublease by the lessee, and if the third person causes loss to the leased object, the lessee shall bear the liability for compensation. A change in the ownership of a leased object during the period that a lessee possesses the leased object in accordance with the lease contract shall not affect the validity of the lease contract. Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and was latest amended on August 26, 2019, and the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective on February 1, 2011, the parties to a housing lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the housing lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people's government of the municipality, city or county where the leased housing is located to register and file the housing lease. In violation of the foregoing provisions, the competent construction (real estate) departments of the people's governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. According to the PRC Civil Code, the parties' failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

### REGULATIONS RELATING TO LABOR AND SOCIAL SECURITY

#### Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, enterprises shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, and conduct employees training on labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe workplace and sanitation conditions which are in compliance with applicable laws and regulations of labor protection.

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The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and amended on December 28, 2012, and the Implementation Rules 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 on September 18, 2008 set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively. At the time of hiring, the employers shall truthfully inform the employees the scope of work, working conditions, working place, occupational hazards, work safety, salary and other matters which the employees request to be informed about.

### **Social Insurance and Housing Provident Fund**

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated on October 28, 2010 and with effect from July 1, 2011 and latest amended on December 29, 2018, and the Interim Regulations on the Collection of Social Insurance Fees (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and last amended on March 24, 2019, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall also participate in work-related injury insurance and maternity insurance. Work-related injury insurance and maternity insurance contributions shall be paid by employers rather than employees. Pursuant to the Notice of the General Office of the State Council on Issuing the Plan for the Pilot Program of Combined Implementation of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於印發<生育保險和職工基本醫療保險合併實施試點方案>的通知》) and Opinions of the General Office of the State Council on Comprehensively Promoting the Implementation of the Combination of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見》) promulgated on January 19, 2017 and March 6, 2019, the maternity insurance and basic medical insurance for employees shall be consolidated. According to the Social Insurance Law of PRC, employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees. For employers failing to conduct social insurance registration, the administrative department of social insurance shall order them to make corrections within a prescribed time limit; if they fail to do so within the time limit, employers shall have to pay a penalty over one time but no more than three times of the amount of the social insurance premium payable by them. Where an employer fails to pay social insurance premiums in full or on time, the social insurance premium collection agency shall order it to pay or make up the balance within a prescribed time limit, and shall impose a daily late fee at the rate of 0.05% of the outstanding amount from the due date; if still failing to pay within the time limit prescribed, a fine of one time to three times the amount in default will be imposed on them by the competent administrative department.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers shall timely pay the housing provident fund in full and overdue or insufficient payment shall be prohibited. Employers shall process the housing fund payment



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and deposit registration in the housing provident fund administrative center. For enterprises who violate the above laws and regulations and fail to apply for housing provident fund deposit registration or open housing provident fund accounts for their employees, the housing provident fund administrative center shall order the relevant enterprises to make corrections within a designated period. Those enterprises failing to process registration of provident fund accounts for their employees within the designated period shall be subject to a fine ranging from RMB10,000 to RMB50,000. When enterprises violate those provisions and fail to pay the housing provident fund in full amount as due, the housing provident fund administrative center will order such enterprises to pay up the amount within a prescribed period; if those enterprises still fail to comply with the regulations upon the expiration of the above-mentioned time limit, further application will be made to the People's Court for mandatory enforcement.

### REGULATIONS RELATING TO THE PRC TAX

#### Income Tax Law

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) promulgated by the National People's Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation Regulations (《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, and most recently amended on April 23, 2019 and effective from the same date, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

#### Income Tax Relating to Dividend Distribution

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the 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》) and relevant protocols, which were promulgated by the STA on August 21, 2006, came into effect on December 8, 2006, the withholding tax rate 5% applies to dividends paid by a PRC company to a Hong Kong company if such Hong Kong company directly holds at least 25% of the equity interests in a PRC company, otherwise the 10% withholding tax rate applies.

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Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the STA on October 14, 2019, came into effect on January 1, 2020, nonresident taxpayers are entitled to preferential treatment under tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

### Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated by the State Council on December 13, 1993 and most recently amended on November 19, 2017 effective from the same date, and the Detailed Rules for the Implementation of the Interim Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was promulgated by the MOF on December 25, 1993 and most recently amended on October 28, 2011, and effective from November 1, 2011, all entities or individuals in the PRC engaged in the sale of goods, processing services, repair and replacement services, and the provision of services, sales of intangible assets, real estate and importation of goods are required to pay value-added tax (VAT). Unless otherwise provided, taxpayers engaged in provision of services and sales of intangible assets are subject to a tax rate of 6%.

According to the Notice on Implementing the Pilot Program of Replacing Business Tax with Value-Added Tax in an All-round Manner (Cai Shui [2016] No. 36) (《關於全面推開營業稅改徵增值稅試點的通知》(財稅[2016]第36號)) promulgated by the MOF and the STA promulgated on March 23, 2016 and effective from May 1, 2016, and amended on July 11, 2017, December 25, 2017 and March 20, 2019, with the approval of the State Council, as of May 1, 2016, the pilot program of replacing business tax with VAT shall be implemented across the country, all business tax taxpayers in the construction industry, the real estate industry, the financial industry, and the living service industry shall be included in the scope of the pilot program, and the payment of business tax shall be replaced by the payment of VAT. According to the Circular on Policies for Simplifying and Consolidating Value-added Tax Rates (Cai Shui [2017] No. 37) (《關於簡併增值稅稅率有關政策的通知》(財稅[2017]37號)), announced by the MOF and the STA on April 28, 2017, and effective from July 1, 2017, the structure of value-added tax rates will be simplified from July 1, 2017, and the 13% VAT rate will be cancelled. The scope of goods with 11% tax rate and the provisions for deducting input tax are specified.

According to the Circular on Adjusting Value-added Tax Rates of Ministry of Finance and the State Administration of Taxation (Cai Shui [2018] No. 32) (《財政部、國家稅務總局關於調整增值稅稅率的通知》(財稅[2018]32號)) announced by the MOF and the STA on April 4,

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2018 and effective on May 1, 2018, from May 1, 2018, where a taxpayer engages in a taxable sales activity for the value-added tax purpose or imports goods, the previous applicable 17% and 11% tax rates are adjusted to be 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (Announcement of the Ministry of Finance of the PRC, the State Taxation Administration and the General Administration of Customs of the PRC [2019] No. 39) (《關於深化增值稅改革有關政策的公告》(財政部、稅務總局、海關總署公告2019年第39號)) announced by the Ministry of Finance, the STA, and the General Administration of Customs on March 20, 2019 and effective from April 1, 2019, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%; the originally applicable VAT rate of 10% shall be adjusted to 9%.

### REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal regulation governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) which was promulgated by the State Council on January 29, 1996 and was latest amended on August 5, 2008. Pursuant to this regulation and other PRC rules and regulations on currency conversion, Renminbi is freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the State Administration of Foreign Exchange (國家外匯管理局) (the "SAFE") or its local counterpart is obtained.

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by 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.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) (《資本項目外匯業務指引(2024年版)》) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the document or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

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## REGULATORY OVERVIEW

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On February 13, 2015, SAFE issued the Notice on Simplifying Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), allowing entities and individuals to apply for foreign exchange registrations through qualified banks. Under SAFE’s supervision, these banks can directly review applications. On March 30, 2015, SAFE released the Circular on Reforming Settlement Management of Foreign Capital in Foreign-invested Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》). This circular mandates Discretionary Foreign Exchange Settlement for foreign-invested enterprises, enabling them to settle foreign exchange capital based on operational needs, subject to document verification. The circular emphasizes authentic and self-use principles within the enterprise’s scope, barring use for payments beyond business scope, securities investment (unless specified), Renminbi entrust loans, inter-enterprise borrowings, or real estate expenses (except for self-use by foreign-invested real estate enterprises).

The Circular of Further Improving and Adjusting the Direct Investment-related Foreign Exchange Administration Policies (《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 on June 1, 2015 and was amended on December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.

The Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本項目結匯管理政策的通知》) (the “SAFE Circular 16”), was promulgated by SAFE on June 9, 2016. Pursuant to the SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to Renminbi on a self-discretionary basis. The SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC Laws, while such converted Renminbi shall not be provided as loans to its non-affiliated entities.

On January 26, 2017, SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification (《關於進一步推進外匯管理改革完善真實合規性審核的通知》), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including: (i) banks should check board resolutions regarding profit distribution, the original version of tax filing records, and audited financial statements pursuant to the principle of genuine transactions; and (ii) domestic entities should hold income to account for previous years’ losses before remitting the profits. Moreover, pursuant to this circular, domestic entities should make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

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## REGULATORY OVERVIEW

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On October 23, 2019, the SAFE promulgated the Notice for Further Advancing the Facilitation of Cross-border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》), which, among other things, allows all FIEs to use Renminbi converted from foreign currency denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment.

According to the Circular of the State Administration for Foreign Exchange on Optimizing Foreign Exchange Administration 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 with effect from April 10, 2020 by the SAFE, the reform of facilitating the payments of incomes under the capital accounts shall be promoted nationwide. Under the prerequisite of ensuring true and compliant use of funds and compliance and complying with the prevailing administrative provisions on use of income from capital projects, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, for domestic payment, without the need to provide proof materials for veracity to the bank beforehand for each transaction.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### OVERVIEW

Our Company was founded by Mr. Jiang and was established on September 28, 2012, as a limited liability company under the name of Beijing Shengwei Nanling Information Technology Co., Ltd.\* (北京盛威南凌信息科技有限公司) under the PRC laws. For details of the working experiences and background of Mr. Jiang, please refer to the section headed “Directors, Supervisors and Senior Management — Directors”. In 2016, we were renamed as Beijing Shengwei Times Technology Co., Ltd.\* (北京盛威時代科技有限公司). In 2019, we were renamed as Shengwei Times Technology Group Limited\* (盛威時代科技集團有限公司). In 2022, our Company was converted into a joint stock limited company under the name of Shengwei Times Technology Co., Ltd. (盛威時代科技股份有限公司). As of the Latest Practicable Date, our Company had a registered capital of RMB69,205,066. For details of our corporate development, see “— Corporate Development of Our Group”.

We are a leading intercity and intracity road passenger transportation information services provider in China. According to Frost & Sullivan, we ranked first in China’s road passenger transportation information services market in terms of the number of tickets sold in 2023. We ranked second in China’s ride-hailing service market in terms of the number of Online Ride-Hailing Operating Permits as of June 30, 2024. Moreover, according to the same source, we were the largest digitalization and business solutions provider in China’s road passenger transportation market in terms of the number of the digitalization projects in provincial-level as of June 30, 2024. Our mission is to empower our corporate partners with advanced technology solutions and elevate travel experience for the passengers. Leveraging our technological expertise to address the challenges of traditional road passenger transportation industry, we provide business and technology solutions to our partners that digitalize their operations, expand their business scope, enhance their customer service capabilities and ultimately improve the overall passenger experience. We have constructed an integrated travel service system with diversified service offerings, including passenger transportation services, ride-hailing services and digitalization and business solutions. Over the years, we have launched several services and platforms. As of the Latest Practicable Date we operated platforms including Chuxing 365 and 365 Intercity Travel (which had been consolidated into and form an integral part of Chuxing 365) and our proprietary information systems including CloudStation and Keyunda.

### KEY BUSINESS MILESTONES

The following table sets forth our various key business development milestones:

Year	Event
2012 . . . . .	We commenced our business operations.
2013 . . . . .	We launched the website for China Road Passenger Ticketing Platform (中國公路客票網), also known as Bus 365 platform (the predecessor of our Chuxing 365 platform).  We launched our digitalization and business solutions.
2014 . . . . .	We initiated the construction of our provincial road passenger transportation internet ticketing systems in China (全國省級道路客運聯網售票系統).
2015 . . . . .	We participated in drafting the national industrial standards “Road Passenger Transport Networking Ticketing System” (《道路客運聯網售票系統》), which was first published in 2015.
2016 . . . . .	We began to collaborate with major OTAs, namely Tongcheng and Fliggy.
2017 . . . . .	We accumulatively built provincial road passenger transportation internet ticketing systems in 17 provinces, autonomous regions, and municipalities in China, including Beijing, Hubei, Hunan, Jiangxi, Qinghai, Heilongjiang, Gansu, Xinjiang, Inner Mongolia, Shaanxi, Shanxi, Yunnan, Jilin, Ningxia, Guangxi, Guangdong and Hebei.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
	We launched our customized transportation services, further expanding our business.
2018 . . . . .	We launched our ride-hailing services through Shengzhi Yilian.
2019 . . . . .	We collaborated with Research Institute of Highway Ministry of Transport (交通運輸部公路科學研究院) and Southeast University to undertake certain subject of the key project “Beijing-Tianjin-Hebei Urban Agglomeration Multi-Modal Passenger Hub Integration Key Technologies” for the national key research and development program “Integrated Transport and Intelligent Transportation”.
	We launched Chuxing 365, our passenger-facing platform specializing in provision of ticket sales and other passenger services.
	We began to collaborate with major OTA Ctrip.
	We jointly established the Tourism Transportation Big Data Laboratory (旅遊交通大數據實驗室) with institutions including the Research Institute of Highway of the MOT and Yangzhou University, among others.
	We co-organised the second Integrated Transportation and Travel Development Forum (交通旅遊融合發展論壇) at the 2019 World Transport Convention with the China Academy of Transportation Sciences.
	We started providing aggregated ride-hailing services to users through Gaode.
2020 . . . . .	We participated in the formulation of “Technical Requirements for Interoperability of Integrated Transportation Electronic Ticket Information System” (《綜合交通電子客票信息系統互聯互通技術規範》) published by MOT.
2021 . . . . .	Through equity subscription and acquisition, we acquired approximately 58.17% equity interest in Hengsheng Changyun, a road transportation company specializing in provision of internet ticketing services and customized transportation services in the Zhejiang province market.
	We were invited to attend the symposium on legislative and regulatory work for transportation held by the Financial and Economic Affairs Committee of the National People’s Congress of the PRC.
2022 . . . . .	We became the bus tickets and ride-hailing service provider for 12306.
2023 . . . . .	We became the bus tickets and ride-hailing service provider for Umetrip.
	We ventured into business of robotaxi and commenced the operation of our robotaxi services in Suzhou.
	We officially launched our city transportation and tourism comprehensive service platforms strategy.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
2024 . . . . .	<p>We undertook key government project named comprehensive transportation services unified ticketing system (綜合運輸服務一票制).</p> <p>Through a series of acquisitions, we acquired approximately 39.83% equity interest in Anhui Wanmei, a road transportation company specializing in provision of internet ticketing services, customized transportation services and digitalization and business solutions in the Anhui province market.</p> <p>As of June 30, 2024, our internet ticketing services covered 31 provinces, autonomous regions, and municipalities in China. As of June 30, 2024, our customized passenger transportation services extended across 24 provinces, autonomous regions, and municipalities in China. As of June 30, 2024, we had undertaken the road passenger transportation digitalization projects for 17 provinces, autonomous regions and municipalities.</p> <p>As of the Latest Practicable Date, we obtained 191 Online Ride-Hailing Operating Permits and accumulative number of registered drivers had achieved approximately 1.5 million.</p>

### PRINCIPAL SUBSIDIARIES AND OPERATING ENTITIES

Set forth below is a table summarizing the key information for each of our Principal Subsidiaries during the Track Record Period:

Name of subsidiary	Registered Capital	Equity interest attributable to our Group as of the Latest Practicable Date	Place of incorporation/ establishment	Date of incorporation/ establishment	Principal business activities
Shengzhi Yilian	RMB10,000,000	100%	PRC	April 16, 2018	Provision of ride-hailing services
Shengwei Changxing . . .	RMB2,000,000	100%	PRC	December 6, 2017	Provision of transportation and comprehensive services
Hengsheng Changyun . . .	RMB32,727,273	58.17%	PRC	September 6, 2015	Provision of internet ticketing services and customized transportation services
Beijing Hongbo . . .	RMB11,000,000	80%	PRC	June 4, 2021	Provision of digitalization and business solutions
Henan Shengwei . . .	RMB10,000,000	100%	PRC	February 4, 2021	Provision of digitalization and business solutions

#### Shengzhi Yilian

Shengzhi Yilian was incorporated in the PRC on April 16, 2018 as a limited liability company. As of the Latest Practicable Date, Shengzhi Yilian has a registered capital of RMB10,000,000. Shengzhi Yilian has been wholly owned by our Company since its establishment.



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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### Shengwei Changxing

Shengwei Changxing was incorporated in the PRC on December 6, 2017 as a limited liability company under the name of Beijing Shengwei Times Travel Agency Co., Ltd. (北京盛威時代旅行社有限公司). On June 30, 2023, Shengwei Changxing was renamed as Beijing Shengwei Times Changxing Technology Co., Ltd. (北京盛威時代暢行科技有限公司). As of the Latest Practicable Date, Shengwei Changxing has a registered capital of RMB2,000,000. Shengwei Changxing has been wholly owned by our Company since its establishment.

### Hengsheng Changyun

Hengsheng Changyun was established in the PRC on September 6, 2015 as a limited liability company with an initial registered capital of RMB30,000,000. Upon establishment, it was owned as to 29.4% by Hundsun Technologies (a [REDACTED] and currently a minority Shareholder in our Company), 45.0% by Zhejiang Changyun Investment Co., Ltd. (浙江長運投資有限公司) (“**Zhejiang Changyun Investment**”, an Independent Third Party), 19.6% by Hangzhou Yuntu Investment Management Partnership (Limited Partnership) (杭州雲途投資管理合夥企業(有限合夥)) (“**Hangzhou Yuntu**”, an employee shareholding platform of Hengsheng Changyun), 6.0% by Hangzhou Tujing Investment Management Partnership (Limited Partnership) (杭州途景投資管理合夥企業(有限合夥)) (“**Hangzhou Tujing**”, an employee shareholding platform of Hengsheng Changyun which has been deregistered as of the Latest Practicable Date). On March 1, 2016, Hundsun Technologies transferred 7.35% of the equity interest in Hengsheng Changyun to Ningbo Hengxinghui Equity Investment Partnership (Limited Partnership) (寧波恆星匯股權投資合夥企業(有限合夥)) (“**Ningbo Hengxinghui**”, whose general partner is wholly owned by Hundsun Technologies) at a consideration of RMB2,250,000. Subsequently, our Company also subscribed for and acquired equity interests in Hengsheng Changyun. See “— Major Acquisitions, Disposals and Mergers — Acquisition of Hengsheng Changyun in 2021” for details. After series of shareholding and corporate changes, as of the Latest Practicable Date, the registered capital of Hengsheng Changyun was increased to RMB32,727,273 and was owned directly as to approximately 58.17% by our Company, 33.46% by Zhejiang Changyun Investment and 8.37% by Hangzhou Yuntu.

### Beijing Hongbo

Beijing Hongbo was incorporated in the PRC on June 4, 2021 as a limited liability company with an initial registered capital of RMB2,000,000 under the name of Beijing Shengwei Kaibao Technology Co., Ltd. (北京盛威凱寶科技有限公司). Upon establishment, it was owned as to 51% by Henan Shengwei, 34% by Mr. FU Junchen (傅浚宸先生) (an employee of our Group), and 15% by Tianjin Yilian Haoyue Technology Partnership (Limited Partnership) (天津易聯皓月科技合夥企業(有限合夥)) (“**Yilian Haoyue**”, a limited partnership established by and owned as to 90% by Mr. YANG Yang (楊揚先生) and 10% by Ms. CHENG Qian (程千女士), our executive Directors. On August 29, 2023, Beijing Hongbo was renamed as Beijing Hongbo Haohan Technology Co., Ltd. (北京鴻博浩瀚科技有限公司). Through a series of transfers and acquisitions, as of the Latest Practicable Date, Beijing Hongbo was owned as to 80% by our Company and 20% by Tianjin Shengda Chuanba Technology Co., Ltd. (天津盛達船吧科技有限公司) (an Independent Third Party) with a registered capital of RMB11,000,000.

### Henan Shengwei

Henan Shengwei was incorporated in the PRC on February 4, 2021 as a limited liability company with a registered capital of RMB10,000,000. Upon establishment, it was owned as to 90% by our Company and 10% by Yilian Haoyue. On February 22, 2022, Yilian Haoyue transferred its entire equity interest in Henan Shengwei to our Company at nil consideration. As a result of the equity transfer, Henan Shengwei became wholly owned by our Company.

## CORPORATE DEVELOPMENT OF OUR GROUP

Since our establishment, our Company has undertaken a series of capital increases to raise funds for the development of our business and to bring in new shareholders to our Company. As a result of such capital increases, the registered capital of our Company was increased to RMB69,205,066 as of the Latest Practicable Date.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Below sets out the major shareholding changes and [REDACTED] of our Company before and during the Track Record Period.

### Establishment of Our Company

Our Company was founded on September 28, 2012 as a limited liability company under the PRC laws with an initial registered capital of RMB1,000,000, which was owned by Mr. Jiang and Ms. ZHONG Yanjie (仲彥潔女士) as to 90% and 10%, representing RMB900,000 and RMB100,000 of the initial registered capital of our Company, respectively. Ms. ZHONG Yanjie is the spouse of Mr. Jiang.

At the time of the establishment of our Company, Mr. CHEN Shulin (陳樹林先生), a friend of Mr. Jiang and a member of our Controlling Shareholder Group by virtue of the Voting Rights Entrustment Agreement, agreed with Mr. Jiang to invest in RMB470,000 of our registered capital at a consideration of RMB470,000, equivalent to the value of the registered capital at the time of the establishment of our Company. Mr. CHEN Shulin and Mr. Jiang also agreed that Mr. Jiang shall hold the RMB470,000 of our registered capital on behalf of Mr. CHEN Shulin, until Mr. CHEN Shulin establishes an investment holding vehicle to which the registered capital will be transferred. For further details, see “— Equity Transfer in May 2014” below.

### Capital Increase and Equity Transfer in December 2012

Pursuant to an investment and capital increase agreement dated November 30, 2012, Mr. WANG Jiawei (王嘉偉先生) and Chengdu Yingchuang Growth Equity Investment Fund Partnership (Limited Partnership) (成都盈創成長股權投資基金合夥企業(有限合夥)) (“Chengdu Yingchuang”) each agreed to subscribe for RMB500,000 of our registered capital for a consideration of RMB20,000,000 each. See “— [REDACTED] — Information about the [REDACTED]” for background information of each of Mr. WANG Jiawei and Chengdu Yingchuang.

Pursuant to an equity transfer agreement dated December 6, 2012, Ms. ZHONG Yanjie agreed to transfer the 10% of equity interest in our Company, representing RMB100,000 of registered capital of our Company, to Mr. Jiang at nil consideration.

The registration of the relevant equity transfer and capital increase were completed on December 10, 2012, following which our Company was held as to 50% (among which 23.5% of registered capital was held by Mr. Jiang on behalf of Mr. CHEN Shulin), 25% and 25% by Mr. Jiang, Mr. WANG Jiawei and Chengdu Yingchuang, respectively, and the registered capital of our Company was increased from RMB1,000,000 to RMB2,000,000.

### Equity Transfer in May 2014

Pursuant to a confirmation letter in May 2014, Mr. Jiang agreed to transfer RMB470,000 of the registered capital of our Company, which was previously held by Mr. Jiang on behalf of Mr. CHEN Shulin, to Shenzhen Haidai Zhushi Technology Development Co., Ltd. (深圳市海岱柱石科技發展有限公司) (“Haidai Zhushi”).

Haidai Zhushi is a limited liability company organized and existing under the PRC laws, principally engaged in development and sales of computer software and information technology system. Mr. CHEN Shulin holds 70% of the interests in Haidai Zhushi and is able to exercise voting control. The other shareholder of Haidai Zhushi, Shenzhen New Media Industry Co., Ltd. (深圳市新媒體實業有限公司) (“Shenzhen New Media”), holds 30% of its interests. Shenzhen New Media is owned as to 90% by Mr. JIANG Xiaoming (蔣小明先生), and 10% by Ms. ZHOU Jin (周進女士). Haidai Zhushi and Mr. CHEN Shulin are members of our Controlling Shareholder Group. See the section headed “Relationship with Our Controlling Shareholder Group — Controlling Shareholder Group”. To the best knowledge of our Directors, Shenzhen New Media is an Independent Third Party.

The registration of the relevant equity transfer was completed on May 23, 2014, following which our Company was held as to 26.5%, 25%, 25% and 23.5% by Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang and Haidai Zhushi, respectively.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### Capitalization Issue in July 2015

On July 10, 2015, our shareholders passed a resolution approving the capitalization of RMB30,000,000 of our registered capital from our capital reserve for subscription by each of our Shareholders at that time on a pro rata basis. The registration of the relevant capital increase was completed on July 24, 2015. Upon completion, the registered capital of our Company increased to RMB32,000,000.

### Capital Increase in June 2016

Pursuant to shareholders' resolutions dated April 30, 2016, Times Zhongcheng and Times Xincheng agreed to subscribe for RMB2,774,300 and RMB2,560,900 of our registered capital for a consideration of RMB6,935,750 and RMB6,402,250, respectively, determined based on the valuation of our Company at the time of the relevant capital increase. See "— Employee Incentive Platforms" for further details.

The registration of the relevant capital increase was completed on June 2, 2016, following which our Company was held as to the following:

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Mr. Jiang . . . . .	8,480,000	22.7132%
Mr. WANG Jiawei . . . . .	8,000,000	21.4275%
Chengdu Yingchuang . . . . .	8,000,000	21.4275%
Haidai Zhushi . . . . .	7,520,000	20.1419%
Times Zhongcheng . . . . .	2,774,300	7.4308%
Times Xincheng . . . . .	2,560,900	6.8592%
<b>Total . . . . .</b>	<b><u>37,335,200</u></b>	<b><u>100.00%</u></b>

### Series A Investment in September 2016

Pursuant to the series A capital increase agreement dated July 28, 2016, Alibaba Travel agreed to subscribe for RMB9,333,800 of our registered capital for a consideration of RMB75,000,000.

The registration of the relevant capital increase was completed on September 20, 2016, following which our Company was held as to the following:

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Alibaba Travel . . . . .	9,333,800	20.0000%
Mr. Jiang . . . . .	8,480,000	18.1705%
Mr. WANG Jiawei . . . . .	8,000,000	17.1420%
Chengdu Yingchuang . . . . .	8,000,000	17.1420%
Haidai Zhushi . . . . .	7,520,000	16.1135%
Times Zhongcheng . . . . .	2,774,300	5.9446%
Times Xincheng . . . . .	2,560,900	5.4874%
<b>Total . . . . .</b>	<b><u>46,669,000</u></b>	<b><u>100.00%</u></b>

### Series A+ Investment in July 2017

Pursuant to the series A+ capital increase agreement dated July 7, 2017, Alibaba Travel agreed to further subscribe for RMB6,667,000 of our registered capital for a consideration of RMB53,500,000.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The registration of the relevant capital increase was completed in July 2017, following which our Company was held as to the following:

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Alibaba Travel . . . . .	16,000,800	30.0000%
Mr. Jiang . . . . .	8,480,000	15.8992%
Mr. WANG Jiawei . . . . .	8,000,000	14.9993%
Chengdu Yingchuang . . . . .	8,000,000	14.9993%
Haidai Zhushi . . . . .	7,520,000	14.0993%
Times Zhongcheng . . . . .	2,774,300	5.2016%
Times Xincheng . . . . .	2,560,900	4.8014%
<b>Total . . . . .</b>	<b>53,336,000</b>	<b>100.00%</b>

### Equity Transfer in August 2018

In anticipation of the series B investments in September 2018, to reduce dilution of Mr. Jiang’s shareholding and ensure his control over our Company, pursuant to the relevant equity transfer agreements each dated July 2, 2018, each of Mr. WANG Jiawei, Haidai Zhushi and Chengdu Yingchuang agreed to transfer RMB6,867,010, RMB3,133,490 and RMB3,333,500 of the registered capital of our Company to Mr. Jiang at a consideration of RMB51,500,000, RMB23,500,000 and RMB25,000,000, respectively. The consideration was negotiated between the parties taking into account, among others, (i) the purpose of this equity transfer was to retain Mr. Jiang’s control over our Company following the series B investments; and (ii) transaction structure as advised by a financial advisor. The consideration was fully settled on May 24, 2019.

The registration of the relevant equity transfer was completed on August 2, 2018, following which our Company was held as to the following:

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Mr. Jiang . . . . .	21,814,000	40.8992%
Alibaba Travel . . . . .	16,000,800	30.0000%
Chengdu Yingchuang . . . . .	4,666,500	8.7493%
Haidai Zhushi . . . . .	4,386,510	8.2243%
Times Zhongcheng . . . . .	2,774,300	5.2016%
Times Xincheng . . . . .	2,560,900	4.8014%
Mr. WANG Jiawei . . . . .	1,132,990	2.1243%
<b>Total . . . . .</b>	<b>53,336,000</b>	<b>100.00%</b>

### Series B Investment in September 2018

Pursuant to the series B investment agreement dated July 19, 2018, each of Alibaba Travel, Ningbo SoftBank Stable Growth Investment Partnership (Limited Partnership) (寧波軟銀穩定成長投資合夥企業(有限合夥)) (“Ningbo SoftBank”), Guiyang High-tech SoftBank Venture Investment Partnership (Limited Partnership) (貴陽高新軟銀創業投資合夥企業(有限合夥)) (“Guiyang SoftBank”), Shanghai Minghe Venture Investment Partnership (Limited Partnership) (上海明赫創業投資合夥企業(有限合夥)) (“Shanghai Minghe”, together with Ningbo SoftBank and Guiyang SoftBank, the “SoftBank Entities”), Suzhou Hongxin Tianshi Investment Management Partnership (Limited Partnership) (蘇州弘鑫天時投資管理合夥企業(有限合夥)) (“Hongxin Tianshi”), Guangzhou DSQ Capital Co. Ltd. (廣州淡水泉私募基金管理有限公司) (“Guangzhou DSQ”) and State Development Technology Venture Investment Co., Ltd. (國開科技創業投資有限責任公司) (“State Development Technology Venture”) agreed to subscribe for RMB1,463,516, RMB2,147,074, RMB805,153, RMB1,086,135,

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

RMB1,341,921, RMB509,930 and RMB268,384 of our registered capital, for a consideration of RMB32,653,062, RMB47,904,192, RMB17,964,072, RMB24,233,167, RMB29,940,120, RMB11,377,246 and RMB5,988,024, respectively.

Concurrent with such capital increase, pursuant to the series B investment agreement dated July 19, 2018, and the relevant equity transfer agreements each dated September 6, 2018, Mr. Jiang agreed to transfer part of his equity interests in our Company to each of Alibaba Travel, Ningbo SoftBank, Guiyang SoftBank, Shanghai Minghe, Hongxin Tianshi, Guangzhou DSQ and State Development Technology Venture at an aggregate consideration of RMB113,940,117. As requested by the series B investors, the difference in the consideration received by Mr. Jiang in the equity transfers in September 2018 and the consideration paid by Mr. Jiang in the equity transfer in August 2018 was utilized to pay in, among others, the registered capital of our Company held by Times Xincheng and Times Zhongcheng. See "— Equity Transfer in August 2018" above for details of equity transfer in August 2018. The below table is a brief summary of the relevant equity transfers:

Transferor	Transferee	Amount of registered capital transferred	Consideration
Mr. Jiang	Alibaba Travel	RMB1,225,694	RMB21,877,550
Mr. Jiang	Ningbo SoftBank	RMB1,798,174	RMB32,095,808
Mr. Jiang	Guiyang SoftBank	RMB674,315	RMB12,035,928
Mr. Jiang	Shanghai Minghe	RMB909,638	RMB16,236,221
Mr. Jiang	Hongxin Tianshi	RMB1,123,859	RMB20,059,880
Mr. Jiang	Guangzhou DSQ	RMB427,066	RMB7,622,754
Mr. Jiang	State Development Technology Venture	RMB224,772	RMB4,011,976

The registration of the relevant capital increase and equity transfer were completed on September 7, 2018, following which our Company was held as to the following:

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Alibaba Travel	18,690,010	30.6604%
Mr. Jiang	15,430,482	25.3133%
Chengdu Yingchuang	4,666,500	7.6553%
Haidai Zhushi	4,386,510	7.1959%
Ningbo SoftBank	3,945,248	6.4721%
Times Zhongcheng	2,774,300	4.5512%
Times Xincheng	2,560,900	4.2011%
Hongxin Tianshi	2,465,780	4.0450%
Shanghai Minghe	1,995,773	3.2740%
Guiyang SoftBank	1,479,468	2.4270%
Mr. WANG Jiawei	1,132,990	1.8586%
Guangzhou DSQ	936,996	1.5371%
State Development Technology Venture	493,156	0.8090%
<b>Total</b>	<b>60,958,113</b>	<b>100.00%</b>

Hongxin Tianshi was a limited partnership organized in the PRC and had been liquidated. Huajin Consulting (as defined below) held 0.02% partnership interest and served as the sole general partner of Hongxin Tianshi. To the best knowledge of our Directors, Hongxin Tianshi and its beneficial owners were Independent Third Parties prior to the liquidation of Hongxin Tianshi.

### Equity Transfer in November 2018

Pursuant to the equity transfer agreements dated September 26, 2018, Guiyang SoftBank agreed to transfer RMB493,156 of the registered capital of our Company to Shanghai Minghe at a consideration of RMB10,000,000.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The registration of the relevant equity transfer was completed on November 16, 2018, following which our Company was held as to the following:

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Alibaba Travel . . . . .	18,690,010	30.6604%
Mr. Jiang . . . . .	15,430,482	25.3133%
Chengdu Yingchuang . . . . .	4,666,500	7.6553%
Haidai Zhushi . . . . .	4,386,510	7.1959%
Ningbo SoftBank . . . . .	3,945,248	6.4721%
Times Zhongcheng . . . . .	2,774,300	4.5512%
Times Xincheng . . . . .	2,560,900	4.2011%
Shanghai Minghe . . . . .	2,488,929	4.0830%
Hongxin Tianshi . . . . .	2,465,780	4.0450%
Mr. WANG Jiawei . . . . .	1,132,990	1.8586%
Guiyang SoftBank . . . . .	986,312	1.6180%
Guangzhou DSQ . . . . .	936,996	1.5371%
State Development Technology Venture . . . . .	493,156	0.8090%
<b>Total . . . . .</b>	<b>60,958,113</b>	<b>100.00%</b>

### Series B+ Investment in April 2019

Pursuant to the series B+ investment agreement dated April 9, 2019, each of Nantong Dongzheng Fuxiang Equity Investment Center (Limited Partnership) (南通東證富象股權投資中心(有限合夥)) (“**Dongzheng Fuxiang**”), Shanghai Jianyuan Equity Investment Fund Partnership (Limited Partnership) (上海建元股權投資基金合夥企業(有限合夥)) (“**Shanghai Jianyuan Equity**”) and Shanghai Jianyuan Enterprise Management Partnership (Limited Partnership) (上海建元企業管理合夥企業(有限合夥)) (“**Shanghai Jianyuan Enterprise**”) agreed to subscribe for RMB670,961, RMB657,542 and RMB13,419 of our registered capital, for a consideration of RMB14,970,060, RMB14,670,659 and RMB299,401, respectively.

Concurrent with such capital increase, pursuant to the series B+ investment agreement dated April 9, 2019, Mr. Jiang agreed to transfer part of his equity interests in our Company to each of Dongzheng Fuxiang, Shanghai Jianyuan Equity and Shanghai Jianyuan Enterprise at an aggregate consideration of RMB20,059,880. The below table is a brief summary of the relevant equity transfers:

Transferor	Transferee	Amount of registered capital transferred	Consideration
Mr. Jiang . . . . .	Dongzheng Fuxiang	RMB561,929	RMB10,029,940
Mr. Jiang . . . . .	Shanghai Jianyuan Equity	RMB550,690	RMB9,829,341
Mr. Jiang . . . . .	Shanghai Jianyuan Enterprise	RMB11,239	RMB200,599

The registration of the relevant capital increase and equity transfer were completed on April 28, 2019, following which our Company was held as to the following:

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Alibaba Travel . . . . .	18,690,010	30.0000%
Mr. Jiang . . . . .	14,306,624	22.9641%
Chengdu Yingchuang . . . . .	4,666,500	7.4904%
Haidai Zhushi . . . . .	4,386,510	7.0409%
Ningbo SoftBank . . . . .	3,945,248	6.3327%

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Times Zhongcheng . . . . .	2,774,300	4.4531%
Times Xincheng . . . . .	2,560,900	4.1106%
Shanghai Minghe . . . . .	2,488,929	3.9951%
Hongxin Tianshi . . . . .	2,465,780	3.9579%
Dongzheng Fuxiang . . . . .	1,232,890	1.9790%
Shanghai Jianyuan Equity . . . . .	1,208,232	1.9394%
Mr. WANG Jiawei . . . . .	1,132,990	1.8186%
Guiyang SoftBank . . . . .	986,312	1.5832%
Guangzhou DSQ . . . . .	936,996	1.5040%
State Development Technology Venture . . . . .	493,156	0.7916%
Shanghai Jianyuan Enterprise . . . . .	24,658	0.0396%
<b>Total . . . . .</b>	<b>62,300,035</b>	<b>100.00%</b>

### Series C Investment in February 2021

Pursuant to the series C investment agreement dated February 10, 2021, each of Anyang Zhanxin Industrial Investment Fund (Limited Partnership) (安陽戰新產業投資基金(有限合夥)) (“**Anyang Zhanxin**”), Dayou No. 1 (Shenzhen) Investment Partnership (Limited Partnership) (大有壹號(深圳)投資合夥企業(有限合夥)) (“**Dayou No. 1**”) and Beijing Meishijia Technology Co., Ltd. (北京鎂食錄科技有限公司) (“**Meishijia Technology**”) agreed to subscribe for RMB2,491,998, RMB3,114,998 and RMB389,375 of our registered capital, for a consideration of RMB64,000,000, RMB80,000,000 and RMB10,000,000, respectively.

Concurrent with such capital increase, pursuant to the series C investment agreement dated February 10, 2021, Times Xincheng and Times Zhongcheng transferred an aggregate of RMB623,000 of the registered capital of our Company to Anyang Zhanxin at an aggregate consideration of RMB16,000,000.

The registration of the relevant capital increase and equity transfer were completed on February 25, 2021, following which our Company was held as to the following:

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Alibaba Travel . . . . .	18,690,010	27.3660%
Mr. Jiang . . . . .	14,306,624	20.9478%
Chengdu Yingchuang . . . . .	4,666,500	6.8327%
Haidai Zhushi . . . . .	4,386,510	6.4228%
Ningbo SoftBank . . . . .	3,945,248	5.7767%
Anyang Zhanxin . . . . .	3,114,998	4.5610%
Dayou No. 1 . . . . .	3,114,998	4.5610%
Times Zhongcheng . . . . .	2,497,025	3.6562%
Shanghai Minghe . . . . .	2,488,929	3.6443%
Hongxin Tianshi . . . . .	2,465,780	3.6104%
Times Xincheng . . . . .	2,215,175	3.2435%
Dongzheng Fuxiang . . . . .	1,232,890	1.8052%
Shanghai Jianyuan Equity . . . . .	1,208,232	1.7691%
Mr. WANG Jiawei . . . . .	1,132,990	1.6589%
Guiyang SoftBank . . . . .	986,312	1.4442%
Guangzhou DSQ . . . . .	936,996	1.3720%
State Development Technology Venture . . . . .	493,156	0.7221%
Meishijia Technology . . . . .	389,375	0.5701%
Shanghai Jianyuan Enterprise . . . . .	24,658	0.0361%
<b>Total . . . . .</b>	<b>68,296,406</b>	<b>100.00%</b>

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### Series C+ Investment in August 2021

Concurrent with our acquisition of interests in Hengsheng Changyun in July and August 2021, Hundsun Technologies Inc. (恒生電子股份有限公司) (“**Hundsun Technologies**”) (the then shareholder of Hengsheng Changyun) and Zhengtu (Hangzhou) Information Consulting Partnership (Limited Partnership) (正途(杭州)信息諮詢合夥企業(有限合夥)) (“**Hangzhou Zhengtu**”) (whose sole general partner Mr. WANG Ruce (王如策先生) holds 25.4281% partnership interest and serves as a director of Hengsheng Changyun) invested in our Company through the series C+ investment. For details on our acquisition in Hengsheng Changyun, see “— Major Acquisitions, Disposals and Mergers — Acquisition of Hengsheng Changyun in 2021.” Pursuant to the series C+ investment agreement dated July 16, 2021, each of Hundsun Technologies and Hangzhou Zhengtu agreed to subscribe for RMB598,208 and RMB310,452 of our registered capital for a consideration of RMB15,363,300 and RMB7,973,100, respectively.

The registration of the relevant capital increase was completed on August 26, 2021, following which our Company was held as to the following:

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Alibaba Travel . . . . .	18,690,010	27.0067%
Mr. Jiang . . . . .	14,306,624	20.6730%
Chengdu Yingchuang . . . . .	4,666,500	6.7430%
Haidai Zhushi . . . . .	4,386,510	6.3384%
Ningbo SoftBank . . . . .	3,945,248	5.7008%
Anyang Zhanxin . . . . .	3,114,998	4.5011%
Dayou No. 1 . . . . .	3,114,998	4.5011%
Times Zhongcheng . . . . .	2,497,025	3.6082%
Shanghai Minghe . . . . .	2,488,929	3.5965%
Hongxin Tianshi . . . . .	2,465,780	3.5630%
Times Xincheng . . . . .	2,215,175	3.2009%
Dongzheng Fuxiang . . . . .	1,232,890	1.7815%
Shanghai Jianyuan Equity . . . . .	1,208,232	1.7459%
Mr. WANG Jiawei . . . . .	1,132,990	1.6371%
Guiyang SoftBank . . . . .	986,312	1.4252%
Guangzhou DSQ . . . . .	936,996	1.3539%
Hundsun Technologies . . . . .	598,208	0.8644%
State Development Technology Venture . . . . .	493,156	0.7126%
Meishijia Technology . . . . .	389,375	0.5626%
Hangzhou Zhengtu . . . . .	310,452	0.4486%
Shanghai Jianyuan Enterprise . . . . .	24,658	0.0356%
<b>Total . . . . .</b>	<b>69,205,066</b>	<b>100.00%</b>

### Equity Transfer in July 2022

Hongxin Tianshi had intended to reorganize its holding structure and went into liquidation proceedings, as a result all of its equity interests in our Company was transferred to its then general partner and limited partners pursuant to each of the relevant equity transfer agreements dated June 7, 2022. The relevant equity transfers were made on a pro rata basis according to the partnership interests percentage in Hongxin Tianshi.



## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The below table is a brief summary of such equity transfers:

Transferor	Transferee	Amount of registered capital transferred
Hongxin Tianshi . . . . .	Jiangsu Jiequan Jingshifeng Investment Fund (Limited Partnership) (江蘇建泉景世豐投資基金(有限合夥)) (“ <b>Jiangsu Jiequan Jingshifeng</b> ”)	RMB1,478,975
Hongxin Tianshi . . . . .	Shanghai Yuanhong Enterprise Management Partnership (Limited Partnership) (上海元弘企業管理合夥企業(有限合夥)) (“ <b>Shanghai Yuanhong</b> ”)	RMB936,996
Hongxin Tianshi . . . . .	Mr. LI Chen (李晨先生)	RMB48,823
Hongxin Tianshi . . . . .	Mr. LI Yifeng (李一峰先生)	RMB493
Hongxin Tianshi . . . . .	Huajin Economic Consulting (Hangzhou) Co., Ltd. (華進經濟諮詢(杭州)有限公司) (“ <b>Huajin Consulting</b> ”)	RMB493

The registration of the relevant equity transfer was completed on July 22, 2022, following which our Company was held as to the following:

Name of Shareholders	Registered capital (RMB)	Percentage of equity interest held
Alibaba Travel . . . . .	18,690,010	27.0067%
Mr. Jiang . . . . .	14,306,624	20.6730%
Chengdu Yingchuang . . . . .	4,666,500	6.7430%
Haidai Zhushi . . . . .	4,386,510	6.3384%
Ningbo SoftBank . . . . .	3,945,248	5.7008%
Anyang Zhanxin . . . . .	3,114,998	4.5011%
Dayou No. 1 . . . . .	3,114,998	4.5011%
Times Zhongcheng . . . . .	2,497,025	3.6082%
Shanghai Minghe . . . . .	2,488,929	3.5965%
Times Xincheng . . . . .	2,215,175	3.2009%
Jiangsu Jiequan Jingshifeng . . . . .	1,478,975	2.1371%
Dongzheng Fuxiang . . . . .	1,232,890	1.7815%
Shanghai Jianyuan Equity . . . . .	1,208,232	1.7459%
Mr. WANG Jiawei . . . . .	1,132,990	1.6371%
Guiyang SoftBank . . . . .	986,312	1.4252%
Guangzhou DSQ . . . . .	936,996	1.3539%
Shanghai Yuanhong . . . . .	936,996	1.3539%
Hundsun Technologies . . . . .	598,208	0.8644%
State Development Technology Venture . . . . .	493,156	0.7126%
Meishijia Technology . . . . .	389,375	0.5626%
Hangzhou Zhengtu . . . . .	310,452	0.4486%
Mr. LI Chen . . . . .	48,823	0.0705%
Shanghai Jianyuan Enterprise . . . . .	24,658	0.0356%
Mr. LI Yifeng . . . . .	493	0.0007%
Huajin Consulting . . . . .	493	0.0007%
<b>Total</b> . . . . .	<b>69,205,066</b>	<b>100.00%</b>

Shanghai Yuanhong is a limited partnership organized and existing under the PRC laws, principally engaged in enterprise management, industrial investments and consultancy services. Ms. WANG Fei (王菲女士) holds 41% partnership interest and serves as the sole general partner of Shanghai Yuanhong. Shanghai Yuanhong has two limited partners, among which Mr. JIANG Junhao (蔣俊豪先生) holds 40% partnership interest and Mr. XU Yi (胥軼先生) holds 19% partnership interest. To the best knowledge of our Directors, Shanghai Yuanhong and its beneficial owners are Independent Third Parties.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### Conversion into Joint Stock Limited Company

Pursuant to the shareholders’ resolutions dated August 31, 2022, and the promoters’ agreement dated August 31, 2022, the then existing shareholders of our Company approved the conversion of our Company into a joint stock limited company with 69,205,066 Shares of a nominal value of RMB1.0 each. Upon the completion of registration with the Beijing Haidian Branch of Administration for Market Regulation on September 26, 2022, our Company was converted into a joint stock limited company, and renamed as Shengwei Times Technology Co., Ltd. (盛威時代科技股份有限公司).

### Share Transfer in November 2024

Pursuant to the share transfer agreement dated November 4, 2024, Shanghai Yuanhong agreed to transfer RMB936,996 Shares to Chengdu Yunzhiya Trading Co., Ltd (成都雲知涯貿易有限公司) (“**Chengdu Yunzhiya**”) at a consideration of RMB30,000,000.

The relevant share transfer was completed on November 4, 2024, following which our Company was held as to the following:

Name of Shareholders	No. of Shares	Percentage of Shares held
	<i>(RMB)</i>	
Alibaba Travel . . . . .	18,690,010	27.0067%
Mr. Jiang . . . . .	14,306,624	20.6730%
Chengdu Yingchuang . . . . .	4,666,500	6.7430%
Haidai Zhushi . . . . .	4,386,510	6.3384%
Ningbo SoftBank . . . . .	3,945,248	5.7008%
Anyang Zhanxin . . . . .	3,114,998	4.5011%
Dayou No.1 . . . . .	3,114,998	4.5011%
Times Zhongcheng . . . . .	2,497,025	3.6082%
Shanghai Minghe . . . . .	2,488,929	3.5965%
Times Xincheng . . . . .	2,215,175	3.2009%
Jiangsu Jiequan Jingshifeng . . . . .	1,478,975	2.1371%
Dongzheng Fuxiang . . . . .	1,232,890	1.7815%
Shanghai Jianyuan Equity . . . . .	1,208,232	1.7459%
Mr. WANG Jiawei . . . . .	1,132,990	1.6371%
Guiyang SoftBank . . . . .	986,312	1.4252%
Guangzhou DSQ . . . . .	936,996	1.3539%
Chengdu Yunzhiya . . . . .	936,996	1.3539%
Hundsun Technologies . . . . .	598,208	0.8644%
State Development Technology Venture . . . . .	493,156	0.7126%
Meishijia Technology . . . . .	389,375	0.5626%
Hangzhou Zhengtu . . . . .	310,452	0.4486%
Mr. LI Chen . . . . .	48,823	0.0705%
Shanghai Jianyuan Enterprise . . . . .	24,658	0.0356%
Mr. LI Yifeng . . . . .	493	0.0007%
Huajin Consulting . . . . .	493	0.0007%
<b>Total . . . . .</b>	<b><u>69,205,066</u></b>	<b><u>100.00%</u></b>

### MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

#### Acquisition of Hengsheng Changyun in 2021

Pursuant to a capital increase agreement dated June 23, 2019, we had subscribed for 8.33% equity interest in Hengsheng Changyun for a consideration of RMB10.0 million, determined with reference to the assets valuation of Hengsheng Changyun at the time of capital increase. Shareholder approval for this capital increase was obtained in June 2019. The consideration was fully settled in July 2019.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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On August 1, 2021, we entered into an equity acquisition framework agreement to acquire an aggregate of 49.84% equity interest in Hengsheng Changyun from Hundsun Technologies (a minority Shareholder in our Company), Hangzhou Yuntu (an employee shareholding platform of Hengsheng Changyun), Zhejiang Changyun Investment (an Independent Third Party), Hangzhou Tujing (an employee shareholding platform of Hengsheng Changyun which has been deregistered as of the Latest Practicable Date) and Ningbo Hengxinghui (whose general partner is wholly owned by Hundsun Technologies). The aggregate consideration for this acquisition was approximately RMB55.2 million, determined based on commercial negotiations and with reference to the valuation of Hengsheng Changyun in 2019, as well as taking into account the operating performance of Hengsheng Changyun at the time of acquisition in 2021.

Shareholder approval for this acquisition was obtained in July 2021. In August 2021, the consideration was fully settled and we completed the acquisition of 49.84% equity interest in Hengsheng Changyun. Upon completion of this acquisition, we held an aggregate equity interest of approximately 58.17% in Hengsheng Changyun, and Hengsheng Changyun became a consolidated subsidiary of our Group. Hengsheng Changyun is a road transportation company specializing in provision of internet ticketing services and customized transportation services targeting the Zhejiang province market. As confirmed by our PRC Legal Advisor, this acquisition had been properly and legally completed and all necessary approvals from the relevant authorities had been obtained in August 2021.

### Acquisition of Anhui Wanmei in 2024

On April 17, 2024, we entered into an equity transfer agreement to acquire 19% equity interest in Anhui Wanmei from Anhui Changjie Transportation Development Co., Ltd. (安徽暢捷交通發展股份有限公司), an Independent Third Party. The consideration for the acquisition was RMB9.0 million, determined with reference to the valuation of the shareholders' equity in Anhui Wanmei based on a valuation report prepared by an independent valuer. In April 2024, we fully settled the consideration, and the relevant PRC registration for the change in shareholders and the acquisition was completed in May 2024.

On May 25, 2024, we entered into an equity transfer agreement to acquire 7.57576% equity interest in Anhui Wanmei from Shanghai Jitu Information Technology Co., Ltd. (上海極途信息技術有限公司), an Independent Third Party. This acquisition was for a consideration of approximately RMB3.5 million, determined with reference to the valuation of the shareholders' equity in Anhui Wanmei based on a valuation report prepared by an independent valuer. Shareholder approval for this acquisition was obtained in May 2024. In August 2024, the consideration fully settled and the acquisition was completed.

Taking into account the approximately 13.26% equity interest in Anhui Wanmei held by our subsidiary Hengsheng Changyun, we held an aggregate of approximately 39.83% equity interest in Anhui Wanmei as of the Latest Practicable Date and Anhui Wanmei became an associate of our Company. Anhui Wanmei is a road transportation company specializing in provision of internet ticketing services, customized transportation services and digitalization and business solutions targeting the Anhui province market.

As confirmed by our PRC Legal Advisor, the series of acquisitions mentioned above had been properly and legally completed and all necessary approvals from the relevant authorities had been obtained.

We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 4.02(2) and 4.04(4)(a) of the Listing Rules in respect of the acquisition. See “Waivers from Strict Compliance with the Listing Rules and Exemption from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver in Respect of Acquisition After the Track Record Period.” for details.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we did not conduct any other major acquisitions, disposals, or mergers.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED]

### Principal terms of the [REDACTED] and [REDACTED] Rights

The below table summarizes the principal terms of the [REDACTED]:

Financing	Date of agreement(s)	Date on which investments were fully settled	Registered capital subscribed/transferred <i>(RMB)</i>	Total amount of consideration <i>(RMB)</i>	Cost per share <sup>(1)</sup> <i>(RMB)</i>	[REDACTED] to the [REDACTED] <sup>(2)</sup>
Capital increase <sup>(3)</sup>	November 30, 2012	December 7, 2012	1,000,000	40,000,000	40.0000 <sup>(15)</sup>	[REDACTED]% <sup>(15)</sup>
Series A <sup>(4)</sup>	July 28, 2016	September 7, 2016	9,333,800	75,000,000	8.0353	[REDACTED]%
Series A+ <sup>(5)</sup>	July 7, 2017	July 14, 2017	6,667,000	53,500,000	8.0246	[REDACTED]%
Series B (equity transfer) <sup>(6)</sup>	July 19, 2018 September 6, 2018	October 25, 2018	6,383,518	113,940,117	17.8491	[REDACTED] [REDACTED]%
Series B (capital increase) <sup>(7)</sup>	July 19, 2018	August 15, 2018	7,622,113	170,059,883	22.3114	[REDACTED]%
Equity Transfer <sup>(8)</sup>	September 26, 2018	July 18, 2019	493,156	10,000,000	20.2776	[REDACTED]%
Series B+ (equity transfer) <sup>(9)</sup>	April 9, 2019	April 22, 2019	1,123,858	20,059,880	17.8491	[REDACTED]%
Series B+ (capital increase) <sup>(10)</sup>	April 9, 2019	April 22, 2019	1,341,922	29,940,120	22.3114	[REDACTED]%
Series C (equity transfer) <sup>(11)</sup>	February 10, 2021	April 26, 2021	623,000	16,000,000	25.6822	[REDACTED]%
Series C (capital increase) <sup>(12)</sup>	February 10, 2021	July 2, 2021	5,996,371	154,000,000	25.6822	[REDACTED]%
Series C+ <sup>(13)</sup>	July 16, 2021	August 30, 2021	908,660	23,336,400	25.6822	[REDACTED]%
Share Transfer <sup>(14)</sup>	November 4, 2024	November 4, 2024	936,996	30,000,000	32.0172	[REDACTED]%

*Notes:*

- (1) Cost per share is calculated based on the approximate amount raised following the [REDACTED].
- (2) [REDACTED] to the [REDACTED] is calculated based on the assumption that the [REDACTED] is fixed at [REDACTED], being the mid-point of the indicative [REDACTED] and the indicative exchange rate of HK\$1.00 = RMB[0.91356].
- (3) The [REDACTED] involved were Mr. WANG Jiawei and Chengdu Yingchuang. Please see “— Corporate Development of Our Group — Capital Increase and Equity Transfer in December 2012” for details and the percentage of equity interest subscribed and transferred.
- (4) The [REDACTED] involved was Alibaba Travel. Please see “— Corporate Development of Our Group — Series A Investment in September 2016” for details and the percentage of equity interest subscribed.
- (5) The [REDACTED] involved was Alibaba Travel. Please see “— Corporate Development of Our Group — Series A+ Investment in July 2017” for details and the percentage of equity interest subscribed.
- (6) The [REDACTED] involved were Alibaba Travel, Ningbo SoftBank, Guiyang SoftBank, Shanghai Minghe, Hongxin Tianshi, Guangzhou DSQ and Statement Development Technology Venture. Please see “— Corporate Development of Our Group — Series B Investment in September 2018” for details and the percentage of equity interest transferred.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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- (7) The [REDACTED] involved were Alibaba Travel, Ningbo SoftBank, Guiyang SoftBank, Shanghai Minghe, Hongxin Tianshi, Guangzhou DSQ and Statement Development Technology Venture. Please see “— Corporate Development of Our Group — Series B Investment in September 2018” for details and the percentage of equity interest subscribed.
- (8) The [REDACTED] involved was Shanghai Minghe. Please see “— Corporate Development of Our Group — Equity Transfer in November 2018” for details and the percentage of equity interest transferred.
- (9) The [REDACTED] involved were Dongzheng Fuxiang, Shanghai Jianyuan Equity and Shanghai Jianyuan Enterprise. Please see “— Corporate Development of Our Group — Series B+ Investment in April 2019” for details and the percentage of equity interest transferred.
- (10) The [REDACTED] involved were Dongzheng Fuxiang, Shanghai Jianyuan Equity and Shanghai Jianyuan Enterprise. Please see “— Corporate Development of Our Group — Series B+ Investment in April 2019” for details and the percentage of equity interest subscribed.
- (11) The [REDACTED] involved was Anyang Zhanxin. Please see “— Corporate Development of Our Group — Series C Investment in February 2021” for details and the percentage of equity interest transferred.
- (12) The [REDACTED] involved were Anyang Zhanxin, Dayou No.1 and Meishijia Technology. Please see “— Corporate Development of Our Group — Series C Investment in February 2021” for details and the percentage of equity interest subscribed.
- (13) The [REDACTED] involved were Hundsun Technologies and Hangzhou Zhengtu. Please see “— Corporate Development of Our Group — Series C+ Investment in August 2021” for details and the percentage of equity interest subscribed.
- (14) The [REDACTED] involved was Chengdu Yunzhiya. Please see “— Corporate Development of Our Group — Share Transfer in November 2024” for details and the percentage of Shares transferred.
- (15) Taking into consideration the subscription of an aggregate of RMB15,000,000 of our registered capital by Mr. WANG Jiawei and Chengdu Yingchuang during the capitalization issue in July 2015, the adjusted cost per share for the capital increase was RMB2.5000 and the adjusted discount to the [REDACTED] was [REDACTED]%. Please see “— Corporate Development of Our Group — Capitalization Issue in July 2015” for details.

**Basis of determining the consideration paid by each [REDACTED]:** . . . . .

The basis of determination for the consideration for the [REDACTED] was arm’s length negotiations between the [REDACTED] and us or the relevant transferor based on the valuation of our Group at the time of the investments, taking into considerations the timing of the investments and the status of our business and operating entities, the future performance of our Group and the industries in which we operate in.

**[REDACTED] Period:** . . . . .

Pursuant to the PRC Company Law, the [REDACTED] will not be able to transfer the Shares issued to them before the [REDACTED] within one year from the [REDACTED].

**[REDACTED] from the [REDACTED]:** . . . . .

We utilized the [REDACTED] from the [REDACTED] paid to our Company for the development and operation of our Group, including, but not limited to, investments in the development of our platforms, research and development activities, and other day-to-day business operation. As of the Latest Practicable Date, the [REDACTED] paid to our Company from the [REDACTED] by the [REDACTED] were fully utilized by our Group.

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### Strategic benefits of the [REDACTED] brought to our Company: . . . . .

At the time of the [REDACTED], our Directors were of the view that our Company could benefit from the [REDACTED] commitment to our Company as their investment demonstrates its confidence in the operations of our Company and serves as an endorsement of our Company’s performance, strength, and prospects. Our Company could also benefit from the [REDACTED] as their investment accelerates the business expansion of our Group with additional capital.

### Special Rights of the [REDACTED]

Certain of our [REDACTED] were granted special rights in relation to our Company, including, among others, anti-dilution rights, exclusivity rights and no more favorable terms, prior consent for certain corporate actions, rights of first refusal, tag-along rights, divestment rights (that is redemption rights), veto rights, director nomination/appointment rights, other nomination rights, information and inspection rights, dividend preferences and liquidation preferences. The divestment rights were automatically terminated the day before our Company’s first submission of the [REDACTED] to the [REDACTED] (“**Submission**”) and the remaining special rights will be automatically terminated after the [REDACTED] of the [REDACTED] granting approval for the [REDACTED] of our H Shares and the day before the [REDACTED] of our H Shares on the [REDACTED]. If for any reason the Submission is withdrawn, terminated, or not approved, the terminated rights shall automatically be reinstated in full upon the occurrence of the earlier of the following events as though such terms, rights, and arrangements had never been terminated or amended: (i) the Company withdraws the Submission; (ii) the [REDACTED] and/or the SFC rejects the Submission; (iii) the [REDACTED] and/or the SFC returns the Submission; (iv) the CSRC terminates the filing procedure in connection with the [REDACTED]; or (v) the Company fails to consummate the [REDACTED] within 24 months from the date of the first Submission.

### Information About the [REDACTED]

The background of our [REDACTED] is set out below.

#### *Chengdu Yingchuang*

Chengdu Yingchuang is a limited partnership organized and existing under the PRC laws, principally engaged in equity investments. Chengdu Yingchuang is managed by its general partner, Chengdu Yinchuang Century Equity Investment Fund Management Co., Ltd. (成都盈創世紀股權投資基金管理有限公司) (“**Yingchuang Century**”), a limited liability company organized and existing under the PRC laws, which holds 1% partnership interest in Chengdu Yingchuang. Yingchuang Century is a private fund manager principally engaged in investment activities. Mr. YU Lang (余浪先生) owns 50% of the interests in Yingchuang Century and is the largest shareholder of Yingchuang Century. As the chairman of the board and the general manager, he is responsible for the management of Yingchuang Century. Mr. JIANG Shuge (蔣蜀革先生) owns 30% of the interests in Yingchuang Century, and none of the remaining shareholders held more than 20% of the interests in Yingchuang Century. Sichuan Dingxiang Equity Investment Fund Co., Ltd. (四川鼎祥股權投資基金有限公司) (“**Sichuan Dingxiang**”), who is the sole limited partner of Chengdu Yingchuang and not involved in the management of the partnership, holds 99% partnership interest in Chengdu Yingchuang. Sichuan Dingxiang is owned as to 80% by Mr. SONG Jiajun (宋佳駿先生) and 20% by Ms. SONG Binyang (宋玢陽女士). Ms. SONG Binyang is the spouse of Mr. WANG Jiawei. Mr. SONG Jiajun is the younger brother of Ms. SONG Binyang. Chengdu Yingchuan, Yingchuang Century and Mr. YU Lang are members of our Controlling Shareholder Group. See the section headed “Relationship with Our Controlling Shareholder Group — Controlling Shareholder Group”.

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### *Mr. WANG Jiawei*

Mr. WANG Jiawei is an individual investor with investments in various industries, including automotive industry. Mr. WANG Jiawei is a founding partner and serves as vice general manager of Shenzhen Qianhai Tianxi Private Equity Fund Management Co., Ltd. (深圳前海天禧私募證券基金管理有限公司). Mr. WANG Jiawei is a friend of Mr. Jiang. Mr. WANG Jiawei is a member of our Controlling Shareholder Group. See the section headed “Relationship with Our Controlling Shareholder Group — Controlling Shareholder Group”.

### *Alibaba Travel*

Alibaba Travel is a limited liability company organized and existing under the PRC laws, principally engaged in investment in travel industries. Alibaba Travel is an indirectly wholly owned subsidiary of Alibaba Group Holding Limited (“**Alibaba Group**”), a dual-primary listed company on both the New York Stock Exchange and the Main Board of the Hong Kong Stock Exchange (New York Stock Exchange Stock Code: BABA; Hong Kong Stock Exchange Stock Code: 9988). Alibaba Travel is our substantial Shareholder. See the section headed “Substantial Shareholders” for details.

### *SoftBank Entities*

Ningbo SoftBank is a limited partnership organized and existing under the PRC laws, principally engaged in investments activities. Shanghai Xinbojieyi Private Equity Fund Management Partnership (Limited Partnership) (上海欣博傑益私募基金管理合夥企業(有限合夥)) (“**Shanghai Xinbojieyi**”), a limited partnership organized and existing under the PRC laws, serves as the sole general partner of Ningbo SoftBank and holds 1.1621% partnership interest. Shanghai Xinbojieyi is owned as to 99% by Mr. ZHANG Xu (張旭先生). Ningbo SoftBank has five limited partners, none of which holds more than one-third of the partnership interest in Ningbo SoftBank. SoftBank Stable Investment Co., Ltd. (軟銀穩健投資有限公司), a limited partner holding 0.0581% partnership interest in Ningbo SoftBank, is indirectly owned as to 95% by Mr. ZHANG Xu.

Guiyang SoftBank is a limited partnership organized and existing under the PRC laws, principally engaged in investments activities. Guiyang High-tech SoftBank Bosheng Venture Investment Management Partnership (Limited Partnership) (貴陽高新軟銀博盛創業投資管理合夥企業(有限合夥)) (“**Guiyang High-tech SoftBank**”), a limited partnership organized and existing under the PRC laws, serves as the sole general partner of Guiyang SoftBank and holds 1% partnership interest. Guiyang High-tech SoftBank is owned as to 99% by Mr. ZHANG Xu. Guiyang SoftBank has one limited partner, Guiyang High-Tech Venture Investment Co., Ltd. (貴陽高科創業投資有限責任公司), an indirect wholly owned subsidiary of Guiyang National High-tech Industrial Development Zone Administration Committee (貴陽國家高新技術產業開發區管理委員會), which holds 99% partnership interest in Guiyang SoftBank.

Shanghai Minghe is a limited partnership organized and existing under the PRC laws, principally engaged in investments activities. Ningbo RuanKu Investment Co., Ltd. (寧波軟庫投資有限公司) (“**Ningbo RuanKu**”), a limited liability company organized and existing under the PRC laws, serves as the sole general partner of Shanghai Minghe and holds 0.9901% partnership interest. Ningbo RuanKu is owned as to 60% by Mr. ZHANG Xu. Shanghai Minghe has one limited partner, Mr. ZHANG Xu, who holds 99.0099% partnership interest in Shanghai Minghe.

Mr. ZHANG Xu is an individual investor with investments in various industries, including information technology and automotive services industries. Other than the positions held by Mr. ZHANG Xu as mentioned in this section, Mr. ZHANG Xu also serves as executive director of Shanghai Guanhe Lanzheng Investment Management Co., Ltd. (上海觀禾覽正投資管理有限公司).

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As of the Latest Practicable Date, Mr. ZHANG Xu, Ningbo SoftBank, Shanghai Xinbojeyi, Guiyang SoftBank, Guiyang High-tech SoftBank, Shanghai Minghe and Ningbo RuanKu together control, directly and indirectly, approximately 10.72% of the equity interest in our Company and are therefore considered our substantial Shareholders. Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. ZHANG Xu, Ningbo SoftBank, Shanghai Xinbojeyi, Guiyang SoftBank, Guiyang High-tech SoftBank, Shanghai Minghe and Ningbo RuanKu will together hold approximately [REDACTED] of the equity interest in our Company and will not be considered our substantial Shareholder (as defined under the Listing Rules). See the section headed “Substantial Shareholders”. To the best knowledge of our Directors, other than as disclosed above, the limited partners of Ningbo SoftBank and Guiyang SoftBank are Independent Third Parties.

### *Dayou No.1*

Dayou No.1 is a limited partnership organized and existing under the PRC laws, principally engaged in investments. Dayou No.1 has completed private equity fund registration with Asset Management Association of China and the private equity fund manager is Qiande Fund Management (Shenzhen) Co., Ltd. (乾德基金管理(深圳)有限公司), also a limited partner of Dayou No.1, which is owned as to 80% by Shenzhen Qiande Investment Holding Co., Ltd. (深圳乾德投控有限公司) (“**Shenzhen Qiande**”). Shenzhen Qianyu Datong Investment Co., Ltd. (深圳乾裕大通投资有限公司) (“**Shenzhen Qianyu**”), a limited liability company organized and existing under the PRC laws, serves as the sole general partner of Dayou No.1 and holds 11.0595% partnership interest. Shenzhen Qianyu is an indirect subsidiary of Shenzhen Qiande, which is 60% owned by Mr. YANG Di (楊迪先生) and none of the remaining shareholders held more than 30% of the interests in Shenzhen Qiande. Dayou No.1 has 15 limited partners, none of which hold more than one-third of the partnership interest. To the best knowledge of our Directors, Dayou No.1 and its beneficial owners are Independent Third Parties.

### *Anyang Zhanxin*

Anyang Zhanxin is a limited partnership organized and existing under the PRC laws, principally engaged in equity investments. Henan Zhongjin Huirong Private Equity Fund Management Co., Ltd. (河南中金匯融私募基金管理有限公司) (“**Zhongjin Huirong**”), a limited liability company organized and existing under the PRC laws, serves as the sole general partner of Anyang Zhanxin and holds 0.1% partnership interest. Zhongjin Huirong is owned as to 50% by CICC Capital Management Co., Ltd. (中金資本運營有限公司), which is wholly-owned by China International Capital Corporation Limited (Shanghai Stock Exchange Stock Code: 601995; Hong Kong Stock Exchange Stock Code: 3908) and 50% by Henan Innovation Investment Group Co., Ltd. (河南創新投資集團有限公司), which is controlled by Henan Provincial Department of Finance (河南省財政廳). Anyang Zhanxin has two limited partners, among which Anyang Jingkai Industrial Fund Investment Co., Ltd. (安陽經開產業基金投資有限公司) (“**Anyang Jingkai**”) holds 60% partnership interest and Henan Province Zhanxin Industrial Investment Fund (Limited Partnership) (河南省戰新產業投資基金(有限合夥)) (“**Henan Zhanxin**”) holds 39.9% partnership interest. Anyang Jingkai is controlled by Municipal Finance Bureau of Anyang (安陽市財政局). Zhongjin Huirong serves as the sole general manager of Henan Zhanxin and holds approximately 0.067% partnership interest. To the best knowledge of our Directors, Anyang Zhanxin and its beneficial owners are Independent Third Parties.

### *Jiangsu Jiequan Jingshifeng*

Jiangsu Jiequan Jingshifeng is a limited partnership organized and existing under the PRC laws, principally engaged in equity investments. GCL Technology Holdings Limited (Hong Kong Stock Exchange Stock Code: 3800) indirectly holds 55.32% partnership interest in Jiangsu Jiequan Jingshifeng and Jiangsu Jiequan Jingshifeng is classified as a joint venture of



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GCL Technology Holdings Limited. Jiangsu Provincial Government Investment Fund (Limited Partnership) (江蘇省政府投資基金(有限合夥)) (“**Jiangsu Government Fund**”) holds 30% partnership interest in Jiangsu Jiequan Jingshifeng. No other limited partner holds more than one-third of the partnership interest in Jiangsu Jiequan Jingshifeng. To the best knowledge of our Directors, Jiangsu Jiequan Jingshifeng and its beneficial owners are Independent Third Parties.

### *Dongzheng Fuxiang*

Dongzheng Fuxiang is a limited partnership organized and existing under the PRC laws, principally engaged in equity investments. Shanghai Orient Securities Capital Investment Co., Ltd. (上海東方證券資本投資有限公司) (“**Shanghai Orient Securities**”), a limited liability company organized and existing under the PRC laws, serves as the sole general partner of Dongzheng Fuxiang and holds 19.9324% partnership interest. Shanghai Orient Securities is a wholly owned subsidiary of Orient Securities Company Limited (東方證券股份有限公司) (Shanghai Stock Exchange Stock Code: 600958; Hong Kong Stock Exchange Stock Code: 3958). Dongzheng Fuxiang has eight limited partners, none of which holds more than one-third of the partnership interest in Dongzheng Fuxiang. To the best knowledge of our Directors, Dongzheng Fuxiang and its beneficial owners are Independent Third Parties.

### *Shanghai Jianyuan Equity*

Shanghai Jianyuan Equity is a limited partnership organized and existing under the PRC laws, principally engaged in equity investments. Shanghai Jianyuan Equity Investment Fund Management Partnership (Limited Partnership) (上海建元股權投資基金管理合夥企業(有限合夥)) (“**Shanghai Jianyuan Equity Investment**”), a limited partnership organized and existing under the PRC laws, serves as the sole general partner of Shanghai Jianyuan Equity and holds 3.9604% partnership interest. Shanghai Jianyuan Equity Investment is 60% owned by Shanghai Jianyuan Enterprise which serves as the general partner. See “— [REDACTED] — Information About the [REDACTED] — Shanghai Jianyuan Enterprise.” for details. Shanghai Jianyuan Equity Investment has one limited partner, Shanghai Jianyuan Investment Co., Ltd. (上海建元投資有限公司), which owns 40% partnership interest. Shanghai Jianyuan Equity has two limited partners, among which Shanghai Tunnel Engineering Ltd. (上海隧道工程有限公司) (“**Shanghai Tunnel**”) holds 85.1485% partnership interest in Shanghai Jianyuan Equity. Shanghai Tunnel is a wholly owned subsidiary of Shanghai Tunnel Engineering Co., Ltd. (上海隧道工程股份有限公司) (Shanghai Stock Exchange Stock Code: 600820). No other limited partner holds more than one-third of the partnership interest in Shanghai Jianyuan Equity. To the best knowledge of our Directors, Shanghai Jianyuan Equity and its beneficial owners are Independent Third Parties.

### *Guangzhou DSQ*

Guangzhou DSQ is a limited liability company organized and existing under the PRC laws, principally engaged in provision of fund management services for private equity and venture capital. Guangzhou DSQ is owned as to 57.45% by Shanghai Conghuan Enterprise Management Consulting Center (Limited Partnership) (上海聰幻企業管理諮詢中心(有限合夥)) (“**Shanghai Conghuan**”) and 42.55% by Guangzhou Meituya Internet Technology Co., Ltd. (廣州魅圖雅網絡科技有限公司) (“**Guangzhou Meituya**”). Shanghai Conghuan is a limited partnership organized and existing under the PRC laws and is 99% owned by Mr. GUO Jiannan (郭建南先生) who also serves as the general partner of Shanghai Conghuan. Guangzhou Meituya is owned as to 99% by Guangzhou Shengfa Enterprise Management Partnership (Limited Partnership) (廣州盛發企業管理合夥企業(有限合夥)) (“**Guangzhou Shengfa**”). Guangzhou Shengfa is owned as to 49% by Guangzhou Anying Enterprise Management Partnership (Limited Partnership) (廣州安盈企業管理合夥企業(有限合夥)) (“**Guangzhou Anying**”) and 49% by Guangzhou Anxin Enterprise Management Co., Ltd. (廣州安馨企業管理有限公司) (“**Guangzhou Anxin**”). Guangzhou Anying is owned as to 49% by

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Mr. WEN Zhanfeng (溫展鋒先生) and 49% by Mr. LIANG Guanfei (梁關飛先生). Guangzhou Anxin is owned as to 51% by Mr. LIANG Guanfei and 49% by Mr. WEN Zhanfeng. To the best knowledge of our Directors, Guangzhou DSQ and its beneficial owners are Independent Third Parties.

### *Chengdu Yunzhiya*

Chengdu Yunzhiya is a limited liability company organized and existing under the PRC laws, principally engaged in trading. Chengdu Yunzhiya is owned as to 40% by Ms. XIANG Yiqun (向義群女士) and 60% by Ms. WANG Jingli (王靜利女士). To the best knowledge of our Directors, Chengdu Yunzhiya and its beneficial owners are Independent Third Parties.

### *Hundsun Technologies*

Hundsun Technologies (Shanghai Stock Exchange Stock Code: 600570) is a provider of fintech products and services in China focused on the financial industry, especially the capital markets, Hundsun Technologies offers comprehensive fintech solutions to a diverse range of clients, including securities, funds, banks, futures, insurance asset management, trusts, private equity, corporate finance, insurance, and financial infrastructure entities. To the best knowledge of our Directors, Hundsun Technologies is an Independent Third Party.

### *State Development Technology Venture*

State Development Technology Venture is a limited liability company organized and existing under the PRC laws, principally engaged in venture capital investments. State Development Technology Venture is wholly owned by CDB Financial Co., Ltd. (國開金融有限責任公司), which is wholly owned by China Development Bank, a state-owned financial institution. To the best knowledge of our Directors, State Development Technology Venture and its beneficial owners are Independent Third Parties.

### *Meishijia Technology*

Meishijia Technology is a limited liability company organized and existing under the PRC laws, principally engaged in provision of technical and internet information related services. Meishijia Technology is owned as to 51.0031% by Ms. HUANG Song (黃松女士) and 48.9969% by Mr. YU Gang (余剛先生). To the best knowledge of our Directors, Meishijia Technology and its beneficial owners are Independent Third Parties.

### *Hangzhou Zhengtu*

Hangzhou Zhengtu is a limited partnership organized and existing under the PRC laws, principally engaged in provision of consultancy services. Mr. WANG Ruce, a director of Hengsheng Changyun, serves as the sole general partner of Hangzhou Zhengtu and holds 25.4281% partnership interest. Hangzhou Zhengtu has 27 limited partners and none of which holds more than one-third of the partnership interest.

### *Mr. LI Chen*

Mr. LI Chen is an individual investor with investments in various industries, including integrated circuit. Mr. LI Chen served as a director of Zhejiang Boer Intelligent Manufacturing Technology Co., Ltd. (浙江波爾智造科技有限公司). To the best knowledge of our Directors, Mr. LI Chen is an Independent Third Party.

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### *Shanghai Jianyuan Enterprise*

Shanghai Jianyuan Enterprise is a limited partnership organized and existing under the PRC laws, principally engaged in provision of enterprise management and consultancy services. Shanghai Pingxin Business Consulting Co., Ltd. (上海平心商務諮詢有限公司) (“**Shanghai Pingxin**”) holds 1% partnership interest and serves as the sole general partner of Shanghai Jianyuan Enterprise. Shanghai Pingxin is owned as to 71.2871% by Mr. SHEN Peiliang (沈培良先生). Shanghai Jianyuan Enterprise has eight limited partners, among whom Mr. SHEN Peiliang holds 54.7423% partnership interest. No other limited partner holds more than one-third of the partnership interest. To the best knowledge of our Directors, Shanghai Jianyuan Enterprise and its beneficial owners are Independent Third Parties.

### *Mr. LI Yifeng*

Mr. LI Yifeng is an individual investor with investments in various industries, including high-end equipment. Mr. LI Yifeng served as a director of Wuhu Aierda Technology Co., Ltd. (蕪湖艾爾達科技有限責任公司). To the best knowledge of our Directors, Mr. LI Yifeng is an Independent Third Party.

### *Huajin Consulting*

Huajin Consulting is a limited liability company organized and existing under the PRC laws, principally engaged in provision of consultancy services. Huajin Consulting is owned as to 90% by Huajing Information Consulting Services (Shanghai) Co., Ltd. (樺璟信息諮詢服務(上海)有限公司) (“**Huajing Consulting**”) and 10% by Mr. LIANG Yang (梁楊先生). Huajing Consulting is owned as to 75% by Mr. LIANG Yang. To the best knowledge of our Directors, Huajin Consulting and its beneficial owners are Independent Third Parties.

### **Compliance with the Guide for New Listing Applicants**

On the basis that (i) the consideration for the [REDACTED] was settled more than 120 clear days before [REDACTED], (ii) the termination or cessation of special rights granted to the [REDACTED] as disclosed in sub-paragraph headed “Special Rights of the [REDACTED]” above, the Sole Sponsor confirms that the [REDACTED] are in compliance with the guidance in Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange.

### **VOTING RIGHTS ENTRUSTMENT ARRANGEMENTS**

To ensure that Mr. Jiang holds more than half of the voting rights following the series A investment in September 2016 in our Company, Mr. WANG Jiawei, Chengdu Yingchuang and Haidai Zhushi, each of whom to the best knowledge of our Directors has a longtime relationship with Mr. Jiang, and was confident in the leadership of Mr. Jiang in our Group, agreed to solidify Mr. Jiang’s control over the management and operations of our Company by entering into a voting rights entrustment agreement. On August 30, 2016, Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Haidai Zhushi, Times Zhongcheng and Times Xincheng (collectively the “**Voting Rights Entrustment Entities**”, each an “**Voting Rights Entrustment Entity**”) entered into a voting rights entrustment agreement (the “**Voting Rights Entrustment Agreement**”). Pursuant to the Voting Rights Entrustment Agreement, each of the Voting Rights Entrustment Entities agreed, amongst others, that, during the term of the Voting Rights Entrustment Agreement:

- (i) each of the Voting Rights Entrustment Entities shall entrust Mr. Jiang to exercise the voting rights (including proxy voting rights) represented by all the equity interest such Voting Rights Entrustment Entity holds in our Company until the expiration of

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the Voting Rights Entrustment Agreement. Each of the directors appointed (if any) by the Voting Rights Entrustment Entities shall exercise their voting rights in accordance with the instructions of Mr. Jiang at our Board meetings; and

- (ii) if any of the Voting Rights Entrustment Entities intends to transfer any or part of the equity interest in our Company, such Voting Rights Entrustment Entity shall ensure such transferee accepts the arrangements made under the Voting Rights Entrustment Agreement and sign the Voting Rights Entrustment Agreement or another voting rights entrustment agreement with substantially the same terms.

The Voting Rights Entrustment Agreement shall be effective for an indefinite period until Mr. Jiang agrees in writing to release any Voting Rights Entrustment Entity from its commitments under the Voting Rights Entrustment Agreement.

Mr. WANG Jiawei, Chengdu Yingchuang and Haidai Zhushi are our [REDACTED]. See “— [REDACTED]”. Times Zhongcheng and Times Xincheng are our employee incentive platforms with the general partner being Mr. Jiang. See “— Employee Incentive Platforms”.

As such, by virtue of the Voting Rights Entrustment Agreement with the Voting Rights Entrustment Entities, the Voting Rights Entrustment Entities are entitled to collectively control the exercise of approximately [REDACTED] of the total voting rights of our Company upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

As of the Latest Practicable Date, other than Mr. Jiang, none of the Voting Rights Entrustment Entity has appointed any director to the Board of our Company.

### EMPLOYEE INCENTIVE PLATFORMS

For the purpose of motivating, attracting, and retaining employees of our Group, Times Zhongcheng, Times Xincheng, Yunju Yicheng and Xinju Yicheng have been established as our employee incentive platforms pursuant to the option incentive plan established on July 25, 2016, which was subsequently replaced by the share awards plan established on September 30, 2021.

Times Zhongcheng was established in the PRC as a limited partnership on April 27, 2016. As of the Latest Practicable Date, the sole general partner of Times Zhongcheng was Mr. Jiang, who owned 6.8959% partnership interest in Times Zhongcheng. As of the Latest Practicable Date, the total number of limited partners under Times Zhongcheng was 49, which included, among others, Mr. ZHANG Jintao (張勁濤先生) (an executive Director and chief technology officer of our Company) holding 12.8306% partnership interest, Mr. YU Min (余敏先生) (a Supervisor of our Company) holding 2.9216% partnership interest, Mr. WANG Dengyue (王登嶽先生) (a chief financial officer and senior vice president of our Company) holding 10.4272% partnership interest, Mr. HU Xinghua (胡興華先生) (a senior vice president and general manager of passenger transportation business department of our Company) holding 5.7057% partnership interest, Mr. BAI Shan (白杉先生) (a senior vice president and general manager of digitalization services business department of our Company) holding 11.1466% partnership interest, Mr. ZHOU Chunhui (周春輝先生) (a vice president and general manager of ride-hailing business department of our Company) holding 4.4879% partnership interest, Ms. CHEN Jia (陳佳女士) (a joint company secretary of our Company) holding 0.2403% partnership interest. None of the limited partners held more than one-third of the partnership interest in Times Zhongcheng. As of the Latest Practicable Date, 3.6082% of the interest of our Company was held by Times Zhongcheng.

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Zhuhai Yunju Yicheng Investment Enterprise (Limited Partnership) (珠海運聚易成投資企業(有限合夥)) (“**Yunju Yicheng**”) was established in China as a limited partnership on November 27, 2018. As of the Latest Practicable Date, Yunju Yicheng is a limited partner of Times Zhongcheng and owns 10.9250% partnership interest in Times Zhongcheng. As of the Latest Practicable Date, the sole general partner of Yunju Yicheng was Mr. Jiang, who owned 0.0147% partnership interest in Yunju Yicheng. As of the Latest Practicable Date, the total number of limited partners under Yunju Yicheng was 46, and none of the Directors, Supervisors or members of our senior management are limited partners of Yunju Yicheng. None of the limited partners held more than one-third of the partnership interest in Yunju Yicheng.

Times Xincheng was established in China as a limited partnership on April 27, 2016. As of the Latest Practicable Date, the sole general partner of Times Xincheng was Mr. Jiang, who owned 5.4258% partnership interest in Times Xincheng. As of the Latest Practicable Date, the total number of limited partners under Times Xincheng was 47, which included, among others, Mr. YANG Yang (an executive Director and chief executive officer of our Company) holding 15.8174% partnership interest, Ms. CHENG Qian (程千女士) (an executive Director of our Company) holding 4.4977% partnership interest, Mr. ZHAO Changsheng (趙昌勝先生) (the chairman of the Supervisory Board of our Company) holding 13.0163% partnership interest, Ms. LUO Yan (羅燕女士) (a Supervisor of our Company) holding 1.3917% partnership interest, Mr. WANG Dengyue (a chief financial officer and senior vice president of our Company) holding 0.0150% partnership interest and Mr. LI Tao (李陶先生) (a senior vice president and deputy manager of passenger transportation business department of our Company) holding 10.5290% partnership interest. None of the limited partners held more than one-third of the partnership interest in Times Xincheng. As of the Latest Practicable Date, 3.2009% of the interest of our Company was held by Times Xincheng.

Zhuhai Xinju Yicheng Investment Enterprise (Limited Partnership) (珠海信聚易成投資企業(有限合夥)) (“**Xinju Yicheng**”) was established in China as a limited partnership on October 18, 2018. As of the Latest Practicable Date, Xinju Yicheng is a limited partner of Times Xincheng and owns 14.0169% partnership interest in Times Xincheng. As of the Latest Practicable Date, the sole general partner of Xinju Yicheng was Mr. Jiang, who owned 0.0129% partnership interest in Xinju Yicheng. As of the Latest Practicable Date, the total number of limited partners under Xinju Yicheng was 35, and none of the Directors, Supervisors or members of our senior management are limited partners of Xinju Yicheng. None of the limited partners held more than one-third of the partnership interest in Xinju Yicheng.

As of the Latest Practicable Date, there were no outstanding awards to be granted under the above employee incentive platforms.

### PRC REGULATORY REQUIREMENTS

Our PRC Legal Advisor has confirmed that (i) all necessary approvals and permits from the relevant PRC authorities in respect of the establishment and subsequent equity transfers and changes in registered capital of our Company have been obtained; and (ii) all the relevant legal procedures were completed in compliance with the relevant PRC laws and regulations in all material aspects. Our PRC Legal Advisor has further advised that the major acquisitions disclosed in this section above (i) have been legally and properly completed; and (ii) all applicable requisite regulatory approvals have been obtained from the relevant PRC authorities.

### FULL CIRCULATION

Our Company has applied for H Share full circulation to convert certain of the [REDACTED] Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of [REDACTED] Shares into H Shares will involve an aggregate of [REDACTED] Shares held by [REDACTED] existing Shareholders (i.e. [[REDACTED]

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Shares held by Alibaba Travel, [REDACTED] Shares held by Ningbo SoftBank, [REDACTED] Shares held by Shanghai Minghe, [REDACTED] Shares held by Guiyang SoftBank, [REDACTED] Shares held by Dayou No. 1, [REDACTED] Shares held by Anyang Zhanxin, [REDACTED] Shares held by Jiangsu Jiequan Jingshifeng, [REDACTED] Shares held by Dongzheng Fuxiang, [REDACTED] Shares held by Shanghai Jianyuan Equity, [REDACTED] Shares held by Guangzhou DSQ, [REDACTED] Shares held by Chengdu Yunzhiya, [REDACTED] Shares held by Hundsun Technologies, [REDACTED] Shares held by State Development Technology Venture, [REDACTED] Shares held by Meishijia Technology, [REDACTED] Shares held by Hangzhou Zhengtu, [REDACTED] Shares held by Mr. LI Chen, [REDACTED] Shares held by Shanghai Jianyuan Enterprise, [REDACTED] Shares held by Mr. LI Yifeng and [REDACTED] Shares held by Huajin Consulting]], representing approximately [REDACTED] of total issued Share capital of our Company upon the completion of the conversion of [REDACTED] Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised).

[REDACTED]

Upon the completion of the [REDACTED] and the conversion of [REDACTED] Shares into H Shares, the H Shares held by certain of our Shareholders who are our core connected persons will not be counted towards the [REDACTED]. Please see the sections headed “Relationship with our Controlling Shareholder Group — Controlling Shareholder Group” and “[REDACTED]” for further details. Accordingly, an aggregate of [REDACTED] Shares controlled by our Controlling Shareholder Group and Alibaba Travel, representing approximately [REDACTED]% of our Shares in issue immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) will not be counted towards the [REDACTED] according to Rule 8.08 of the Listing Rules. Furthermore, [REDACTED] Shares held by Hangzhou Zhengtu, representing approximately [REDACTED] of our Shares in issue immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), will not be counted towards the [REDACTED] according to Rule 8.08 of the Listing Rules, as the sole general partner of Hangzhou Zhengtu is Mr. WANG Ruce, a director of Hengsheng Changyun and therefore Hangzhou Zhengtu is a close associate of Mr. WANG Ruce. Please see the paragraph headed “— [REDACTED] — Information About the [REDACTED] — Hangzhou Zhengtu” for further details.

An aggregate of [REDACTED] Shares were held by the SoftBank Entities, representing approximately 10.72% of our total issued share capital as of the Latest Practicable Date, or approximately [REDACTED] of our Shares in issue immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). Among the [REDACTED] Shares held by SoftBank Entities, [REDACTED] Shares will be converted into H Shares. The remaining [REDACTED] Shares will not be converted into H Shares and listed on the [REDACTED] upon [REDACTED] and therefore will not be considered as part of the [REDACTED]. Save for the above [REDACTED] Shares held by the Softbank Entities, the [REDACTED] Shares held by Alibaba Travel and the [REDACTED] Shares held by our Controlling Shareholder Group, all [REDACTED] Shares will be converted into H Shares upon [REDACTED].

To the best knowledge of the Directors and after due enquiries, save as disclosed above, immediately upon the completion of the [REDACTED] and conversion of [REDACTED] Shares into H Shares (assuming the [REDACTED] is not exercised), assuming [REDACTED] H Shares are issued to the public Shareholders in the [REDACTED] and [REDACTED] Shares held or controlled by our Shareholders who are not our core connected persons will be converted into H Shares, an aggregate of [REDACTED] H Shares representing approximately [REDACTED]% of our total issued Shares will be counted towards the [REDACTED] of our Company in compliance with Rule 8.08 of the Listing Rules upon the [REDACTED].

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### SHAREHOLDING STRUCTURE

The following table sets out our shareholding structure as of the Latest Practicable Date and immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

Shareholders	As of the Latest Practicable Date			Immediately upon completion of the [REDACTED]		
	No. of Shares	Description of Shares	Aggregate ownership percentage (%)	No. of Shares	Description of Shares	Aggregate ownership percentage (%) <sup>(3)</sup>
Mr. Jiang <sup>(1)</sup>	14,306,624	[REDACTED] Shares	20.6730	[REDACTED]	[REDACTED] Shares	[REDACTED]
<b>Employee Incentive Platforms<sup>(2)</sup></b>						
Times Zhongcheng	2,497,025	[REDACTED] Shares	3.6082	[REDACTED]	[REDACTED] Shares	[REDACTED]
Times Xincheng	2,215,175	[REDACTED] Shares	3.2009	[REDACTED]	[REDACTED] Shares	[REDACTED]
[REDACTED]						
Alibaba Travel	18,690,010	[REDACTED] Shares	27.0067	[REDACTED]	[REDACTED] Shares	[REDACTED]
Chengdu Yingchuang	4,666,500	[REDACTED] Shares	6.7430	[REDACTED]	[REDACTED] H Shares	[REDACTED]
Haidai Zhushi	4,386,510	[REDACTED] Shares	6.3384	[REDACTED]	[REDACTED] Shares	[REDACTED]
Ningbo SoftBank	3,945,248	[REDACTED] Shares	5.7008	[REDACTED]	[REDACTED] Shares	[REDACTED]
Dayou No. 1	3,114,998	[REDACTED] Shares	4.5011	[REDACTED]	[REDACTED] H Shares	[REDACTED]
Anyang Zhanxin	3,114,998	[REDACTED] Shares	4.5011	[REDACTED]	[REDACTED] H Shares	[REDACTED]
Shanghai Minghe	2,488,929	[REDACTED] Shares	3.5965	[REDACTED]	[REDACTED] Shares	[REDACTED]
Jiangsu Jiequan Jingshifeng	1,478,975	[REDACTED] Shares	2.1371	[REDACTED]	[REDACTED] H Shares	[REDACTED]
Dongzheng Fuxiang	1,232,890	[REDACTED] Shares	1.7815	[REDACTED]	[REDACTED] H Shares	[REDACTED]
Shanghai Jianyuan Equity	1,208,232	[REDACTED] Shares	1.7459	[REDACTED]	[REDACTED] H Shares	[REDACTED]
Mr. WANG Jiawei	1,132,990	[REDACTED] Shares	1.6371	[REDACTED]	[REDACTED] Shares	[REDACTED]
Guiyang SoftBank	986,312	[REDACTED] Shares	1.4252	[REDACTED]	[REDACTED] Shares	[REDACTED]
Guangzhou DSQ	936,996	[REDACTED] Shares	1.3539	[REDACTED]	[REDACTED] H Shares	[REDACTED]
Chengdu Yunzhiya	936,996	[REDACTED] Shares	1.3539	[REDACTED]	[REDACTED] H Shares	[REDACTED]
Hundsun Technologies	598,208	[REDACTED] Shares	0.8644	[REDACTED]	[REDACTED] H Shares	[REDACTED]
State Development Technology Venture	493,156	[REDACTED] Shares	0.7126	[REDACTED]	[REDACTED] H Shares	[REDACTED]

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	As of the Latest Practicable Date			Immediately upon completion of the [REDACTED]		
	No. of Shares	Description of Shares	Aggregate ownership percentage (%)	No. of Shares	Description of Shares	Aggregate ownership percentage (%) <sup>(3)</sup>
Meishijia Technology . . . . .	[REDACTED]	[REDACTED] Shares	0.5626	[REDACTED]	H Shares	[REDACTED]
Hangzhou Zhengtu . . . . .	[REDACTED]	[REDACTED] Shares	0.4486	[REDACTED]	H Shares	[REDACTED]
Mr. LI Chen . . . . .	[REDACTED]	[REDACTED] Shares	0.0705	[REDACTED]	H Shares	[REDACTED]
Shanghai Jianyuan Enterprise . . . . .	[REDACTED]	[REDACTED] Shares	0.0356	[REDACTED]	H Shares	[REDACTED]
Mr. LI Yifeng . . . . .	[REDACTED]	[REDACTED] Shares	0.0007	[REDACTED]	H Shares	[REDACTED]
Huajin Consulting . . . . .	[REDACTED]	[REDACTED] Shares	0.0007	[REDACTED]	H Shares	[REDACTED]
<b>Subtotal . . . . .</b>	<b>69,205,066</b>	<b>-</b>	<b>100.00%</b>	[REDACTED]	[REDACTED] Shares	[REDACTED]
				[REDACTED]	H Shares (converted from [REDACTED] Shares)	[REDACTED]
<b>Public shareholders . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	[REDACTED]	H Shares	[REDACTED]
<b>Total . . . . .</b>	<b>69,205,066</b>	<b>-</b>	<b>100.00%</b>	[REDACTED]	<b>-</b>	<b>100.00%</b>

*Notes:*

- (1) Such Shares were directly held by Mr. Jiang.
- (2) Each of Times Zhongcheng and Times Xincheng is an employee incentive platform of us and is deemed to be controlled by Mr. Jiang. See “— Employee Incentive Platforms” and the section headed “Relationship with our Controlling Shareholder Group” for details.
- (3) The calculation is based on the total number of [REDACTED] Shares and [REDACTED] H Shares in issue immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

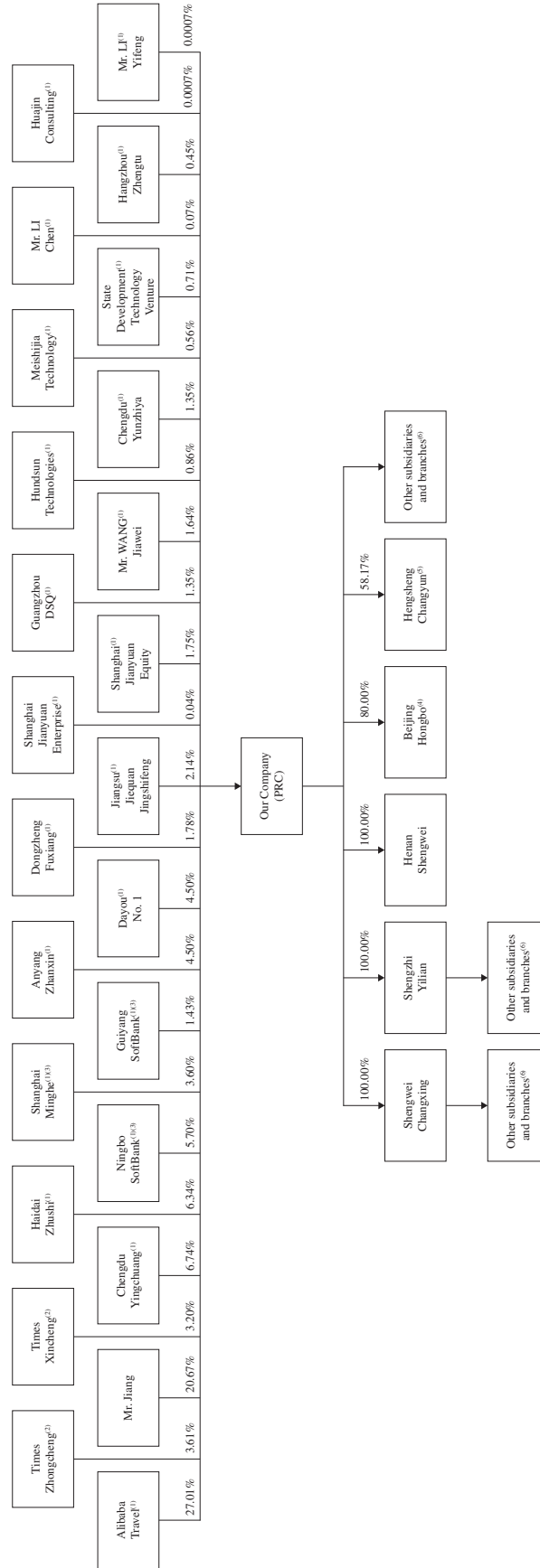


## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### CORPORATE AND SHAREHOLDING STRUCTURE

Corporate structure immediately before the [REDACTED]

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



(1) See “— [REDACTED] — Information About the [REDACTED]” for details of these [REDACTED].

(2) As of the Latest Practicable Date, the sole general partner of both Times Zhongcheng and Times Xincheng is Mr. Jiang. See “— Employee Incentive Platforms” for details of Time Zhongcheng and Times Xincheng.

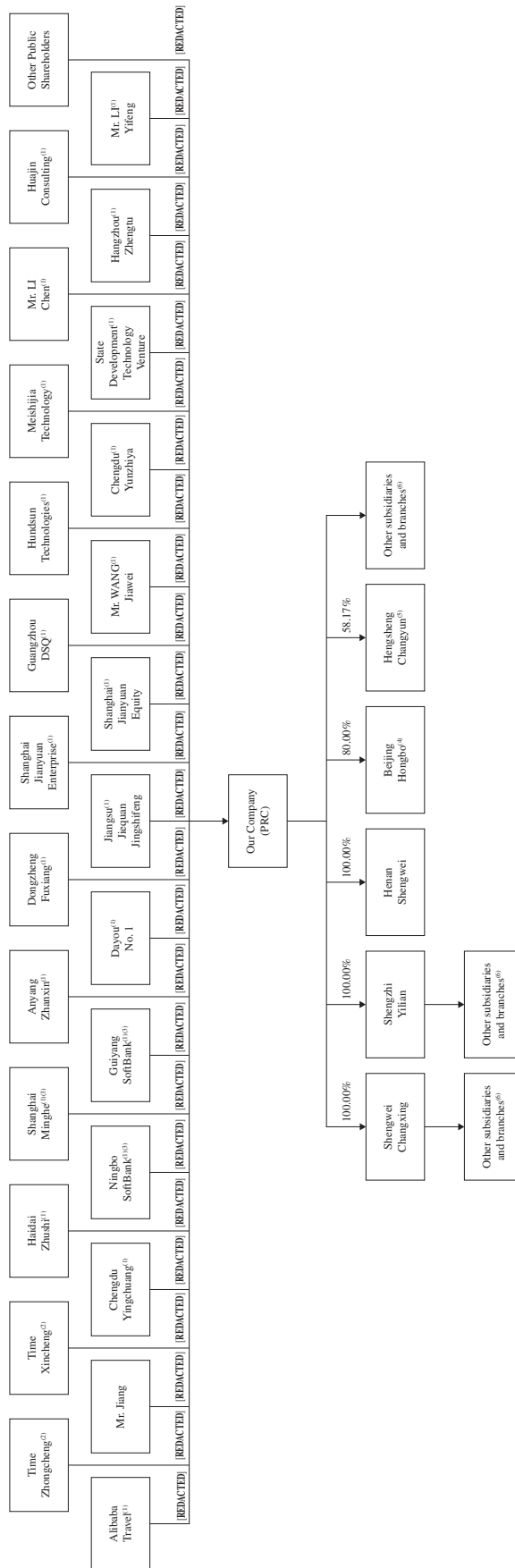
## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (3) As of the Latest Practicable Date, Ningbo SoftBank, Guiyang SoftBank and Shanghai Minghe are ultimately controlled by Mr. ZHANG Xu. See “— [REDACTED] — Information About the [REDACTED]” for details.
- (4) As of the Latest Practicable Date, the remaining 20% equity interest in Beijing Hongbo was held by Tianjin Shengda Chuanba Technology Co., Ltd. (天津盛達船吧科技有限公司), which was fully owned by Ms. GUO Lining (郭立寧女士) and is, to the best knowledge of our Directors, an Independent Third Party.
- (5) As of the Latest Practicable Date, the remaining 41.83% equity interest in Hengsheng Changyun was held as to 33.46% by Zhejiang Changyun Investment and 8.37% by Hangzhou Yuntu (an employee shareholding platform of Hengsheng Changyun). To the best knowledge of our Directors, Zhejiang Changyun Investment is an Independent Third Party. Hangzhou Yuntu’s sole general manager is Mr. WANG Ruce, who is a director of Hengsheng Changyun and holds 41.5693% partnership interest. As of the Latest Practicable Date, Hangzhou Yuntu has 21 limited partners, among which Mr. CHEN Jianmin (陳建敏先生) (a general manager of Hengsheng Changyun) holds 7.7737% partnership interest, Mr. YE Banglang (葉幫浪先生) (a vice general manager of Hengsheng Changyun) holds 7.2993% partnership interest and Mr. CHEN Chen (陳晨先生) (a vice general manager of Hengsheng Changyun) holds 7.2993% partnership interest. No other limited partner holds more than one-third of the partnership interest in Hangzhou Yuntu. As of the Latest Practicable Date, there were no outstanding awards to be granted in Hangzhou Yuntu.
- (6) Other subsidiaries and branches include, in aggregate, 294 subsidiaries and branches incorporated in the PRC. Due to our business nature, we had wide business coverage in different geographical markets in our ordinary course of business. In order to deploy various business expansion strategies, service customers and passengers in different geographical markets and enable flexible management of our business, we set up several subsidiaries and branches to operate our business. As of the Latest Practicable Date, we have identified 5 Principal Subsidiaries. See “— Principal Subsidiaries and Operating Entities” for further details. 273 of our subsidiaries and branches are directly or indirectly wholly owned by us. We have 26 indirect non-wholly owned subsidiaries. Details of the other minority shareholders in our indirect non-wholly owned subsidiaries are set out in the section headed “Appendix VII — Statutory and General Information — 4. Disclosure of Interests — B. Disclosure of Interests of [REDACTED]”. To the best knowledge of our Directors, all such other shareholders of our indirect non-wholly owned subsidiaries are Independent Third Parties.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### Corporate structure immediately following the [REDACTED]

The following simplified diagram illustrates the corporate and shareholding structure of our Group immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes (1) to (6): Please refer to the details in the preceding page.

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### OVERVIEW

We are a leading intercity and intracity road passenger transportation information services provider in China. According to Frost & Sullivan, we ranked first in China's road passenger transportation information services market in terms of the number of tickets sold in 2023. We ranked second in China's ride-hailing service market in terms of the number of Online Ride-Hailing Operating Permits as of June 30, 2024. Moreover, according to the same source, we were the largest digitalization and business solutions provider in China's road passenger transportation market in terms of the number of the digitalization projects in provincial-level as of June 30, 2024. Our mission is to empower our corporate partners with advanced technology solutions and elevate travel experience for the passengers. Leveraging our technological expertise to address the challenges of traditional road passenger transportation industry, we provide business and technology solutions to our partners that digitalize their operations, expand their business scope, enhance their customer service capabilities and ultimately improve the overall passenger experience.

We primarily provide intercity road passenger transportation services and intracity ride-hailing services. Our reputation is built on our expertise in integrating digitalization solutions for passenger transportation stations. Building on our extensive experience and established capabilities in the internet ticketing services sector, we collaborate with various passenger transportation companies to deliver customized transportation services to address the diverse travel needs of passengers across different scenarios. We have gained extensive experience and established strong partnerships with key industry players such as passenger transportation companies, major aggregation platforms and OTAs. Relying on our strategic partnerships and extensive network in the intercity passenger transportation sector, we actively pursue opportunities in the ride-hailing services sector. We have constructed a diversified travel service network connecting cities nationwide, offering solutions for both intracity and intercity travel and catering to a variety of scenarios, needs and preferences.

Transportation is a fundamental need of our daily lives. According to Frost & Sullivan, the total passenger volume of passenger transportation in China in 2023 was 9.3 billion, with road passenger transportation accounting for 49.1%. According to Frost & Sullivan, the total length of rural road in China has expanded from 4.0 million km in 2018 to 4.6 million km in 2023, representing a CAGR of 2.6%. The road passenger transportation industry in China presents substantial market opportunities, demonstrating a clear trend towards low-tier cities and rural market penetration. However, according to Frost & Sullivan, despite the substantial demand, the industry faces challenges, including the following: (i) the digitalization level of the passenger transportation industry is relatively low; (ii) there is unfulfilled demand for internet ticketing services and customized transportation services and (iii) there is a shortage of integrated travel services, with current offerings being fragmented between intercity and intracity travel. Despite the increasing digitalization level in the road passenger transportation industry over the past few years, the internet ticketing rate for road passenger transportation in China was only approximately 10.8% in 2023. While it has increased from 3.2% in 2018, it was still significantly lower than the nearly 90% internet ticketing rates seen in the airline and railway travel sectors, according to Frost & Sullivan. This discrepancy highlights the substantial potential for growth in the road passenger transportation internet ticketing sector. Moreover, according to Frost & Sullivan, customized road passenger transportation represented 3.1% of the total road passenger transportation market in 2023, indicating a low penetration rate. However, with increasing demand for diverse and customized travel options, the market share of customized road passenger transportation is expected to grow in the future. While

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there are many other ride-hailing service providers for intracity travel and transportation platforms for intercity travel, there are currently few providers that fully integrate intracity ride-hailing services and customized intercity transportation services to provide passengers with a seamless travel experience, particularly in the lower-tier cities and rural markets in China. Our service offerings are designed to address this gap, offering solutions that cater to both intracity and intercity travel needs enhance the overall user experience.

After we identified the aforementioned challenges in the industry, we gradually established presence and provided passenger transportation services in 31 provinces, autonomous regions, and municipalities as of June 30, 2024. During the Track Record Period, we collaborated with 12306 and Umetrip and sourced bus tickets for them. Leveraging our extensive industry experience and technological expertise, we helped road passenger transportation companies to develop customized transportation services. We introduced Keyunda (客運達) system for passenger transportation companies and 365 Intercity Travel platform for passengers. Our solutions help transform and upgrade the operations of passenger transportation companies. We continuously monitor travel demands to stay tuned to the market. Our unified digital solutions cater to the needs of different business modes, ensuring meticulous deployment of transportation resources. We overcome the limitations of traditional services and boost the operational efficiency of passenger transportation companies. In addition to maintaining a robust intercity travel services sector, our ride-hailing service sector is experiencing steady growth. We are committed to developing a comprehensive platform that seamlessly integrates intercity transportation, primarily through road transportation, with intracity transportation primarily through ride-hailing. As an industry expert, we also contribute to the drafting and establishment of transportation industry standards. Please see “— Our strengths — A Key Player in Establishing Industry Standards, Pioneering and Innovating in the Road Passenger Transportation Sector”. We believe that we are well-positioned to effectively address the key challenges faced by industry participants and passengers, and to capitalize on the substantial opportunities within the industry.

We believe in the principles of innovation, professionalism, pragmatism and efficiency. Our corporate values are founded on integrity and gratitude, prioritizing the customer, fostering mutually beneficial collaborations and embracing passionate dedication.

### **Business Overview**

As of June 30, 2024, our operations extended over 30 provinces, autonomous regions, and municipalities in China. Leveraging our internet ticketing services platform, we offer a wide-ranging suite of services including internet ticketing, customized passenger transportation, ride-hailing, train tickets, airline tickets, and other transportation solutions to accommodate the diverse travel requirements of passengers. We commit to providing intelligent, convenient, economical travel services that cater to individual travel needs. Our business include the following segments:

- ***Passenger Transportation Services:*** we empower the traditional passenger transportation industry through technology to achieve seamless travel services for the public. According to Frost & Sullivan, we were the largest intercity road passenger transportation information service provider in terms of number of tickets sold in 2023.

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- *Internet ticketing services:* We empower passenger transportation stations through CloudStation (雲站務), and connect the vast passenger base with passenger transportation stations through major OTAs and our Chuxing 365 (出行365) system. CloudStation facilitates the automation of a series of day-to-day operations and integrates the software and hardware at the passenger transportation station into one cohesive information infrastructure. As of June 30, 2024, our internet ticketing services extended across 31 provinces, autonomous regions, and municipalities in China. We collaborate with major OTAs to provide passenger traffic for passenger transportation stations. As of June 30, 2024, we collaborated with major OTAs in China including 12306, Umetrip, Tongcheng, Ctrip, Fliggy. Chuxing 365 is our passenger-facing platform for ticket sales and other passenger services through online and offline channels. According to Frost & Sullivan, we ranked first in the road passenger transportation information services industry in China in terms of number of tickets sold under internet ticketing services business in 2023. In 2023, our total transaction value amounted to RMB2.9 billion, with the number of tickets sold reaching 61.2 million.
- *Customized transportation services:* Observing the growing needs for customized transportation services and leveraging our strengths in the traditional road passenger transportation industry, we actively expanded our operations into customized transportation sector. Our customized transportation services enable passenger transportation companies to develop tailored service plans including shuttle bus services with pickup point at airports, high-speed railway stations, school campuses, and other customized transportation services in line with the Passenger Regulations. We provide tailored solutions for the digitalization of operations for passenger transportation companies through our Keyunda (客運達) system. As of June 30, 2024, we had established cooperative relationships with over 500 customers in China. In addition, as of the same date, we had assisted over 250 customers in the construction of ticketing and services platforms for conducting customized transportation services. Our passenger-facing 365 Intercity Travel (365城際出行) platform is designed to meet the travel demands of passengers across various scenarios. We also collaborate with major OTAs to expand sales channels for passenger transportation companies, thereby significantly increasing the market reach for them. As of June 30, 2024, our customized passenger transportation services extended across 24 provinces, autonomous regions, and municipalities in China. According to Frost & Sullivan, we ranked first in China’s road passenger transportation information service market in terms of number of tickets sold under customized transportation services business in 2023. In 2023, our total transaction value amounted to RMB333.9 million, with the number of tickets sold reaching 10.3 million.

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Our internet ticketing services business and our customized transportation services complement each other, providing integration and empowerment of capacity, operations and service capabilities for passenger transportation stations and passenger transportation companies, making us the largest intercity road passenger transportation information services provider in China in 2023 in terms of numbers of tickets sold, according to Frost & Sullivan.

- ***Ride-Hailing Services:*** to further enhance and integrate the travel experience for the public, we collaborate with mainstream aggregation platforms such as Gaode to access the substantial passenger traffic and provide ride-hailing services. Building on years of collaboration with various local and provincial governments and passenger transportation companies, we swiftly established a ride-hailing service network. Drawing from our rich experience in passenger transportation services across different regions, we employ a localized operation strategy to meet the distinct market demands for each region, offering rapid, targeted and flexible services in terms of driver management, vehicle management and safety operations. In the meantime, we leverage our existing passenger transportation business management and operation teams to oversee the ride-hailing services sector, effectively improving the operational efficiency and ensuring the cost-effectiveness of our ride-hailing services.

According to Frost & Sullivan, as of June 30, 2024, we were the second largest ride-hailing platform in China based on the number of Online Ride-Hailing Operating Permits. As of the Latest Practicable Date, we obtained 191 Online Ride-Hailing Operating Permits and the accumulative number of registered drivers had reached approximately 1.5 million.

- ***Digitalization and Business Solutions:*** our digitalization and business solutions business mainly encompasses (i) the development, delivery and maintenance of software, (ii) the procurement, implementation and maintenance of hardware as well as (iii) the system integration of these software and hardware components for our customers. Our digitalization and business solutions business serves customers in a number of industries which is a testimony to our digitalization service capabilities. We provide information systems to government and corporate customers and collect fees on a project-by-project basis. We tailor digitalization solutions based on our customers' specific business needs across different industries. For most of our government customers, we are the cooperative partner who provides digitalization and business solutions to them. Furthermore, our status as government partner provides a competitive edge in securing corporate client projects. Our extensive corporate client base bolsters our technical capabilities which in turn helps to reinforce our capability as a government partner and strengthens our competitive position.

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## BUSINESS

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Our services across the above three business segments are increasingly interwoven, culminating in a comprehensive travel service platform that accommodates a variety of intercity travel options including road transportation, air and railway, as well as intracity travel options including ride-hailing and taxi, all designed to meet the growing demand for personalized and integrated travel solutions. Digital transformation is a pivotal direction for the passenger transportation industry. By integrating advanced technologies including big data analytics and cloud technology, we assist passenger transportation stations and passenger transportation companies to enhance their operation efficiencies, providing the public with travel solutions that are customized, convenient and efficient. In addition, we undertake key governmental projects such as the comprehensive transportation services unified ticketing system (綜合運輸服務一票制), Guangxi One-Click Transit (廣西一鍵交通) and the Gansu Foreign Permanent Residence Permit Road Passenger Transportation Facilitation Renovation Project (甘肅外國人永居證道路客運便利化改造項目) to enhance the convenience level of public transportation.

During the Track Record Period, our business experienced rapid growth. For the years ended December 31, 2021, 2022 and 2023, and the six months ended June 30, 2023, and 2024, our revenue was RMB553.5 million, RMB816.0 million, RMB1,206.5 million, RMB577.8 million and RMB726.2 million, respectively, representing a CAGR of 47.6% from 2021 to 2023.

### OUR STRENGTHS

#### **China’s Leading Intercity and Intracity Road Passenger Transportation Information Services Provider**

We are a leading intercity and intracity road passenger transportation information services provider in China. We are dedicated to enhancing our partners’ operations through technology. Our reputation was built on our expertise in integrating technological solutions for passenger transportation stations. Building on our extensive experience and established capabilities in the internet ticketing sector, we collaborate with various passenger transportation companies to deliver customized transportation services to address the diverse travel needs of passengers across different scenarios, ensuring a personalized journey experience. Relying on our strategic partnerships and extensive network in the intercity passenger transportation sector, we actively pursue opportunities in the ride-hailing services sector. By collaborating with major aggregation platforms, we strive to fulfil the comprehensive travel demands of the public, further reinforcing our commitment to efficient mobility solutions.

Specifically, in terms of intercity transportation, we enjoy strong market influence from our internet ticketing services business. According to Frost & Sullivan, we were China’s largest intercity road passenger transportation information services provider in 2023 in terms of number of tickets sold. As of June 30, 2024, we collaborated with major OTA platforms such as 12306, Umetrip, Tongcheng, Ctrip and Fliggy to provide passenger traffic for our customers, thereby significantly increasing their market reach. As of June 30, 2024, our customized transportation services extended across 24 provinces, autonomous regions, and municipalities



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in China. We developed Keyunda system that serves as a customized information-based management and operation solution tailored for passenger transportation companies. Please see “— Passenger Transportation Services — Customized Transportation Services — Keyunda.” As of June 30, 2024, we had established cooperative relationships with over 500 customers in China. Our customized transportation services business and our internet ticketing services business complement each other, providing passenger transportation companies with comprehensive integration and enhancement of transport capacity, operational efficiency and service quality, thereby establishing a comprehensive and expansive passenger transportation service network China. According to Frost & Sullivan, we ranked first in China’s road passenger transportation information services sector in terms of number of tickets sold.

In terms of intracity transportation, as of June 30, 2024, we were the second largest ride-hailing platform in China based on the number of Online Ride-Hailing Operating Permits, according to Frost & Sullivan. As of the Latest Practicable Date, we obtained 191 Online Ride-Hailing Operating Permits and the accumulative number of registered drivers had reached approximately 1.5 million. We have established collaborative relationships with major aggregation platforms, including Gaode, 12306, Ctrip, Fliggy and Umetrip, which significantly accelerated the growth of our ride-hailing services business and expanded our reach to diverse customer groups. In addition, we strategically engaged regional management and operation teams, with the aim to enhance service quality while simultaneously reduce operational costs and increase efficiency. For the years ended December 31, 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, the revenue generated from our ride-hailing business was RMB469.1 million, RMB703.2 million, RMB1,028.8 million, RMB487.1 million and RMB642.5 million, respectively, demonstrating substantial growth over the Track Record Period, underscoring the rapid development and strategic enhancement of our ride-hailing services business.

Leveraging our extensive experience in empowering partners and advancing the digital transformation of the road transportation industry, we have developed a deep understanding of customer requirements for both intercity and intracity transportation. We strategically diversified our offerings across the intercity and intracity transportation businesses, which operate independently but at the same time support and enhance each other and create synergy.

### **Deep Collaboration with Partners in the Transportation Industry**

Leveraging our close partnerships and digitalization service capabilities, we successfully forged an interconnected framework across various segments of the passenger transportation industry.

We actively provide targeted assistance to industry regulatory authorities in developing their passenger transportation digitization frameworks. As of June 30, 2024, we had undertaken the road passenger transportation digitalization projects for 17 provinces, autonomous regions and municipalities. Our commitment extends from the implementation to ongoing maintenance and operational management of these projects. According to Frost & Sullivan, we were the largest digitalization and business solutions provider in China’s road passenger transportation

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market in terms of the number of the digitalization projects in provincial-level as of June 30, 2024. Moreover, we are committed to the implementation of key government projects, such as the comprehensive transportation services unified ticketing system (綜合運輸服務一票制), Guangxi One-Click Transit (廣西一鍵交通) and the the Gansu Foreign Permanent Residence Permit Road Passenger Transportation Facilitation Renovation Project (甘肅外國人永居證道路客運便利化改造項目). Our involvement is crucial for executing specific projects for government departments, contributing to the advancement and efficiency of governmental operations within the transportation sector.

Additionally, our collaboration with passenger transportation companies enhances our ability to establish a stronger and more integrated service network. Strategic alliances with passenger transportation service providers not only bolster management efficiency and elevate customer service standards but promote standardization and consistency across the industry, elevates service quality and empowers the entire passenger transportation sector to compete and expand more effectively. As of June 30, 2024, our internet ticketing services business covered 31 provinces, municipalities, and autonomous regions nationwide.

Moreover, by forming partnerships with leading OTAs, we leverage their extensive market exposure and passenger traffic to broaden the reach of our services. The collaboration with OTAs enhances our online visibility and brand awareness and thereby attracting more users to our services.

Leveraging our established partnerships, expansive business networks and long-standing government relationships, we achieved organic connections across various sectors of the passenger transportation industry. For instance, by employing efficient local management models and deploying advanced technology, we connected individual drivers with passengers to continuously expanding and enhancing our ride-hailing services. Additionally, our extensive experience and accumulated government resources enable us to support our partners in effectively meeting regulatory requirements, ensuring the sustainable growth of their operations.

### **Enabling Industry Transformation and Upgrading through Advanced Technologies in the Traditional Passenger Transportation Sector**

Based on our deep understanding of the industry and our technological strengths, we continuously apply advanced technologies into our services, including big data analytics and cloud technology. By integrating existing resources, we continuously optimize the travel experience for the public and improve the operational capabilities of our partners.

As of June 30, 2024, we had a dedicated research and development team of 113 members, accounting for 25.3% of our total employees, 82.3% of whom had bachelor’s degrees or higher. As of June 30, 2024, we had 33 patents registered with the China National Intellectual Property Administration as well as 228 computer software copyrights and 71 domains registered with the National Copyright Administration. Please see “— Intellectual Property”.

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We enhance and refine our core technical capabilities through collaboration with various social organizations. We utilize our data analysis platform to assist our business partners in analyzing their transaction data, enabling them to make better business decisions. Please see “— Information Infrastructure and Technology — Big data analytics”.

Our primary research and development achievements are exemplified by the passenger transportation system that we have extensively promoted. Our CloudStation system assists passenger transportation stations in transitioning traditional station operations to cloud-based environments. Our Keyunda system enables passenger transportation companies to design and implement customized transportation services tailored to the travel demands of passengers across various scenarios. We analyze industry and transaction data, as well as user behavior preferences, to improve the operational efficiency of our ride-hailing services business. Our research and development strengths are also evident in our engagements by industry regulatory authorities. As of June 30, 2024, we had undertaken the road passenger transportation digitalization projects for 17 provinces, autonomous regions and municipalities. Leveraging our data analysis capabilities, we help industry regulatory authorities and policymakers gain data insights into transportation capacity and modes, thereby helping them make better decisions in regional transportation management. For example, during the 2019 Spring Festival travel rush, we assisted relevant transportation department to analyze the travel pattern of passengers during the Spring Festival travel season and provided strong big data support. Our contributions and efforts were recognized with a letter of appreciation from the MOT.

### **A Key Player in Establishing Industry Standards, Pioneering and Innovating in the Road Passenger Transportation Sector**

As a key player in the road passenger transportation industry, we actively participate in the formulation of industry standards. We have cooperated with the China Highway Society to jointly initiate and establish the Customized Transportation Community, which aims to foster and enhance the industry standards for customized passenger transportation services. This initiative not only promotes the standardization and professionalization of the customized passenger transportation services, but also improves the service quality and meets the market demand for efficient and personalized travel services.

In addition, we actively promote information technology in the transportation industry. We collaborated with the MOT to formulate a series of industry standards, including Technical requirements for interoperability of integrated transportation electronic ticket information system (綜合交通電子客票信息系統互聯互通技術規範) which guide and regulate passenger transportation companies, enhancing the level of technology and service quality and strengthening their overall competitiveness.

Our active participation in the industry standard-setting activities solidified our position in the relevant industry and significantly contributed to the development of the industry. This deep participation enables us to closely serve the industry standards and obtain policy support, forming a virtuous circle that helps promote the entire road passenger transportation industry to develop in a more intelligent and information-based direction.

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### Outstanding Localized Operational Capabilities

We have demonstrated exceptional localized operational service capabilities. Our in-depth understanding of the diverse market needs and operational characteristics across various regions enables us to offer targeted and highly adaptable services to each geographic area we cover. This achievement is facilitated through collaboration with local partners, including relevant local regulatory authorities, passenger transportation companies and car partners, leveraging their experience and resources in areas such as business development operations, and technical services. Our localization strategy not only facilitates the rapid expansion of our business but also enhances the personalization of our services and customer satisfaction. Our localization strategy mainly consists of the following:

- *Business development:* our extensive experience in the passenger transportation services industry has equipped us with local market insights, which has enabled us to develop targeted strategies for market entry and expansion. By establishing close cooperation with relevant local regulatory authorities and local corporate partners, we are well-positioned to quickly respond to shifts and needs within the local market, effectively promoting our products and services and those of our partners.
- *Business operations:* we deliver on-site business consultation to our partners across various regions to effectively enhance their understanding of our products and services. This includes offering detailed instructions and addressing questions related to CloudStation and Keyunda, setting pick-up and drop-off points for customized transportation service, promoting and marketing in the passenger transportation services sector and providing training to drivers in the ride-hailing services sector. Our localized operations team, proficient in local transportation regulations and market dynamics, can swiftly address various operational challenges, thus boosting operational efficiency and reducing costs.
- *Technical services:* our localized technical service team can respond to partners' technical maintenance needs related to our systems and platforms in a timely manner, ensuring that issues are resolved promptly. This proactive approach helps prevent technical barriers from significantly impacting transportation services, thereby maintaining a high-quality transportation experience for passengers and enhancing the reputation of our partners, and ultimately feeding back into our own business development.

Our localized operational capabilities are a key advantage in the road passenger transportation industry. We effectively utilize our human resources and professional expertise across various business sectors, generating a flywheel effect that allows us to swiftly meet the changing needs of local markets with timely and relevant services. We believe our localization advantage will help us maintain a leading position in the intensely competitive market.

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### **Experienced and Visionary Management Team with Renowned Investors in the Industry**

Our management team consists mostly of experts from the transportation industry and the internet network technology industry, with extensive industry experience. Their average tenure within the Company exceeds eight years, demonstrating their in-depth understanding of our development history and significant contributions to our growth. The management team possesses a clear vision and remarkable foresight regarding our future development, along with strong ability to transform our vision into reality. Mr. Jiang Shengxi, our chairman and founder, is a leading figure in the PRC travel industry. Previously, Mr. Jiang served as the vice president of Yongyou. In 2018, he was recognized as an “Outstanding Figure in China’s Economy in the New Era” by China Economic Figures (中國經濟人物). In 2023, Mr. Jiang was recognized as a “Technological Innovation Figure” by China Communications News (中國交通報社) in the Fifth Searching for Exemplary Figures and Brands in Transportation (第五屆尋找運輸風範人物榜樣品牌) event. With his profound industry insights and exceptional foresight, Mr. Jiang leads our management team, together establishing the foundation of our business, formulating successful strategies, and achieving outstanding performance.

The strategic investment from our shareholders injects powerful momentum into our development. Our investors include Alibaba Travel, Ningbo Softbank, Anyang Zhanxin, Dongzheng Fuxiang, Shanghai Jianyuan Equity and State Development Technology. Please see “History, Development and Corporate Structure — Shareholding Structure” for more details.

### **OUR STRATEGIES**

We are committed to continuously upgrading our services. We plan to implement the following strategic plans to provide the public with safe, economical, green, smart and comfortable travel experience and achieve our business growth:

#### **Promoting Brand Awareness**

An excellent brand image attracts our customers and passengers to repeatedly use our services and help us develop new business opportunities. We believe that our brand image lays the strong foundation of our competitiveness. Specifically, we plan to enhance the promotion of our passenger transportation services business and ride-hailing services business. Moreover, leveraging our existing business network, relationships with relevant local regulatory authorities and business partners, we are gradually launching city transportation and tourism comprehensive service platforms to provide the public with transportation services and comprehensive services covering dining, accommodation, travel, shopping and entertainment. As of June 30, 2024, we had over 20 city transportation and tourism comprehensive service platforms in an early development stage covering cities including Harbin, Lanzhou, Wuhan, Changchun, Dali, Shangqiu and Tianshui. We were in the process of consolidating our resources from local governments and business partners and formulating feasible operational plans. Please see “Future Plans and [REDACTED]”.

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### **Expanding Product and Service Offerings and Enhancing Operation Capabilities**

We plan to expand the service offerings of our various business segments and enhance our operation capabilities. Specifically, we plan to establish a number of 365 Homes to serve our ride-hailing services business and customized transportation services business. As of June 30, 2024, we already had three prototypes of 365 Homes. For our ride-hailing services business, 365 Homes serve as offline hubs that provides recruiting services, knowledge and skill trainings for drivers and we plan to gradually implement other tailored-made services to elevate driver’s cooperation experience with us. For our customized transportation services business, we expect to utilize 365 Homes to provide services such as driver resting, vehicle parking, passenger ticket inspection and boarding and alighting services. Additionally, we intend to enhance our cooperation with our Robotaxi partners and gradually enhance the promotion for our Robotaxi business. As of June 30, 2024, our Robotaxi service was in operation in Suzhou, achieving approximately 20 orders per vehicle per day on average. In addition, we plan to enhance our promotion efforts on vehicles and place more ticket vending machines in airports and stations to promote our passenger transportation services business. For our digitalization services, we plan to expand the team of business operations and technical maintenance personnel to offer more comprehensive and in-depth services to our customers. Please see “Future Plans and [REDACTED]”.

In addition, we plan to expand our ride-hailing services business by obtaining Online Ride-Hailing Operating Permits in a few key cities in the near future. We also plan to improve our operations at cities where we already obtained the Online Ride-Hailing Operating Permits and enhance service quality and passenger satisfaction level.

### **Strengthening R&D Capabilities**

We are committed to uncovering the value of the data that we accumulated in our operations in the PRC passenger transportation industry and applying such data to our partners’ business needs based on our practical project experience. We believe such application would help enhance the operational efficiency of our partners along the industry chain, support the government’s regulation, and ultimately improve the travel experience for the general public. We believe that talent is key to the sustainable development of our business. We value talents with professional competence and innovative capability. To enhance our research and development capabilities, we plan to strengthen our internal R&D team. We plan to consistently improve our talent recruitment, training, and promotion mechanisms to effectively advance and achieve our R&D goals. In addition, we plan to continue investing in enhancing our capabilities in big data analytics, AI solutions and cloud technology, particularly in boosting related software and hardware strengths. Please see “Future Plans and [REDACTED]”.

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### Seeking Acquisition, Investment, and Strategic Alliances

To further enhance our competitiveness, we plan to seek strategic alliances, investment, and acquisition opportunities that are of significant strategic importance and complementary to our business development and operations. We will evaluate and execute investment and acquisition opportunities to supplement and expand our business landscape, such as expand our geographic coverage and increase our profitability. Please see “Future Plans and [REDACTED]”.

### OUR PRODUCTS AND SERVICE OFFERINGS

We empower the traditional passenger transportation industry through technology to achieve seamless travel services for the public. According to Frost & Sullivan, we were the largest intercity road passenger transportation information service provider in terms of number of tickets sold in 2023. We have constructed an integrated travel service system with diversified service offerings, including passenger transportation services, ride-hailing services and digitalization and business solutions.

We commenced our operations in 2012 and began providing internet ticketing services. After over a decade of development, we became the largest intercity road passenger transportation information service provider in China in 2023, according to Frost & Sullivan. Leveraging the extensive passenger base and enterprise and governmental partners established through our internet ticketing services business, we expanded our offerings to customized transportation services which connect intercity and intracity destinations and cover various scenarios in 2017. As of June 30, 2024, we launched customized transportation services in 24 provinces, autonomous regions, and municipalities. As of the same date, we collaborated with over 2,400 road transportation enterprises (including passenger transportation stations and passenger transportation companies) under our passenger transportation service business. We ventured into the ride-hailing services business in 2018. According to Frost & Sullivan, as of June 30, 2024, we were the second largest ride-hailing platform in China in terms of the number of Online Ride-Hailing Operating Permits. In addition, we provide digitalization and business solutions to corporate and governmental customers. As of June 30, 2024, we had undertaken the road passenger transportation digitalization projects for 17 provinces, autonomous regions and municipalities, making us the largest digitalization and business solutions provider in China’s road passenger transportation market in terms of the number of the digitalization projects in provincial-level, according to Frost & Sullivan. The followings are the highlights of our operations:



#### LARGEST

intercity road passenger transportation information service provider in 2023 (in terms of number of tickets)



#### collaborate with over 2,400

road transportation enterprises as of June 30, 2024



#### 2nd LARGEST

in terms of Online Rider-Hailing Operating Permits obtained as of June 30, 2024



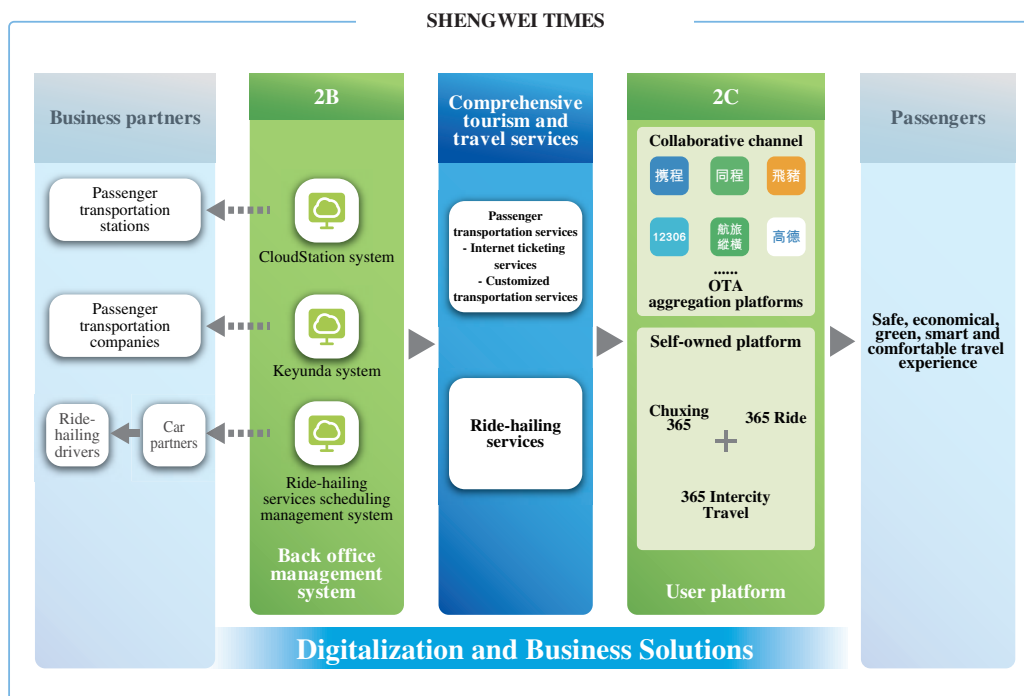
#### LARGEST

digitalization and business solutions provider in China’s road passenger transportation market as of June 30, 2024 (in terms of number of provincial road passenger transportation digitalization projects undertaken)

As a result of our leading position in the passenger transportation industry, we formed partnership with a massive number of partners along the industry value chain, including government and governmental agencies, passenger transportation stations, passenger transportation companies, aggregation platforms, car partners and individual drivers. Moreover, our strong collaboration with leading OTAs benefit us with large volume of passenger traffic.

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Leveraging advanced technologies such as big data analytics and cloud technology, we provide our customers with information services that assist in their operations and management and offer interfaces for passenger interactions, helping them improve operational efficiency and enhance competitiveness. Our products and services encompass various components which are tailor made for different types of customers. The following diagram illustrates our offering matrix:



The following table sets forth a breakdown of our revenue by business segments in amounts and as percentages of total revenue for the periods indicated:

	Year ended December 31,						Six months ended 30 June,			
	2021		2022		2023		2023		2024	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
<b>Passenger Transportation</b>										
Services . . . . .	53,894	9.7	48,268	5.9	68,999	5.7	34,839	6.0	35,743	4.9
Internet ticketing services . . . . .	52,680	9.5	46,564	5.7	64,218	5.3	33,141	5.7	33,549	4.6
Customized transportation services . . . . .	1,214	0.2	1,704	0.2	4,781	0.4	1,698	0.3	2,194	0.3
<b>Ride-hailing services</b> . . . . .	469,058	84.7	703,174	86.2	1,028,791	85.3	487,063	84.3	642,543	88.5
<b>Digitalization and business solutions</b> . . . . .	30,282	5.5	64,032	7.8	108,003	9.0	55,821	9.7	47,130	6.5
<b>Revenue from other sources<sup>(1)</sup></b> . . . . .	296	0.1	500	0.1	700	0.1	39	0.0	760	0.1
- Leasing of vehicles . . . . .	-	-	-	-	440	0.1	-	-	661	0.1
- Others . . . . .	296	0.1	500	0.1	260	0.0	39	0.0	99	0.0
<b>Total</b> . . . . .	<b>553,530</b>	<b>100.0</b>	<b>815,974</b>	<b>100.0</b>	<b>1,206,493</b>	<b>100.0</b>	<b>577,762</b>	<b>100.0</b>	<b>726,176</b>	<b>100.0</b>



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*Note:*

- (1) Mainly included revenue from leasing of vehicles, please see “Business — Ride-hailing Services — Vehicle management”, and revenue from advertising activities.

Please see “Financial Information — Results of operations”.

### **Passenger Transportation Services**

#### *Internet Ticketing Services*

The MOT requires provincial industry regulatory authorities to establish and operate provincial road passenger transportation internet ticketing systems to ensure that passengers can check and purchase tickets through both online and offline channels. Our internet ticketing services commenced operations in 2012. We elevate the operation capabilities of passenger transportation stations with our CloudStation (雲站務) system and provide them with passenger traffic through a variety of collaborative channels such as OTAs and our Chuxing 365 platform. As of June 30, 2024, our internet ticketing services covered 31 provinces, autonomous regions, and municipalities in China. According to Frost & Sullivan, we were the largest intercity road passenger transportation information service provider in terms of number of tickets sold in 2023. In 2023, our total transaction value amounted to RMB2.9 billion, with the number of tickets sold reaching 61.2 million.

In a typical transaction, we provide the passenger transportation stations with CloudStation system as well as collaborative channels to facilitate their ticket sales. The passenger transportation stations act as the agent who facilitates the passenger transportation companies to provide transportation services to passengers. Passenger transportation stations provide ticketing, identity verification, driver scheduling and bus scheduling services to passenger transportation companies and passengers. Passengers directly enter into transportation service contracts with the passenger transportation companies through the purchase of tickets. We do not act as the actual carrier to the passengers and thus do not bear safety liability for transportation services.

#### *CloudStation (雲站務)*

We generally empower passenger transportation stations through our proprietary software system, CloudStation. CloudStation facilitates the automation of a series of station day-to-day operations, including scheduling and ticketing management. In addition, the CloudStation system connects certain devices at the passenger transportation stations, including electronic payment equipment and handheld POS equipment.

The passenger transportation stations’ adoption of CloudStation significantly reduces manual intervention and increases operation efficiency. We also provide customization for the subsystems and available features of CloudStation based on the specific needs of individual passenger transportation stations. CloudStation system integrates seamlessly with other commonly-used operational systems developed by third-party companies.

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A typical CloudStation solution includes the following subsystems:

- Smart station service subsystem (智慧站務子系統): enhances the automation of passenger transportation stations by managing and monitoring passengers, vehicles, information and bookkeeping. It provides a wide range of operation services to passenger transportation enterprises and vehicles, such as dispatching management, ticket management and settlement management. This subsystem standardizes the business operations at passenger transportation stations, improves operational efficiency, increases economic benefits and ensures the consistency in the delivery of services to passengers.
- Self-service ticket sales and collection subsystem (自助售取票子系統): supports payment via QR code. The ticket purchasing process is facilitated by a full touchscreen operation and voice interaction prompts. For ticket collection, the system offers multiple methods such as using an ID card, or a combination of an order number and mobile phone number.
- Self-service duty reporting subsystem (自助報班打印子系統): enables bus drivers to log into the work system to report for shifts and clock in.
- Information release subsystem (信息發佈子系統): sets up a dual-color high-brightness LED screen in the station hall to display ticket information, window function and relevant ticket information, a screen at each platform to display the platform number, vehicle and schedule information, and a screen at each waiting hall to display the bus status, final destination, current time and other relevant information. With our CloudStation system, relevant information can be displayed on any of these screens within the station.
- Small package express delivery subsystem (小件快運子系統): leverages the advantages of frequent, fast, broadly covering, and cost-effective passenger transportation schedules to provide parcel transit services.
- Station operations decision-making and management analysis subsystem (站務決策經營分析子系統): offers comprehensive analyses of bus routes, ticketing trends, revenue, real-time ticket sales, station- and route-specific data. This subsystem is designed to assist passenger station management personnel in accessing station operational metrics at any time, facilitating informed decision-making and continuous optimization of station management and operational performance.

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### Collaborative channels

In addition to enabling passenger transportation stations with information system solutions, we provide them with various collaborative channel options, including:

- OTAs

We collaborate with major OTAs to provide passenger traffic for passenger transportation stations, thereby significantly increasing their market reach. As of June 30, 2024, we collaborated with major OTAs in China including 12306, Umetrip, Tongcheng, Ctrip, Fliggy.

- Chuxing 365 (出行365)

Chuxing 365 is our passenger-facing platform for ticket sales and other passenger services. Passengers can access our services through PCs, mobile apps, WeChat official accounts, WeChat mini-programs and offline self-service ticket vending machines. Via our Chuxing 365 platform, passengers can access various services including checking bus schedules, booking tickets, obtaining information about bus stations, viewing announcements, managing their bookings and accessing customer support.

In addition, passengers can purchase airline tickets and railway tickets from our Chuxing 365 platform. During the Track Record Period, the revenue from our airline and railway ticket sales accounted for an insignificant portion of our total revenue.

The following picture illustrates the ticket searching interface for our Chuxing 365 website:

The screenshot shows the Chuxing 365 website's ticket search interface. The interface includes a navigation bar with 'Bus ticket', 'Ticket Distribution Platform', and '出行365 > 车票预订'. The search form contains fields for 'Place of Departure' (长春市), 'Destination' (梅河口), 'Date of Travel' (2024-07-03 星期三), 'Departure Date' (出发时间), and 'Departure Station' (发车站). Below the search form is a table of search results with columns for '发车时间' (Departure Time), '出发站/到达站' (Departure/Arrival Station), '车型' (Vehicle Type), '历时' (Duration), '余票' (Remaining tickets available), '票价' (Fare), and '操作' (Operation). The table shows two results: one for 07:00 departure with a fare of ¥40.00 and 44 remaining tickets, and another for 08:30 departure with a fare of ¥56.00 and 43 remaining tickets. The interface also features a 'Customer Hotline' (400-08-84365), 'My Chuxing 365 account', 'Help Center', 'Search by Passenger Transportation Station', and 'Ticket Guide'.

发车时间	出发站/到达站	车型	历时	余票	票价	操作
07:00	长春高速公路客运站 梅河口	大型高二级座		44	¥40.00	预订
08:30	长春高速公路客运站 梅河口	大型高二级座		43	¥56.00	预订

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### *Pricing and revenue model*

We elevate the operation capabilities of passenger transportation stations with our CloudStation system and provide them with a variety of collaborative channel options and passenger traffic. We generally collect our fees from the passenger transportation stations and passengers. We typically collect from the passenger transportation stations a service fee, which mainly consists of an annual service fee related to CloudStation management and maintenance. In addition, we deduct a platform usage fee from the order payment made by passengers when they purchase tickets.

As we act as an agent on behalf of passenger transportation stations in the internet ticketing services business, we recognize revenue from our internet ticketing services business on a net basis. We do not prepurchase tickets and thus do not assume inventory risk from our internet ticketing services business. Please see “Financial Information — Material Accounting Policy Information and Estimates — Revenue and Other Income — Internet Ticketing Services and Customized Transportation Services”.

When tickets are sold on our Chuxing 365 platform, we settle the order payment with passengers on behalf of passenger transportation stations. Such order payment consists of the ticket fare and a platform usage fee. We then deduct our platform usage fee from the order payment and settle the rest with passenger transportation stations regularly on weekly, ten-day, semi-monthly, or monthly cycles.

Subject to negotiations, certain passenger transportation stations would require us to prepay the ticket fares to them. As of December 31, 2021, 2022, 2023 and June 30, 2024, such prepayments amounted to RMB3.9 million, RMB7.8 million, RMB21.9 million and RMB12.5 million, respectively.

When OTAs are engaged to promote ticket sales, passengers make the order payment to OTAs. Such order payment consists of the ticket fare, a platform usage fee and a fee to the OTA. OTAs retain the OTA fee and settle the rest (including the ticket fare and the platform usage fee) with us, as we act on behalf of passenger transportation stations. The frequency of settlements with OTAs varies based on the specific requirements of each OTA. We then retain our platform usage fee and settle the ticket fare with passenger transportation stations on weekly, ten-day, semi-monthly, or monthly cycles.

Subject to negotiations, certain OTAs would make advance payments to us. As of December 31, 2021, 2022, 2023 and June 30 2024, such advance payments amounted to RMB16.0 million, RMB8.0 million, RMB7.1 million and RMB3.3 million, respectively.

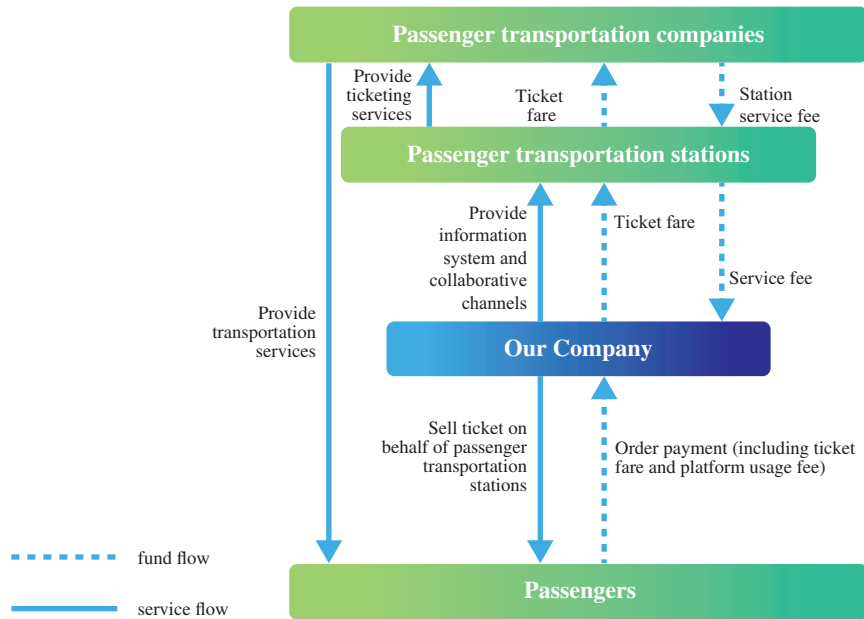
We engaged licensed commercial banks to deposit and settle payments. Please see “Risk Factors — We may be considered as conducting payment services as a non-financial institution without a Payment Business License”.

In addition, during the Track Record Period, we provided value-added services to OTAs, primarily including (i) marketing events at passenger transportation stations; and (ii) access to ticket information by integrating OTA’s platforms at our offline ticket sales points. When passengers purchase tickets, we would redirect them to complete the purchase through the OTA’s platforms after relevant consent have been sought by the OTA’s platforms from the passengers. We charged the OTAs a technology services fee in return for these value-added services. During the Track Record Period, the revenue generated from these value-added services amounted to RMB12.3 million, RMB11.1 million, RMB3.6 million, RMB3.0 million and RMB39.1 thousand in 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively.

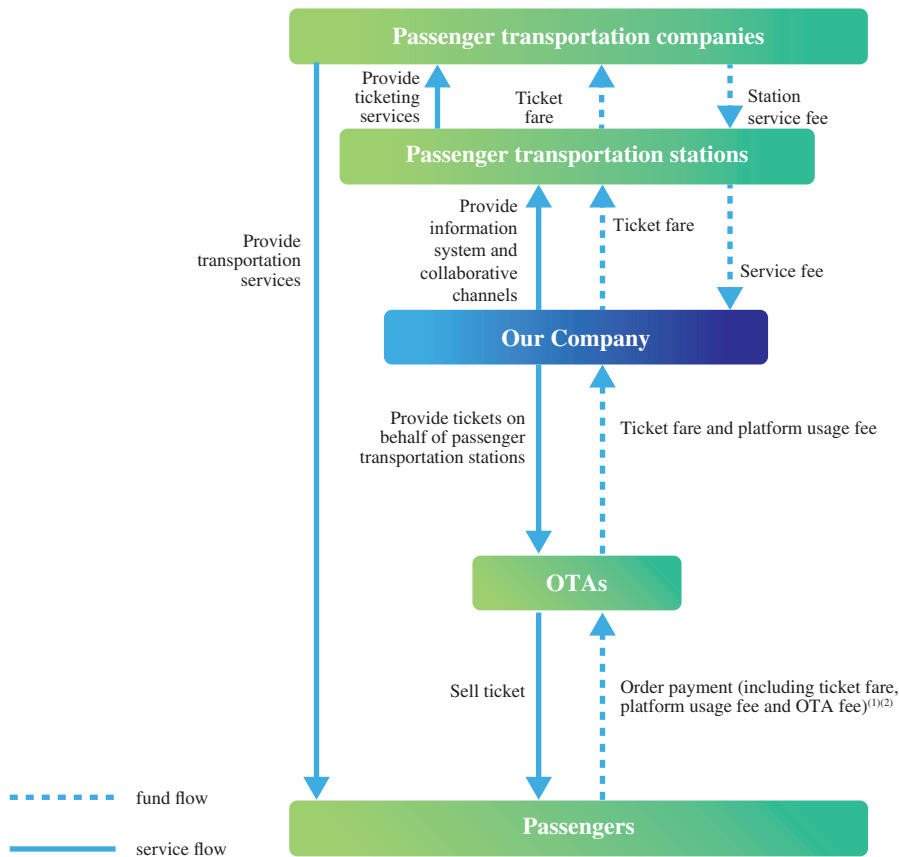
## BUSINESS

### Fund and service flow

Fund and service flow of our internet ticketing services business is set forth below. In cases where the ticket is sold on our Chuxing 365 platform:



In cases where the ticket is sold through OTAs, the fund and service flow is set forth below:



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*Notes:*

- (1) We do not possess information related to the fee charged by OTAs.
- (2) For a certain OTA, we would collect the full order payment (including ticket fare, platform usage fee and OTA fee) from the OTA, and then settle OTA fee with the OTA.

*Key contractual terms*

We mainly enter into service agreements with passenger transportation stations and OTAs. The key terms of our service agreements with passenger transportation stations are set forth below:

- *Duration:* based on project-by-project negotiation, generally ranging from one to five years.
- *Scope of service:* we provide CloudStation management services and collaborative channels to the passenger transportation stations. Please see “— Our Products and Service Offerings — Passenger Transportation Services — Internet Ticketing Services — CloudStation”.
- *Pricing and settlement:* Please see “— Passenger Transportation Services — Internet Ticketing Services — Pricing and revenue model” for more information.
- *Payment:* Please see “— Passenger Transportation Services — Internet Ticketing Services — Pricing and revenue model” for more information.
- *Termination:* Termination conditions generally provide for contract cessation upon the expiration of the cooperation period if no further cooperation is mutually agreed upon, or in the event one party is unable to fulfill its contractual obligations or commits a material breach.

The key terms of our service agreements with OTAs are set forth below:

- *Duration:* based on project-by-project negotiation, ranging from one to three years.
- *Scope of service:* OTAs obtain ticket sources through our Company and sell tickets on their platforms.
- *Pricing:* Please see “— Passenger Transportation Services — Internet Ticketing Services — Pricing and revenue model” for more information.
- *Payment:* Please see “— Passenger Transportation Services — Internet Ticketing Services — Pricing and revenue model” for more information.
- *Termination:* Termination conditions generally provide for contract cessation upon the expiration of the cooperation period if no further cooperation is mutually agreed upon, or in the event one party is unable to fulfill its contractual obligations or commits a material breach.

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### *Customized Transportation Services*

Customized transportation refers to a mode of transportation services where licensed passenger transportation companies utilize online platforms to publish information about the pick-up and drop-off points, conduct ticket sales, flexibly determine departure times based on passenger needs, and provide transportation services. Compared to the internet ticketing services that provide intercity transportation services from a passenger transportation station to another, customized transportation offers intercity services outside of bus stations, by setting the pick-up and drop-off points based on passenger needs. In December 2016, the MOT issued the “Guiding Opinions on Deepening Reform and Accelerating the Transformation and Upgrading of Road Passenger Transport” (Jiao Yun Fa [2016] No. 240), which explicitly stated the need to fully utilize mobile internet and other information technologies, and encourage the development of flexible, rapid, and small-batch customized road passenger transportation services. Aligning with the regulatory and industry trends, our customized transportation services commenced operations in 2017. In September 2020, the MOT revised the Regulations on Road Passenger Transport and Passenger Station Management (道路旅客運輸及客運站管理規定) (the “**Passenger Regulations**”) to promote more flexible and customizable transportation options. The Passenger Regulations provide that buses can set up boarding points outside passenger transportation stations.

In response to the policy trends, we cooperated with passenger transportation companies around China to provide a wide-ranging suite of customized transportation services to the public. Our customized passenger transportation services enable passenger transportation companies to develop tailored service plans including shuttle bus services with pickup point at airports, high-speed train stations, school campuses, and other customized transportation services in line with the Passenger Regulations. We primarily enable passenger transportation companies with our proprietary Keyunda (客運達) system and provide them with a variety of collaborative channel options such as our 365 Intercity platform and OTAs. Moreover, we assist passenger transportation companies in creating regional online road transportation platforms to conduct customized transportation services. By leveraging our advanced technological solutions, the passenger transportation companies can establish customized and efficient ticketing systems tailored to their specific needs. This enables them to manage sales, reservations and customer service operations seamlessly, enhancing their overall efficiency and customer experience. Our support includes system maintenance and integration with various payment and operational modules, ensuring a robust and scalable ticketing infrastructure. As of June 30, 2024, our customized transportation services extended across 24 provinces, autonomous regions, and municipalities in China and we have established cooperative relationships with over 500 customers in China, positioning us as the leader in China’s customized transportation sector in terms of number of tickets sold, according to Frost & Sullivan. In 2023, our total transaction value amounted to RMB333.9 million, with the number of tickets sold reaching 10.3 million.

## BUSINESS

In a typical transaction, we provide information system services to passenger transportation companies by assisting them in designing and publishing customized itinerary information, receiving and collecting passenger orders and facilitating transactions and providing other services, thereby connecting the transportation capability supply from passenger transportation companies with the demand for customized transportation plans of passengers. We bear obligations and responsibilities in relation to platform services to the passenger transportation companies. The passenger transportation companies serve as the carriers to passengers, and bear the responsibility for safe transit, according to the applicable PRC laws and regulations.

### Keyunda (客運達)

Keyunda is the key corporate information system we developed for customized transportation services. With our Keyunda system, we assist passenger transportation companies to design and implement customized transportation services tailored to the travel demands of passengers across various scenarios, such as airport shuttle service and school bus service.

Based on technologies such as big data analytics and cloud technology, our customized transportation services are designed to refine enterprise management, improve operational efficiency, enhance overall competitive capabilities and expedite the transition to new business models for modern road passenger transport enterprises. The screenshot below illustrates the interface of our Keyunda system:





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## BUSINESS

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Our offerings for passenger transportation companies mainly include the following, which can be tailored to cater to the needs and requests of the passenger transportation companies:

- *Business management:* manages the main businesses of passenger transportation enterprises (including shuttle services, chartered services and carpooling).
- *Driver management:* encompasses driver profile management and storage.
- *Vehicle management:* manages vehicle models, brands, license plates and other pertinent records.
- *Device management:* manages handheld devices and vehicle-mounted equipment.
- *Resource board:* provides visibility into the statuses of drivers and vehicles.
- *Vehicle location:* allows for real-time tracking of driver and vehicle location.

### *Collaborative channels*

In addition to enabling passenger transportation companies with information system solutions, we also provide them with various collaborative channel options to connect them with passenger traffic and enhance their sales results, including:

- Regional road transportation platforms

Passenger transportation companies can distribute tickets through the regional road transportation platforms. Please see “— Passenger transportation services — Customized transportation services.”

- 365 Intercity Travel (365城際出行)

365 Intercity Travel is our passenger-facing platform for customized transportation services. Passengers can access various customized transportation services, including intercity carpooling (城際拼車), shuttle bus (專線巴士), and customized charter (定制包車) via our 365 Intercity Travel WeChat mini-program. As of the Latest Practicable Date, 365 Intercity Travel had been consolidated into and form an integral part of Chuxing 365 for brand integration considerations.

- OTAs

We collaborate with OTAs to expand sales channels for passenger transportation companies, thereby increasing the market reach for them. As of the Latest Practicable Date, we collaborated with major OTAs in China including 12306, Umetrip, Tongcheng, Ctrip, Fliggy.

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### *Pricing and revenue model*

We enable passenger transportation companies to provide customized transportation services with our Keyunda system and provide them with a variety of collaborative channel options and passenger traffic. We collect our fees from the passenger transportation companies and from passengers. The fees we collect from the passenger transportation companies include: (i) a system usage fee associated with using Keyunda, which usually accounts for one to six percent of the ticket price, (ii) a cloud service fee for renting cloud server space for Keyunda, which we generally collect on an annual basis and (iii) a system maintenance fee associated with services such as upgrades, maintenance, inspections, and troubleshooting for Keyunda, which we generally collect on an annual basis. For certain passenger transportation companies who intend to distribute tickets through OTAs, the OTAs would charge them a passenger traffic fee. During the Track Record Period, the total passenger traffic fee accounted for an insignificant part of our total revenue from our customized transportation services business. In addition, we deduct a platform usage fee from the order payment made by passengers when they purchase tickets.

We do not prepurchase tickets and thus do not assume inventory risk from our customized transportation services business. Please see “Financial Information — Material Accounting Policy Information and Estimates — Revenue and Other Income — Internet Ticketing Services and Customized Transportation Services”.

When tickets are sold on regional road transportation platforms, two methods for settlement are utilized. In the first method, the system usage fee is deposited into our account. Concurrently, the remaining order payment after deducting the system usage fee is deposited into the accounts of the passenger transportation companies. These transactions are executed in real time. In the second method, we settle the order payment with individual passengers on behalf of passenger transportation companies first and then retain our system usage fee and settle the rest with passenger transportation companies on a regular basis, subject to negotiations with passenger transportation companies.

When tickets are sold on our 365 Intercity Travel platform, we settle the order payment with individual passengers on behalf of passenger transportation companies first and then retain our system usage fee and platform usage fee and settle the rest with passenger transportation companies on a regular basis, subject to negotiations with passenger transportation companies.

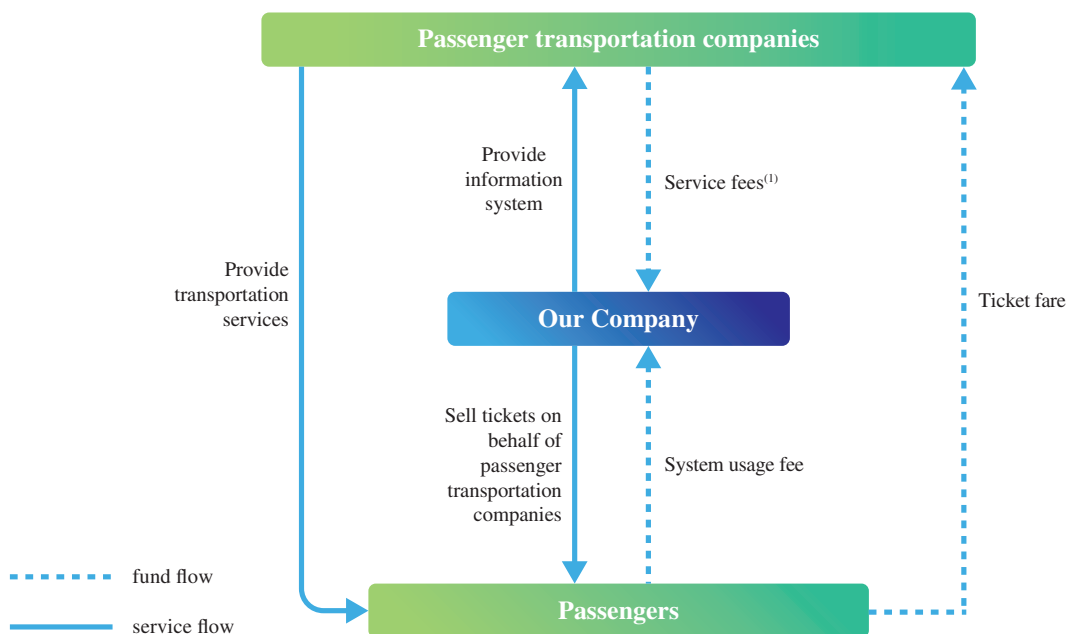
When OTAs are engaged to promote ticket sales, passengers make order payment to OTAs directly. OTAs retain the passenger traffic fee (if any) and then settle the rest (including the ticket fare, the system usage fee and the platform usage fee) with us, as we act on behalf of passenger transportation companies. The frequency of settlements with OTAs varies based on the specific requirements of each OTA. We then retain system usage fee and platform usage fee and settle the ticket fare with passenger transportation companies on a regular basis, subject to negotiations with passenger transportation companies.

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We engage licensed commercial banks to deposit and settle payments. Please see “Risk Factors — We may be considered as conducting payment services as a non-financial institution without a Payment Business License”.

### *Fund and service flow*

In cases where the tickets are sold on the regional road transportation platforms, under the first method for settlement, the system usage fee is deposited into our account. Concurrently, the remaining order payment after deducting the system usage fee is deposited into the accounts of the passenger transportation companies. These transactions are executed in real time. The fund and service flow is set forth below:

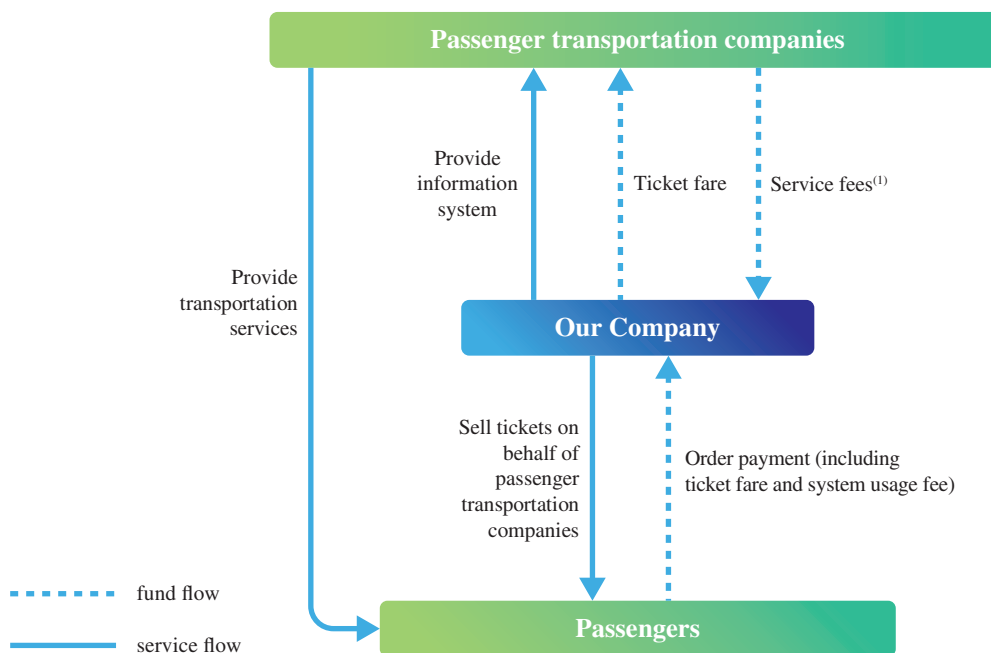


*Note:*

- (1) Mainly consist of cloud service fee and system maintenance fee.

## BUSINESS

Under the second method for settlement, we settle the order payment with individual passengers on behalf of passenger transportation companies first and then retain our system usage fee and settle the rest with passenger transportation companies on a regular basis, subject to negotiations with passenger transportation companies. The fund and service flow is set forth below:

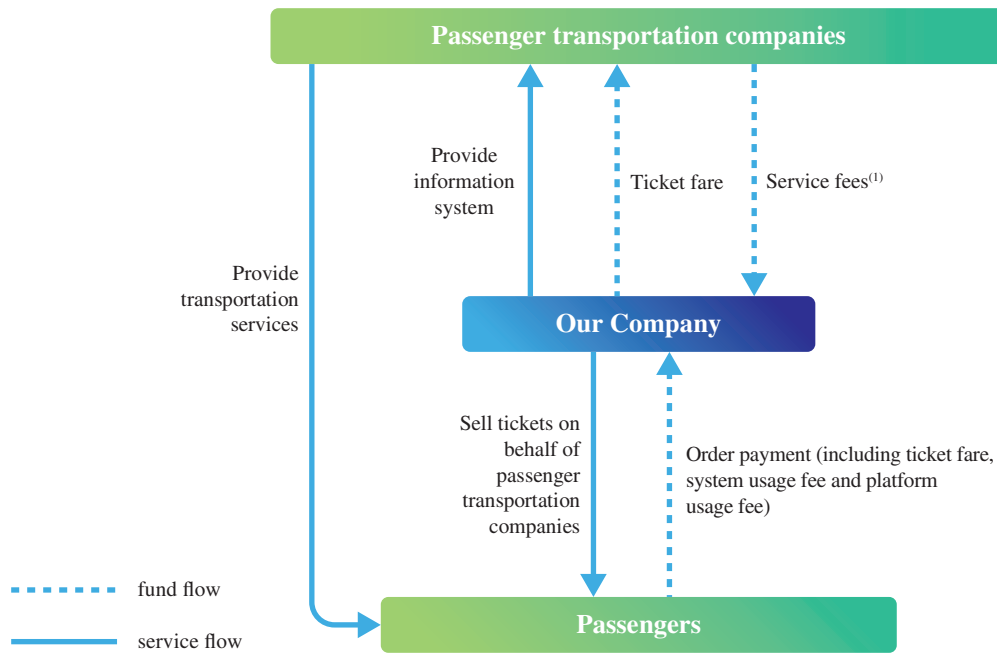


*Note:*

(1) Mainly consist of cloud service fee and system maintenance fee.

## BUSINESS

In cases where the tickets are sold on our 365 Intercity Travel platform, the fund and service flow of our customized transportation services business is set forth below:

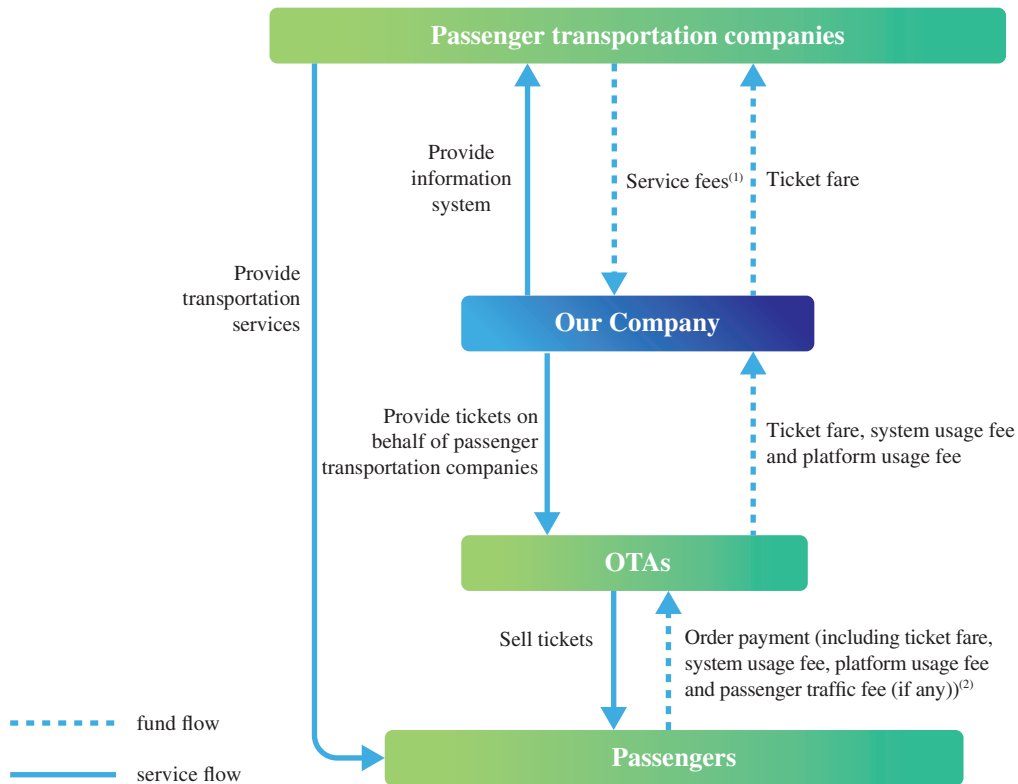


*Note:*

(1) Mainly consist of cloud service fee and system maintenance fee.

## BUSINESS

In cases where the tickets are sold through OTAs, the fund and service flow of our customized transportation services business is set forth below:



*Notes:*

- (1) Mainly consist of cloud service fee and system maintenance fee.
- (2) For a certain OTA, we would collect the full order payment (including ticket fare, system usage fee, platform usage fee and passenger traffic fee (if any)) from the OTA, and then settle the passenger traffic fee (if any) with the OTA.

### *Key contractual terms*

We mainly establish service agreements with passenger transportation companies and OTAs. The key terms of our service agreements with passenger transportation companies are set forth below:

- *Duration:* Project-by-project based on negotiation, typically ranging from one to five years.
- *Scope of service:* We provide information system services to passenger transportation companies by assisting them in publishing customized itinerary information, receiving and collecting orders and facilitating transactions and services.

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## BUSINESS

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- *Pricing and settlement:* Please see “— Passenger Transportation Services — Customized Transportation Services — Pricing and revenue model” for more information.
- *Payment:* Please see “— Passenger Transportation Services — Customized Transportation Services — Pricing and revenue model” for more information.
- *Termination:* We may terminate the agreement if one of the following conditions are met: (A) the passenger transportation companies fail to fulfill its contractual obligations, (B) the passenger transportation companies operate vehicles without the necessary legal documents or with forged documents, (C) vehicle safety issues of the passenger transport enterprise cause or have caused personal injury, death, or significant property loss, or (D) by mutual consent of both parties.

The key terms of our service agreements with OTAs are set forth below:

- *Duration:* Project-by-project based on negotiation, typically one year.
- *Scope of service:* OTAs obtain ticket sources through our Company and sell tickets on their platforms.
- *Pricing:* Please see “— Passenger Transportation Services — Customized Transportation Services — Pricing and revenue model” for more information.
- *Payment:* Please see “— Passenger Transportation Services — Customized Transportation Services — Pricing and revenue model” for more information.
- *Termination:* Termination conditions generally provide for contract cessation upon the expiration of the cooperation period if no further cooperation is mutually agreed upon, or in the event one party is unable to fulfill its contractual obligations or commits a material breach.

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### Ride-hailing Services

Our ride-hailing services commenced operations in 2018 when we obtained our first Online Ride-Hailing Operating Permit. According to Frost & Sullivan, as of June 30, 2024, we were the second largest ride-sharing platform in China based on the number of Online Ride-Hailing Operating Permits. As of the Latest Practicable Date, we had obtained 191 Online Ride-Hailing Operating Permits and the accumulative number of registered drivers had reached 1.5 million. The GTV of our ride-hailing services increased from RMB485.9 million in 2021 to RMB1,084.1 million in 2023, representing a CAGR of 49.4%; our ride-hailing order volume increased from 22.6 million in 2021 to 46.9 million in 2023, representing a CAGR of 44.1%. The following table sets forth the pertinent operational metrics of our ride-hailing services business:

	2021	2022	2023	Six months ended June 30, 2024
GTV (RMB in millions) . . .	485.9	718.1	1,084.1	691.3
GTV generated by drivers recruited and managed by our car partners . . . .	387.3	354.1	428.5	251.5
GTV generated by drivers recruited and managed by our regional team . .	98.6	364.0	655.6	439.8
Order volume (in millions) .	22.6	32.7	46.9	31.4
Average daily order volume (in thousands) . . . . .	61.9	89.7	128.6	172.8
Average monthly active drivers (in thousands) <sup>(1)</sup> . .	50.2	61.4	65.5	80.1
Average monthly active passengers (in thousands) <sup>(2)</sup> . . . . .	1,354.0	2,003.4	2,737.6	3,710.1
Average transaction amount per order (RMB) <sup>(3)</sup> . . . . .	21.5	21.9	23.1	22.0

*Notes:*

- (1) Active drivers refer to the number of driver(s) who completed at least one order during the prescribed period. The results only included drivers who completed orders through aggregation platforms.
- (2) Active passengers refer to the number of rider(s) who completed at least one order during the prescribed period. The results only included statistics for accounts with real phone numbers.
- (3) Average transaction amount per order is calculated by dividing the total transaction amount in a given period, by the number of orders during the same period.



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### *Service Delivery*

Passengers can access our ride-hailing services through major aggregation platforms such as Gaode and through our own platform, 365 Ride (365約車). According to Frost & Sullivan, there has been an industry-wide trend for ride-hailing platforms to enhance their collaboration with aggregation platforms. Our partnership with aggregation platforms helps us gain access to a large amount of passenger traffic without excessive efforts on promotions to attract the same amount of passenger traffic to our own platform. During the Track Record Period, the GTV of orders that we received from aggregation platforms represented the vast majority of our total GTV. Throughout the Track Record Period, Gaode was our largest aggregation platform service provider. The GTV we generated through Gaode accounted for 95.3%, 92.9%, 89.5% and 93.4% of our total GTV of our ride-hailing services business for the years ended December 31, 2021, 2022, 2023 and the six months ended June 30, 2024, respectively. Please see “Risk Factors — Our ride-hailing services business depends on our collaboration with a limited number of aggregation platforms”.

Our collaboration with Gaode is driven by its leading position as the largest ride-hailing aggregation platform in China. Gaode possessed over 60% market share of the PRC ride-hailing aggregation platform industry in 2023 and a substantial passenger flow, according to Frost & Sullivan. Partnering with a single aggregation platform is not uncommon in the ride-hailing services industry, according to Frost & Sullivan. Gaode established collaborative relationship with us due to our established advantages in terms of the number of Online Ride-Hailing Operating Permits obtained and our robust localized operation capabilities. Aggregation platforms have a strong demand for ride-hailing platforms that can cover more regions and manage fleet capacity more effectively to reach more potential passengers. Our partnership with Gaode not only enhances our market competitiveness but also enables us to better meet the market’s demand for high-quality fleet capacity.

Passengers can quickly place orders for rides by inputting their pick-up location and destinations and selecting the desired service type. The service types we offer include economic vehicle service which is provided by economy vehicles of lower costs, executive vehicle service which is provided by luxury vehicles of higher costs, and carpooling service.

Once we receive an order, we use standardized matching algorithm to identify the most suitable driver to fulfill the order. Relevant factors considered when selecting the most suitable driver include the distance to the pick-up location and the driver’s service quality. The algorithm prioritizes assigning the order to drivers closer to the pick-up location with higher service ratings. After a ride concludes, we would receive payments for the ride after the passenger confirms the ride’s completion.

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Payments are first deposited into the accounts of the aggregation platforms. After the applicable aggregation platform fees are deducted, the remaining funds are then transferred to us. Our drivers may withdraw funds multiple times per week. For more information on payment and settlement, please see “— Our Products and Offerings — Ride-hailing Services — Pricing and revenue model” for more information. The following pictures are the interfaces on Gaode:



Interfaces on Gaode

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### *Driver Management*

We have a large and rapidly growing driver base to fulfill the demands of our passengers. The average monthly active drivers of our ride-hailing services increased from 50.2 thousand in 2021, to 61.4 thousand in 2022, to 65.6 thousand in 2023 and further to 80.1 thousand for the six months ended June 30, 2024. During the Track Record Period, none of our drivers were our employees. Such practice is in line with the industry practice, according to Frost & Sullivan. Our service agreement with our drivers does not preclude them to cooperate with other ride-hailing platforms. However, we encourage our drivers to take more orders from our own platform through various measures, including offering competitive incentive to them.

We recruit and manage drivers via two principal channels: (i) our regional teams and (ii) our car partners.

- *Our regional team:* as we entered regional markets in an early stage for our passenger transportation businesses, we established management and operation teams that may also serve to recruit and manage local drivers. We utilize various channels for recruiting drivers. Drivers can download our app to voluntarily become registered drivers. We offer rewards for driver referrals.
- *Our car partners:* we collaborate with local car partners to increase our service capability. Our car partners are engaged in the PRC automotive industry with services primarily encompassing driver recruitment and driver management. As of the Latest Practicable Date, other than a car partner who was our associate, all these car partners were Independent Third Parties. We typically pay car partners a fee that is proportional to the GTV their drivers generate for the drivers and vehicles they supplied to us. In 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, car partner fee, recognized as cost of sales, amounted to RMB17.9 million, RMB11.4 million, RMB14.9 million, RMB7.2 million and RMB8.2 million, respectively. During the same periods, car partner fee attributable to the car partner who was our associate, namely Shaanxi Fengxing Jingtuo Automobile Service Co., Ltd, amounted to RMB3.0 million, RMB3.2 million, RMB1.8 million, RMB1.0 million and RMB1.0 million. Please see “Financial Information — Description of Principal Consolidated Statements of Profit or Loss Items — Cost of Sales”.

We measure the quality of service of our drivers by a number of criteria including user ratings, user complaint rate, driver cancellation rate and others. Ride safety is measured by compliance status including the requisite licenses and permits and the frequency of the driver’s dangerous or illegal driving behavior. We require our drivers to have driving experience of more than three years. We also leverage the location function and trip recordings on the driver app installed on the drivers’ phones to monitor driver’s behavior and automatically detect violations of our service requirements.

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We value our cooperative relationship with our drivers. As of June 30, 2024, we created the prototype for 365 Home, which is an offline hub that provides recruiting services, knowledge and skill trainings for drivers and we plan to gradually implement other tailored-made services to elevate driver’s cooperation experience with us. As of June 30, 2024, we utilized three local offices to function as 365 Homes. For more information, please see “Future Plans and [REDACTED] — [REDACTED]”.

### *Self-owned vehicles*

We typically do not own the vehicles engaged in our ride-hailing services. As of the Latest Practicable Date, we owned a total of less than 100 vehicles in a city due to the local requirements which require us to own a minimum number of vehicles. We rented these vehicles to drivers or car partners, who subsequently delivered our ride-hailing services.

### *Compliance and safety measures*

As a ride-hailing service provider in China, we shall comply strictly with the applicable PRC laws and regulations, such as 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》). For example, we shall assume the carrier’s responsibilities, including, among others, (i) ensuring operational safety and safeguard riders’ lawful rights and interests; (ii) ensuring that the drivers and vehicles providing services are licensed; and (iii) purchasing carrier liability insurance. Please see “Regulatory Overview — Regulations Relating to Online Ride Hailing Services”.

We maintain safety management in strict accordance with applicable legal and regulatory requirements. The head of our ride-hailing business serves as the principal person who is responsible for safety. We have adopted a variety of measures to raise the safety level for our drivers and passengers, such as a background check and verification mechanism. According to Frost & Sullivan, our safety measures are comparable with those adopted by other market players.

- *Background checks and verifications:* It is a prerequisite for both the passengers and drivers on our platform to go through an identity verification process by providing their cell phone numbers. As required by the applicable law, cell phone numbers in China are registered through real-name authentication. For passengers on the platform of the aggregation platforms we collaborate with, we rely on the identity verification procedures of these aggregation platforms to verify the identity of the passengers.

We require that the drivers using our services to have a valid driver’s license with at least three years of driving experience, and have no relevant criminal records as specified in the Interim Measures for the Administration of Online Taxi Booking Services, including a conviction of dangerous driving. We also require the drivers to provide their names and identification numbers and complete facial recognition as part of the certification process. We have adopted various measures for qualification

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and background check to verify the authenticity of the documents and information submitted by drivers with the assistance of third-party platforms in order to evaluate the creditworthiness of the drivers and screen out crime offenders so as to minimize the risk of disputes and further ensure travel safety.

Specifically, we verify and double check the authenticity and consistency of the identity information submitted by the drivers both manually and through technological measures. For example, we apply real-time facial recognition technologies to capture the facial image of our drivers through cameras of their mobile phones by requiring them to complete certain randomly assigned actions, such as blinking, head shaking and body moving before allowing them to pick up riders or take orders to ensure that the driver is the same as the certified driver.

In addition, we have adopted various measures for vehicle qualification check, including, among others, verify the authenticity of the vehicle license (機動車行駛證) submitted by the drivers, verify the authenticity of the vehicle information submitted by the drivers, including, among others, brand, color, plate number, vehicle identification number and vehicle registration information; and check whether the vehicle is in good condition based on the photographs submitted by the drivers.

With a combination of automatic filter and examination and manual verification for all the materials submitted by the drivers, we normally would be able to complete the qualification and background check within two business days. We treat all the information submitted by the drivers in our possession as confidential and limit access to such information within our Group to the extent necessary. Please see “—Data Privacy and Security.”

- *Safety alert during rides:* To ensure the safety of both drivers and passengers, we have implemented emergency alarm functionalities within the driver app. We leverage the location function and trip recordings on the drivers’ phones to monitor driver’s behavior and automatically detect violations of our service requirements.
- *Driver rating and training:* We have a driver rating system, where passengers are invited to provide anonymous ratings for drivers on a scale of one to five stars. Passengers may also leave specific comments or raise issues. We require our car partners to closely track drivers’ service quality, and to take various measures to help them improve, with the aim of ensuring consistent service quality. Our drivers are required to complete induction training and regular safety training. Our platform uses different channels to give drivers reminders on safe driving and how to provide a safe service.

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- *Non-compliant behavior management:* We are dedicated to managing non-compliant behaviors on our platform to ensure safety and quality passenger experience for the entire passenger community. We have established and implemented strict policies and measures to manage non-compliant behaviors.

We implemented a series of passenger behavior management measures to ensure a fair and efficient service for both drivers and passengers. Specifically, we imposed a restriction on the number of times a passenger can cancel a ride after it has been accepted to ensure driver availability. In addition, we employed a post-trip prompting mechanism to remind passengers to settle outstanding fare payments. Moreover, a blacklist system was in place to ban passengers who engaged in fraudulent ride orders, ensuring that the integrity of the platform is upheld and that genuine passengers receive the best possible service. We also provide regular training and education sessions for our drivers. Our passengers could report suspicious activities of drivers, and we will investigate the reported drivers and impose compensation or temporary banning or suspension of services on those indeed in violation.

- *Complaint management:* Upon receipt of a complaint incident involving safety, our customer service team will directly transfer the order to our complaint management team. In 2023 and the six months ended June 30, 2024, aside from those related to traffic accidents, we identified through Gaode 105 and 230 complaints, respectively, in our key safety areas such as harassment, physical conflict, restriction of freedom relating to perceived safety threats in our ride-hailing services, all of which have been resolved. During the same periods, the complaint rate was 0.0002% and 0.0007%, respectively. We took disciplinary actions on the drivers and passengers who were found liable in these incidents according to the severity of their wrongdoing. Such actions include, as applicable, fines, suspension and termination of services.

During the Track Record Period, we did not receive any safety complaint related to our ride-hailing services that would cause material adverse effect to our operations. During the Track Record Period, we were not subject to any material claim arising from safety incidents occurred during rides facilitated by us. Our Directors were not aware of any material malicious violent crimes perpetrated occurred during rides facilitated by us during the Track Record Period and up to the Latest Practicable Date.

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### *Pricing and revenue model*

Prior to the start of each trip, both the passenger and the driver are presented with a fee quote calculated based on the distance and duration of the order, which is typically based on market pricing in the local mobility industry and dynamically adjusted by taking into consideration multiple factors, primarily including (i) local competitive landscape, (ii) local consumption and income levels and (iii) the timing of the order, such as whether the order was executed during peak or regular hours. The ride fees for different service types are calculated based on the same method. The fee quote consists of four parts, namely (i) a fixed base fee which covers a certain distance cap and time cap; (ii) a distance fee which starts accruing once the trip distance exceeded the distance cap included in the base fee and is calculated by a fee rate per additional kilometer; (iii) a time fee which starts accruing once the trip time exceeded the time cap included in the base fee and is calculated by a fee rate per minute; and (iv) on top of (i) to (iii), when the trip exceeds a certain distance, a long-distance surcharge is applied where an additional fee per kilometer is added to the total fee.

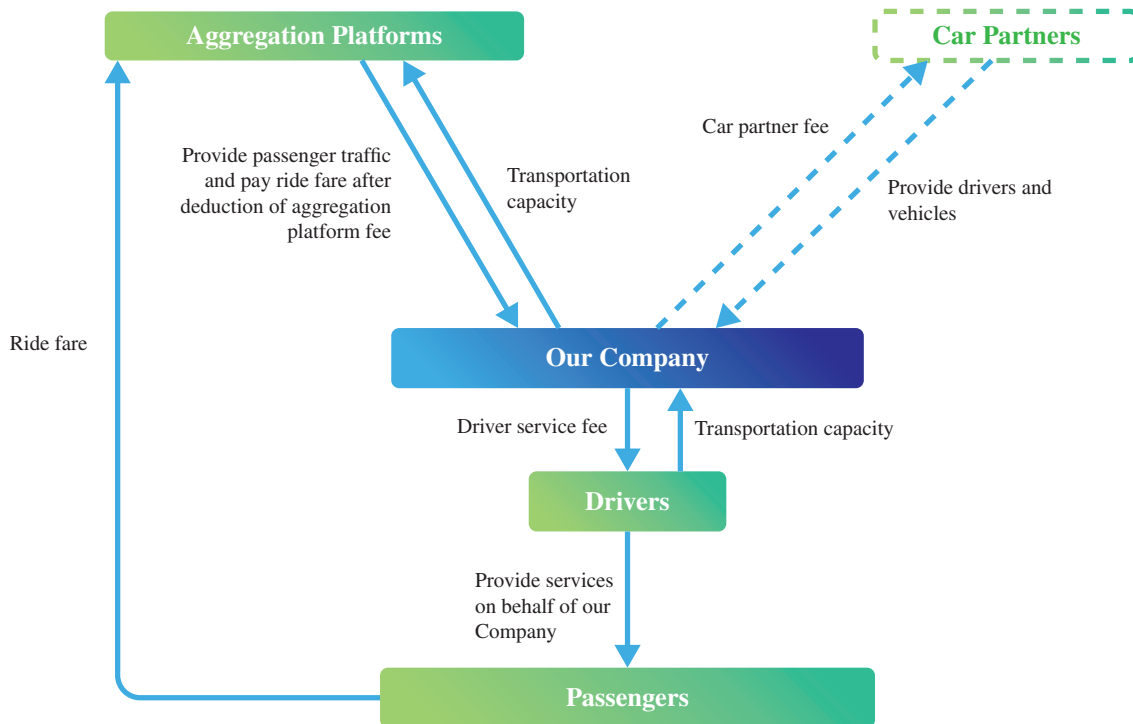
In 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, the total service fee we paid to our drivers (including applicable driver incentives) amounted to RMB387.7 million, RMB584.0 million, RMB878.0 million, RMB410.9 million and RMB567.4 million, respectively, accounting for 79.8%, 81.3%, 81.0%, 80.1% and 82.1% of our total GTV of the respective period. Applicable passenger incentives are deducted directly from the fee we charge the passengers and recorded as a deduction of our revenue.

We recognize revenue from our ride-hailing services business on a gross basis. Please see “Financial Information — Material Accounting Policy Information and Estimates — Revenue and Other Income — Ride-hailing Services”.

## BUSINESS

### *Fund and service flow*

The fund and service flow of a typical transaction on the aggregation platform is set forth below, with the dotted part showing scenarios where car partners are engaged to provide drivers and vehicles:



### *Key Contractual terms*

The key terms of our ride-hailing service agreement with drivers are set forth below:

- *Registration and approval to be a driver:* The driver must hold a valid driver's licence and all other required licences, permits, registrations and approvals required to provide services.
- *Scope of service:* Drivers shall perform service in manners as specified by us to fulfill ride-hailing orders from passengers.
- *Duration:* From the time of the establishment of the order to the time when the passenger arrives at the destination of the order and get off the vehicle, or from the time when the passenger gets off the vehicle if the passenger ends the journey before the completion of the order.



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- *Compliance:* The driver shall comply with 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》) and relevant laws and regulations. Drivers are also required to follow our platform’s rules to deliver high quality service and refrain from misconducts and abusive uses of our platform.
- *Driver’s service fees:* Calculated based on the ride fare, together with the applicable driver’s incentive. Please see “— Ride-hailing Services — Pricing and revenue model” for more information.
- *Indemnity:* If the driver’s actions violate laws or regulations and result in third-party claims, we have the right to seek compensation from the driver, including deducting the amounts directly from the driver’s account.
- *Termination:* In the event of a driver’s breach of contract, we may take measures such as suspending or terminating the account.

The key terms of our ride-hailing service agreement with passengers are set forth below:

- *Registration eligibility:* Individuals under the age of 18, as well as individuals who lack or have limited civil capacity, shall utilize our services only after their guardian has thoroughly reviewed and agreed to the platform service agreement.
- *Duration:* The service agreement goes into effect when passengers use services provided by our platform.
- *Scope of service:* We mainly provide ride-hailing services to the passengers.
- *Compliance:* Each passenger and the platform agrees to comply with all applicable laws and regulations of the PRC.
- *Fees and payment:* Please see “— Ride-hailing Services — Pricing and revenue model” for more information.
- *Cancellation policy:* If a passenger cancels the order after the stipulated time period, the passenger shall be liable for any costs incurred as a result of such cancellation.
- *Liability and indemnity:* The passenger agrees to protect and safeguard the legitimate rights and interests of the platform and shall be liable for any loss or damage incurred by the platform as a result of their actions.

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The key terms of our service agreements with aggregation platforms are set forth below:

- *Duration:* A service agreement is typically valid for one to two years. It will be automatically extended for an additional year unless terminated by either party with written notice.
- *Scope of service:* The aggregate platform provides information services to us. We provide ride-hailing services to passenger according to the agreement between the passenger and the aggregation platform.
- *Payment and settlement:* The aggregate platform passes on to us the ride fare, and we pay the aggregate platform a platform usage fee, calculated as a specified percentage of the ride fare. Settlement of accounts between us and the aggregate platform usually occur on a monthly basis.
- *Termination:* The agreement may be terminated under the following conditions: (i) by mutual written consent, (ii) if one party enters bankruptcy or liquidation, (iii) by either party giving sixty (60) days' prior notice via email or other written forms or (iv) under other circumstances as stipulated in the agreement.
- *Dispute resolution:* Under our agreements with aggregation platforms, we are typically responsible for resolving any driver-user disputes arising from the orders facilitated by the aggregation platforms. In the event that an aggregation platform is held liable or subject to administrative penalties as a result of an accident during our order fulfilment, the aggregation platform is typically entitled to recover from us any economic loss.

The key terms of our service agreements with car partners are set forth below:

- *Duration:* A service agreement is valid for one to two years. If either party elects to continue the collaboration beyond the expiration of the agreement, they must notify the other party in writing at least thirty (30) days prior to the agreement's expiration.
- *Scope of service:* The car partners assist us in the conduct of our ride-hailing services through the recruitment and management of drivers.
- *Pricing:* We pay our car partners a fee based on an agreed percentage of the total order value. We shall adjust the percentage based on the car partner's performance on a monthly basis. If the car partners participate in the promotion events we conduct for the drivers, the car partner's service fee will be forfeited and paid to the drivers as driver's incentive.
- *Payment:* Service fee is usually settled on a monthly basis.
- *Insurance:* Please see "— Insurance" for more details.

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- *Liability and indemnity:* The car partners are fully responsible for costs associated with accidents incurred by drivers managed by them.
- *Termination:* Either party may terminate the agreement with a 30-day written notice, subject to mutual agreement and written confirmation. If a party materially violates any obligations and fails to rectify the breach within ten business days of written notification, the non-breaching party may terminate the agreement after providing a five-business day notice.

### *Robotaxi*

Recognizing the rapid development of autonomous driving technologies, we ventured into the business of robotaxi in 2023. The Guidelines for Transport Safety Services of Autonomous Vehicles (Trial) (《自動駕駛汽車運輸安全服務指南(試行)》) issued by the MOT on November 21, 2023 provided that any entity utilizing autonomous vehicles for taxi passenger transportation must hold the Online Ride-Hailing Operating Permits. We leverage our licences resources and our operational and promotional capabilities and partner with a well-known car manufacturer for the operation of robotaxi. Our rich capabilities encompass various aspects in the operation of ride-hailing services, which can be seamlessly leveraged in the operational management of unmanned service vehicles. As of the Latest Practicable Date, we provided robotaxi services in Suzhou, which were at a free trial stage. Our robotaxi business has seen rapid growth since its establishment, achieving approximately 20 orders per day per vehicle on average. For our development strategies for our robotaxi business, please see “— Our Strategies — Expanding Product and Service Offerings and Enhancing Operation Capabilities” and “Future Plans and [REDACTED] — [REDACTED]”.

### **Digitalization and Business Solutions**

Our digitalization and business solutions mainly encompass (i) the development, delivery and maintenance of software and (ii) the procurement, implementation and maintenance of hardware as well as (iii) the system integration of software and hardware components for our customers. We began our operations in the transportation sector, aiming at empowering industry and enterprise management through digitalization and business solutions to enhance government efficiency and improve corporate operational capabilities. Since the inception of our digitalization and business solutions business in 2013 and up to June 30, 2024, we had undertaken the road passenger transportation digitalization projects for 17 provinces, autonomous regions and municipalities. A typical provincial digitalization project encompasses the construction of an integral provincial platform which connects our CloudStation systems for individual passenger transportation stations within the province, facilitating public transportation and assists the government and industry regulatory authority in strengthening the supervision over the relevant industry participants. During the Track Record Period, we undertook key governmental projects such as the comprehensive transportation services unified ticketing system (綜合運輸服務一票制), Guangxi One-Click Transit (廣西一鍵交通) and the Gansu Foreign Permanent Residence Permit Road Passenger Transportation Facilitation Renovation Project (甘肅外國人永居證道路客運便利化改造項目) to enhance the convenience level of public transportation. Leveraging our experience and resources accumulated in the passenger transportation industry, and in response to the evolving needs of our customers, we strategically expanded our service offerings into other industry sectors. For example, we developed and procured software, hardware and equipment and undertook the integration, implementation and maintenance of these components for our customers in other industries.

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We primarily obtain business through business negotiations. Under applicable circumstances, we also obtain projects through tendering and bidding process. Our fees for the digitalization and business solutions sector are charged on a project-by-project basis. During the Track Record Period, we served customers across industries including passenger transportation, intelligent transportation, communications and electric power and energy. In 2021, 2022, 2023 and during the six months ended June 30, 2023 and 2024, we had 90, 133, 672, 268 and 347 projects, respectively. The following table sets forth a breakdown of our revenue by customer industry for the periods indicated:

	Year ended December 31,						Six months ended 30 June,			
	2021		2022		2023		2023		2024	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>										
Transportation industry . . . . .	26,072	86.1	17,848	27.9	36,322	33.6	19,517	35.0	22,466	47.7
Non-transportation industry . . . . .	4,210	13.9	46,183	72.1	71,682	66.4	36,303	65.0	24,664	52.3
Total . . . . .	<u>30,282</u>	<u>100.0</u>	<u>64,032</u>	<u>100.0</u>	<u>108,003</u>	<u>100.0</u>	<u>55,821</u>	<u>100.0</u>	<u>47,130</u>	<u>100.0</u>

As of the Latest Practicable Date, we had 96 projects on hand with an aggregate contract value of RMB8.3 million yet to be recognized as revenue in the year after the Latest Practicable Date.

The following table sets forth the number of projects for which we have submitted tenders, the number of projects awarded and the success rate during the Track Record Period:

	Year ended December 31,			Six months ended June
	2021	2022	2023	2024
	Number of projects for which we have submitted tenders . . . . .	18	15	22
Number of projects awarded . . . . .	17	15	20	10
Success rate <sup>(1)</sup> . . . . .	94.4%	100.0%	90.9%	90.9%

*Note:*

- (1) Calculated by the number of projects awarded by the number of project for which we have submitted tenders in the same period.

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### *Services*

Our services mainly consist of:

- *Software development services:* We undertake software development projects to fulfill specific needs for functions and applications of our clients. This service includes the creation of specialized software, data analysis platform, enterprise operation and marketing software, software and hardware interfaces. Subject to negotiations, we may retain the intellectual property rights over these software and related technologies.
- *Hardware procurement, sales and ancillary services:* Based on the specific plan of each project, we procure and sell hardware and equipment, including computers, printers, mobile devices, network equipment, ticket gates, self-service ticketing machines, large screens, broadcasting systems and other equipment, and provide installation, maintenance and other ancillary services.
- *System integration:* We offer comprehensive solutions by integrating system software, application software and a range of general and specialized equipment with communication technologies. Utilizing specific implementation and delivery methodologies, we enhance clients' intelligent management and operational capabilities.

### *Pricing and revenue model*

We provide digitalization and business solutions to our customers in return for a fee, which in certain projects is paid to us in stages, subject to negotiations with individual customers. The initial payment typically constitutes 10% to 50% of the total fee. For certain projects and subject to negotiations, our customers would require a quality bond of approximately five to 10% of the total fee, with a return period typically ranging from one to three years after the project is delivered. Please see "Financial Information — Description of Selected Statement of Financial Position Items — Contract Assets".

### *Contractual terms*

We enter into separate agreements with our clients tailored to the specific services they require. For our system integration services, we primarily use contract templates supplied by our customers, the terms and conditions of which may differ considerably. Our typical software and hardware service agreement provides options for either one-time or installment payments and contains a warranty period. During the warranty period, we bear the repair costs for damages to our in-house developed products not caused by human factors. After the warranty period, we may charge for repair services, part replacements and onsite visits. For hardware and equipment we procured on behalf of our customers, the warranty period is typically one year with the option to extend for additional fees. Our typical development and services agreement provides that we retain the intellectual property rights over the provided software and related technologies and the customer is prohibited from making unauthorized modifications, reverse engineering or transferring the software without prior written permission from us.

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### INFORMATION INFRASTRUCTURE AND TECHNOLOGY

We deploy technologies such as big data analytics, AI solutions and cloud technology to help our customers improve efficiency, streamline management, enhance customer loyalty and improve profitability.

#### **Big Data Analytics**

Our big data analytics is integral to enhancing data-driven decision-making across several areas:

- *Business and transaction data analysis:* involves the analysis of data trends to enable businesses to understand historical patterns and improve the dynamics of business transactions. Such analytical capabilities are crucial for strategic planning and competitive analysis.
- *Behavioral analysis:* pertains to the analysis of user characteristics and behaviors on the consumer side of internet platforms.

#### *Our data analysis platform*

With the rapid development of intelligent transportation and digital technologies, we made significant progress in the processing and analysis of transportation data. Leveraging our big data analytics capabilities, we independently developed an advanced data analysis platform, providing a solid foundation for enhancing business efficiency, optimizing operations, and driving innovation for our business partners. We utilize our data analysis platform to assist our business partners in analyzing their transaction data, enabling them to make better business decisions. We generally did not charge an additional fee for our data analysis platform.

The main features of our data analysis platform include:

- *Data Integration:* based on the data accumulated from our operations, our data integration platform cleans, transforms, and consolidates data into a unified data warehouse, forming the foundation for subsequent data analysis.
- *Data Storage and Processing:* utilize solutions provided by Alibaba Cloud, enabling high-performance batch and stream processing.
- *Real-time Monitoring and Decision Support:* integrating various visualization tools, we offer real-time travel data dashboards and reports. Additionally, we automated the generation and distribution of data reports, further enhancing business operation efficiency.

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We have adopted a unified batch and real-time data architecture, which allows for real-time analytics, providing immediate insights that are crucial for dynamic decision-making processes. The ability to analyze data as it is generated gives our clients a competitive edge by enabling faster responses to market changes and consumer behaviors.

### AI Solutions

We utilize large-scale AI model supplied by Alibaba Cloud to analyse vast amounts of data to identify patterns and predict user needs, allowing for a more proactive approach to our business and management, which not only helps in addressing potential issues before they escalate but also customizes the service experience to meet individual preferences and requirements effectively. In particular, the RAG technology and our self-developed AI agent models represent cutting-edge advancements in our technological portfolio. The RAG technology enhances our systems' ability to generate responses by retrieving relevant information from a vast database, thereby improving accuracy and contextual relevance. Simultaneously, our AI agent models are designed to autonomously perform complex tasks, adapting and learning from interactions to provide increasingly sophisticated and personalised services. Together, these technologies drive efficiency and elevate interactions within our operations. As a result, users and our business partners both benefit from a more refined, efficient, and higher-quality service delivery system.

### Cloud Technology

We adopt cloud technology to enhance service provision to our passenger transportation station and enterprise customers, particularly through the application of cloud-based passenger station management to enable remote access and standardize operations. Our key technologies include the following:

- *VPN-based networking technology*: We have implemented VPN-based networking technology to assist our customers in accessing network services. This innovative approach addresses crucial technical and operational maintenance needs such as system data retrieval, data distribution, system upgrades, and network monitoring. By integrating this technology, we significantly enhanced the connectivity and efficiency of our national operations, ensuring seamless communication and data flow across our network.
- *Compensation-based distributed technology solution*: This solution tackles the consistency issues inherent in distributed ticketing systems within a distributed environment. By applying a compensation-based approach to ensure the consistency of data, we improved data integrity and transactional consistency, thereby improving reliability in our ticketing processes.
- *High-performance data exchange platform*: Utilizing distributed messaging systems, we developed a data exchange platform enabling rapid data transmission, thereby enhancing the timeliness of information. This platform is crucial for real-time decision-making and provides robust infrastructure for efficiently handling massive volume of data.

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- *Rapid data retrieval system:* We addressed the challenges related to the rapid updating and efficient querying of timetables. This technology allows vast amounts of real-time data to be quickly updated and retrieved, significantly enhancing user experience and operational responsiveness.
- *Distributed database technology:* Our adoption of distributed database technology solves the challenges of storage and querying under high concurrency conditions. This system supports scalable, reliable data management, ensuring that our database can handle large-scale, simultaneous access without compromising performance.

## SAFETY

We attach great importance to the safety of our passengers, drivers and employees. We have made significant investment in establishing safety management protocols and implementing technological security solutions. We have an extensive array of safety protocols to cover risks before, during and after each trip and a dedicated compliant resolution process. According to Frost & Sullivan, our safety measures are generally in line with the market practice in the PRC mobility industry. Specifically:

- Under our passenger transportation services business, we do not act as the actual carrier to the passengers and thus do not bear safety liability for transportation services. Please see “Passenger Transportation Services — Internet Ticketing Services” and “Passenger Transportation Services — Customized Transportation Services” for more information.
- Under our ride-hailing services business, we act as the actual carrier to the passengers and bear full safety liability for transportation services. Please see “Ride-hailing Services — Compliance and Safety Measures” for more information.
- Under our digitalization and business solutions business, owing to the nature of our services, our employees may have to work in or visit environments such as project sites. In view of the inherent risks of accidents and injuries, we have implemented a system in recording and handling accidents during our business operations. We require our employees to report any accidents to their supervisor in a timely manner. The supervisor should then report the same to the project manager and our human resources department, which will record the accidents and follow up on the condition of the injured employee. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material accident or work safety incident in the course of our operations, nor had we received any material claim from our employees in relation to any personal or property damage.



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### RESEARCH AND DEVELOPMENT

We continuously invest in research and development to improve our technology and support our operations. We incurred RMB42.9 million, RMB44.8 million, RMB32.7 million, RMB15.1 million and RMB16.0 million of research and development expenses for the years ended December 31, 2021, 2022, and 2023, and for the six months ended June 30, 2023, and 2024, respectively, representing 7.7%, 5.5%, 2.7%, 2.6% and 2.2% of our revenue in the corresponding periods. Please see “Financial Information — Description of Principal Consolidated Statements of Profit or Loss Items — Research and Development Expenses” for more information.

As of June 30, 2024, we had a dedicated research and development department composed of 113 members, which accounts for 25.3% of our total employees, with 82.3% holding a bachelor’s degree or higher. The research and development department has been divided into four specialized research teams, each responsible for research and development with respect to: (i) road transportation, mainly focusing on the development of Chuxing 365 related Apps, mini-programs, products for transportation service providers, and Keyunda products, (ii) ride-hailing, mainly focusing on ride-hailing operational products and support, (iii) comprehensive travel, mainly focusing on research of comprehensive travel platforms and products and (iv) common applications, mainly focusing on research of applications commonly used across different business segments.

We may participate in the research and development programs of universities, research institutions and other entities. The details of such research and development program are typically stipulated by separate specific agreements. The ownership of any intelligent property generated from such research and development program programs will be negotiated upon case-by-case. For example, we collaborated with Road Transportation Research Academy of the MOT (交通運輸部公路科學研究所) and Southeast University to undertake certain subject of the key project “Beijing-Tianjin-Hebei Urban Agglomeration Multi-Modal Passenger Hub Integration Key Technologies” for the national key research and development program “Integrated Transport and Intelligent Transportation”. Moreover, we actively engaged in the research and development project of the “One-Ticket System” information integration and empowerment platform for the MOT. The platform aims to establish a comprehensive data-sharing mechanism encompassing rail, road, waterway and civil aviation sectors, and to facilitate real-time data interchange between various transportation modes and achieve seamless travel experience for the public. These collaborative efforts ensure that our operations are data-driven, enhancing operational effectiveness and customer satisfaction. Leveraging the transportation data generated during our daily operation, we analyze online and offline data and deliver our analysis to our business partners based on their needs and according to the requirements of relevant regulations, to facilitate their decision making.

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### DATA PRIVACY AND SECURITY

Data security is crucial to our business operations, and we are committed to data security and personal information protection. To effectively provide our services, we may collect and use personal information. Such information includes, cell phone numbers, ID card numbers, travel itineraries, drivers' license, transaction amounts and others. We collect and use personal information and data for the stated purpose only as authorized by users, or with other legal bases as provided by laws and regulations. We generally maintain the personal information and data on our platform for the minimum time necessary for the purpose of their processing pursuant to the applicable laws and regulations or for the time as prescribed by laws and regulations, which ranges from days to years. We do not share with, transfer, or disclose personal information to any third parties except with the user's authorization or under other circumstances as stipulated by laws and regulations, including when it is necessary to fulfil our services to users. We inform our users in the privacy policy that we may share with third parties the data and information pertaining to their use of our platform. In addition, we have provided users the option to delete their data in the privacy policies of our platforms. We have not transferred and will not transfer any personal information possessed by us to any jurisdiction outside of the PRC.

We have internal policies and guidelines in relation to cybersecurity, data security, data backup and recovery, personal information protection, information security incident management and emergency response plan in place to ensure that personal information will not be accessed or disclosed improperly. We have implemented internal guidelines stipulating that employees authorized to access personal data for processing purposes adhere strictly to the principle of data minimization. Pursuant to our internal guidelines, these employees are permitted to access only the minimal amount of personal data necessary for the execution of their specific duties and are granted the least data operation privileges required to perform their responsibilities effectively. Our internal control guidelines cover the full lifecycle of data processing including data collection, data encryption and transportation, data storage security, data backup and recovery, data processing, proper use of data, and data destruction and disposition.

We adopted and provided our data usage and privacy policy on our platforms, which described our data security and personal information protection practices. We undertake to manage and use the data collected from users in accordance with applicable laws, and we will only use the data of our users under the conditions agreed by our users or otherwise with bases under the applicable laws or regulations.

We also utilize a variety of technologies and systems to protect the personal information with which we are entrusted in providing our services and products. For example, passengers would use cryptographic number to communicate via our ride-hailing service platform. We will desensitize important data with encryption, masking, or replacement techniques. Furthermore, we implement comprehensive data masking of user data for the purpose of fending off potential hacking or security attacks. We adopt a data encryption system intended to ensure the secured storage and transmission of data, and prevent any unauthorized member of the public or third parties from accessing or using our data in any unauthorized manner. We have installed anti-virus and firewall software in our office system to prevent data attack, leakage and

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tampering and we upgrade such software from time to time. We take safety precautions in confidential information storage. Our information technology network is configured with multiple layers of protection to secure our databases and servers. To protect security throughout the various stages of our operations and data analytics, all user data are stored either on our firewall-protected physical servers or cloud-based storage system operated by prominent third-party cloud service providers. We back up user data on a daily basis to minimize the risk of user data loss or leakage. During the Track Record Period, we entered into legally binding agreements with third-party cloud service providers, in which it is stipulated that parties are required to maintain strict confidentiality and use the information only for its intended purpose and unauthorized disclosure, reproduction, or distribution of its contents is strictly prohibited and may lead to legal action.

To ensure our ongoing compliance with the applicable regulations related to cybersecurity, information security, privacy and data security, and mitigate any potential risks related to regulatory developments, we have taken specific measures. We have implemented the graded protection of cybersecurity pursuant to the Cybersecurity Law of the PRC (中華人民共和國網絡安全法), completed and obtained level three for Level Guarantee Certificate (Information System Security Level Protection Filing Certificate). We closely follow new regulations, technologies, and requirements in the fields of data security and personal information protection.

In accordance with our data security and personal information protection policy, we categorize data according to the degree of harm that could be caused to national security, public interest, or the legal rights and interests of individuals and organizations in the event of data tampering, destruction, leakage, or illegal acquisition and use. We have comprehensive access limit built in all systems we operate, limiting employees' ability to access data based on regions and types of data. The details of all data access records will be kept in our audit logs.

Furthermore, we require our employees to enter into confidentiality agreement with us. The confidentiality agreements provide that, among others, our employees are legally obligated not to share, distribute or sell the confidential information, including the materials and information of our customers and passengers in possession, to any other parties. Our employees are also legally obligated to surrender all confidential information in possession while resigning, and to retain their confidential obligation thereafter. Our employees bear compensation liability if they breach their confidential obligations or otherwise commit misconduct resulting in leakage of our confidential information.

We have established a specialized data and information security management team to formulate data protection strategy, assess data security risk, and oversee data security matters. As of the Latest Practicable Date, we had complied with the currently effective and applicable PRC laws on cybersecurity and data security in all material respects. As of the Latest Practicable Date, we were of the view that the PRC laws and regulations in relation to cybersecurity, data security and privacy protection will not have a material adverse impact on our business operations. As of the Latest Practicable Date, we had not been challenged by or claimed by any users, or imposed any administrative penalties or fines by any regulatory authorities, regarding misuse of personal information or data or any other related matters. We had not experienced improper use of data by third-party service providers during the Track

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Record Period. As of the Latest Practicable Date, we did not have any data leakage incidents. During the Track Record Period and up to the Latest Practicable Date, we did not suffer any material losses or negative financial impact on our revenue due to these incidents.

For details of laws and regulations on cybersecurity, data security, and privacy protection, please see "Regulatory Overview — Regulations relating to Information Security and Censorship" and "Regulatory Overview — Regulations on Privacy Protection." For related risks, please see "Risk Factors — Our business involves collection, storage, processing, and transmission of a large amount of data and may be subject to complex and evolving regulations and oversight related to cybersecurity, information security, privacy, and data security. If we fail to comply with the relevant laws and regulations, our business, results of operations and financial condition may be adversely affected."

### SEASONALITY

The passenger transportation industry is characterized by seasonal fluctuations. We have experienced, and expect to continue to experience, seasonality in our business and accordingly our revenue may vary from quarter to quarter. We typically record higher revenue during holidays and festive seasons for our passenger transportation services when the public have higher demand for intercity travel. The seasonality trends are difficult to discern in our historical results of the ride-hailing services business because our ride-hailing services business experienced substantial and rapid growth during the Track Record Period. See "Financial Information — Major Factors Affecting Our Results of Operations and Financial Condition — Seasonality."

### OUR CUSTOMERS

We have a broad base of customers. For our passenger transportation services business, our customers are mainly passenger transportation stations and passenger transportation companies. For our ride-hailing service business, our customers are passengers. For our digitalization and business solutions business, our customers are primarily corporate customers and governmental agencies.

We aim to cultivate and maintain good relationships with our customers. We have a team of employees dedicated to enhancing our relationship with existing customers and developing relationships with prospective customers. We do not believe we have customer concentration risks.

Our five largest customers accounted for 5.3%, 7.1%, 6.3% and 5.8% of our total revenue for the years ended December 31, 2021, 2022, and 2023, and the six months ended June 30, 2024, respectively. Our largest customer accounted for 2.0%, 4.3%, 2.9% and 2.2% of our total revenue for the years ended December 31, 2021, 2022, and 2023, and the six months ended June 30, 2024, respectively.

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The following table sets forth certain information of our top five customers in each relevant time period during the Track Record Period.

Rank	Customer	Products/ Services Purchased	Transaction Amount	Percentage of Total Revenue	Business Relationship Since	Principal Business	Credit Term	Registered Capital
			<i>(RMB in millions)</i>	<i>(%)</i>				
<b>For the Year Ended December 31, 2021</b>								
1	Suzhou Chuanglv Tianxia Information Technology Co., Ltd. (蘇州創 旅天下信息技術有 限公司)	Value-added services under our passenger transportation services	10.9	2.0	2016	Primarily engaged in providing online travel services. This customer is the subsidiary of a listed company on the Stock Exchange.	5 business days upon issuance of invoice	RMB50 million
2	Shilin Scenic Area Administration (石 林風景名勝區管理 局)	System integration services under our digitalization and business solutions business	6.7	1.2	2019	Primarily engaged in the management of touristic attractions.	15 business days upon project completion (excluding quality bond)	RMB96.0 million
3	Beijing Kaibao	IT equipment under our digitalization and business solutions business	4.2	0.8	2021	Primarily engaged in the provision of information services.	Upon the receipt of payment from end customers	RMB11 million
4	Customer A <sup>(1)</sup> (客戶A)	Bus ticket sales technology under our passenger transportation services and digitalization services under our digitalization and business solutions business	3.8	0.7	2013	Primarily engaged in the provision of passenger transportation services. This customer is listed on the Shanghai Stock Exchange.	5 business days upon issuance of invoice for bus ticket sales and by stage according to contract for digitalization services	RMB284.5 million
5	Guangdong Nanyuetong Passenger Transport Network Center Co., Ltd. (廣東南 粵通客運聯網中心 有限公司)	System upgrade and construction services under our digitalization and business solutions business	3.5	0.6	2017	Primarily engaged in the operations of internet ticketing services in Guangdong.	10 business days upon project completion (excluding quality bond)	RMB50 million

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Rank	Customer	Products/ Services/ Purchased	Transaction Amount	Percentage of Total Revenue	Business Relationship Since	Principal Business	Credit Term	Registered Capital
			<i>(RMB in millions)</i>	<i>(%)</i>				
<b>For the Year Ended December 31, 2022</b>								
1	. . . Beijing Kaibao	IT equipment under our digitalization and business solutions business	34.9	4.3	2021	Primarily engaged in the provision of information services.	Upon the receipt of payment from end customers	RMB11 million
2	. . . Beijing Sifang Relay Protection Automation Co., Ltd. (北京四方繼保自動化股份有限公司)	IT equipment and technology service under our digitalization and business solutions business	8.2	1.0	2022	Primarily engaged in the manufacturing of power transmission and distribution and control equipment, power electronic devices and industrial automatic control system devices. This customer is listed on the Shanghai Stock Exchange.	90 days upon delivery and issuance of invoice	RMB832.3 million
3	. . . Suzhou Chuanglv Tianxia Information Technology Co., Ltd. (蘇州創旅天下信息平台技術服務有限公司)	Value-added services under our passenger transportation services business	7.9	1.0	2016	Primarily engaged in providing online travel services. This customer is the subsidiary of a listed company on the Stock Exchange.	5 business days upon issuance of invoice	RMB50 million
4	. . . Customer A <sup>(1)</sup> (客戶A)	Bus ticket sales technology under our passenger transportation services business and digitalization services under our digitalization and business solutions business	3.6	0.4	2013	Primarily engaged in the provision of passenger transportation services. This customer is listed on the Shanghai Stock Exchange.	2 business days upon settlement for passenger transportation services and by stage according to contract for digitalization services	RMB284.5 million
5	. . . Alibaba Group <sup>(2)</sup>	Value-added services under our passenger transportation services business	3.1	0.4	2016	The Alibaba Group is a leading technology conglomerate engaged in various businesses and the subsidiary of the Alibaba Group with which we cooperate primarily engaged in online travel platform services. The Alibaba Group is listed on both the NYSE and the main board of the Hong Kong Stock Exchange.	10 business days upon issuance of invoice	US\$154.6 million

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Rank	Customer	Products/ Services Purchased	Transaction Amount	Percentage of Total Revenue	Business Relationship Since	Principal Business	Credit Term	Registered Capital
			<i>(RMB in millions)</i>	<i>(%)</i>				
<b>For the Year Ended December 31, 2023</b>								
1	. . . Beijing Kaibao	IT equipment under our digitalization and business solutions business	34.9	2.9	2021	Primarily engaged in the provision of information services.	Upon the receipt of payment from end customers	RMB11 million
2	. . . Beijing Sifang Relay Protection Automation Co., Ltd. (北京四方繼保自動化股份有限公司)	IT equipment and technology service under our digitalization and business solutions business	24.0	2.0	2022	Primarily engaged in the manufacturing of power transmission and distribution and control equipment, power electronic devices and industrial automatic control system devices. This customer is listed on the Shanghai Stock Exchange.	90 days upon delivery and issuance of invoice	RMB832.3 million
3	. . . Trip.com Group Ltd. (攜程集團有限公司)	Value-added services under our passenger transportation services business	6.7	0.6	2019	Trip.com Group Ltd. is a leading technology conglomerate engaged in various businesses and the subsidiaries of Trip.com Group Ltd. with which we cooperate primarily engaged in online travel services. The Trip.com Group Ltd. is listed on both the NASDAQ the Hong Kong Stock Exchange.	3 business days upon notification	N.A.
4	. . . Customer A <sup>(1)</sup> (客戶A)	Bus ticket sales technology under our passenger transportation services business	5.2	0.4	2013	Primarily engaged in the provision of passenger transportation services. This customer is listed on the Shanghai Stock Exchange.	3 business days upon settlement	RMB284.5 million
5	. . . Customer B <sup>(1)</sup> (客戶B)	Electronic ticket equipment and services under our digitalization and business solutions business	5.0	0.4	2021	Primarily engaged in the management of passenger transportation stations.	by stage according to contract	RMB82.6 million

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Rank	Customer	Products/ Services Purchased	Transaction Amount	Percentage of Total Revenue	Business Relationship Since	Principal Business	Credit Term	Registered Capital
			<i>(RMB in millions)</i>	<i>(%)</i>				
<b>For the Six Months Ended June 30, 2024</b>								
1 . .	Customer C <sup>(1)</sup> (客戶C)	System integration services under our digitalization and business solutions business	16.3	2.2	2016	Primarily engaged in the management of passenger transportation stations.	by stage according to contract	RMB60.4 million
2 . .	Beijing Kaibao	IT equipment under our digitalization and business solutions business	9.8	1.3	2021	Primarily engaged in the provision of information services.	Upon the receipt of payment from end customers	RMB11 million
3 . .	Beijing Sifang Relay Protection Automation Co., Ltd. (北京四方繼保自動化股份有限公司)	IT equipment and technology service under our digitalization and business solutions business	7.9	1.1	2022	Primarily engaged in the manufacturing of power transmission and distribution and control equipment, power electronic devices and industrial automatic control system devices. This customer is listed on the Shanghai Stock Exchange.	90 days upon delivery and issuance of invoice	RMB832.3 million
4 . .	Customer D <sup>(1)</sup> (客戶D)	IT equipment under our digitalization and business solutions business	5.2	0.7	2024	Primarily engaged in the provision of security technology protection system design and construction services. This customer is the subsidiary of a listed company on the Shenzhen Stock Exchange.	payment after receiving invoice	RMB130 million
5 . .	Trip.com Group Ltd. (攜程集團有限公司)	Value-added services under our passenger transportation services business	3.1	0.4	2019	Trip.com Group Ltd. is a leading technology conglomerate engaged in various businesses and the subsidiaries of Trip.com Group Ltd. with which we cooperate primarily engaged in online travel services. The Trip.com Group Ltd. is listed on both the NASDAQ the Hong Kong Stock Exchange.	3 business days upon notification	N.A.

**Notes:**

- (1) This customer did not consent to the disclosure of its name in this Document.
- (2) The entity we provided services to was primarily Fliggy.



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Beijing Kaibao was among our five largest customers in each period of the Track Record Period. Revenue from Beijing Kaibao in each period of the Track Record Period amounted to RMB4.2 million, RMB34.9 million, RMB34.9 million, and RMB9.8 million, representing 0.8%, 4.3%, 2.9% and 1.3%, respectively, of our total revenue for the respective periods. In addition, Alibaba Group was among our five largest customers in 2022. Revenue from Alibaba Group in 2022 amounted to RMB3.1 million, representing 0.4% of our total revenue for that year. Beijing Kaibao and Alibaba Group will become our connected persons as defined under the Listing Rules. Please see “Connected Transactions — Connected Persons.”

Save for the above, during the Track Record Period and up to the Latest Practicable Date, none of our Directors, their respective associates, or any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of the Company’s issued share capital) had any interest in any of our five largest customers.

### **Third-party Payment Arrangement**

Historically, as requested by certain of our customers (individual or collectively, the “**Relevant Counterparty(ies)**”), our Group settled transactions with them through the accounts of third parties designated by these Relevant Counterparties (the “**Third-party Payment Arrangement**”). The Third-party Payment Arrangement mainly involved (i) settlements of payments from our customers for our digitalization and business solutions projects, and (ii) settlements of ticket fares from our Group to the passenger transportation stations and the passenger transportation companies under our passenger transportation services sector. In 2021, 2022, 2023 and the six months ended June 30, 2024, the amount of payment from designated third parties of the Relevant Counterparties to our Group was approximately nil, nil, RMB0.3 million and RMB0.2 million, respectively, representing nil, nil, 0.02% and 0.03% of our total revenue during the relevant period. During the same period, the revenue from Relevant Counterparties to whom we made payment amounted to RMB1.0 million, RMB0.6 million, RMB1.6 million and RMB0.5 million, respectively, representing 0.17%, 0.07%, 0.13% and 0.07% of our total revenue during the relevant period. No individual Relevant Counterparty had made material contribution to our Group’s revenue during the Track Record Period. Our Directors confirmed that, none of the designated third parties of any customers during the Track Record Period was a connected person of our Group and such designated third parties were independent from each of our Group’s Directors, senior management and Shareholders.

The use of the Third-party Settlement Arrangement is primarily for the convenience of the Relevant Counterparties. As confirmed by Frost & Sullivan, Third-party Settlement Arrangement is not uncommon in the industry. Our Group had ceased all Third-party Payment Arrangement by the Latest Practicable Date. Our Group considers that the cessation of arrangements did not have, nor will have, any material adverse effect on the business, operations and financial results of our Group.

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Confirmation had been sought from our customers and their designated third-party payers or collectors involved in the Third-party Payment Arrangement that, (i) all settlements with our Group were supported by genuine transactions; (ii) the settlement amounts were consistent with the amounts incurred under the relevant transactions; (iii) there were no commercial bribery, money laundering, tax evasion or existing or potential disputes with our Group associated with the Third-party Payment Arrangement; and (iv) each of them had never and would not claim any interests as to any transaction payment to or from our Group through the Third-party Payment Arrangement, and any risk associated with the Third-party Payment Arrangement will be borne by the customers and their designated third parties instead of our Group.

As advised by our PRC Legal Advisor, (i) the applicable laws or regulations in China do not explicitly forbid the Third-party Payment Arrangement so long as it is based on genuine transactions; and (ii) as to customers and their designated third parties who have provided duly signed confirmation letters mentioned above, the risks are relatively low for our Group to be found obligated to return funds to the customers or their designated third parties under the Third-party Payment Arrangement.

Based on the foregoing, our Directors consider that the use of the Third-party Payment Arrangement did not have any material adverse impact on our Group.

We adopted enhanced internal control measures to safeguard our interest against risks associated with the Third-party Payment Arrangement, including but not limited to the following:

- in our agreements with our customers, bank account information of each customer will be set out with the assurance that such information is consistent with the business licenses of the relevant customer;
- our Group will closely monitor payment account information of our customers to identify any Third-party Settlement Arrangement;
- for payments made to any counterparties, financial staff of our Group will check their account information before making any payments;
- our employees are required to reject and/or return all payments made by third-party payers and payment requests from third-party collectors that failed to satisfy the above-mentioned requirements; and
- we manage our Group's bank accounts in accordance with the principle of segregation of duties. Different personnel of our finance department are assigned with different duties to verify, record, manage and settle transactions through such accounts, to ensure the accuracy of our accounting records, reduce the risks of account misuse and avoid account security risks.

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Our Directors are of the view that the above measures are effective and adequate in preventing unauthorized Third-party Payment Arrangement and its associated risks, and our Directors will oversee the effectiveness of the aforementioned enhanced internal controls on the Third-party Payment Arrangement in the future.

### OUR SUPPLIERS

For our passenger transportation services business, we mainly procured services from regional technology providers, electronic payment platforms and telecommunications operators. For our ride-hailing service business, our suppliers are mainly drivers, car partners, aggregation platforms and SaaS technical service provider which matches demand from passengers on aggregation platforms to drivers on our platform. For our digitalization and business solutions business, our suppliers are mainly software and hardware providers.

We select our suppliers based on the quality of services, prices and our business needs. We normally settle our payables to suppliers by bank transfer and electronic payment.

Purchases from, or cost of sales arising from our transactions with, our five largest suppliers accounted for 12.8%, 12.7%, 11.0% and 9.8% of our total purchase amount, or total cost of sales, for the years ended December 31, 2021, 2022, and 2023, and the six months ended June 30, 2024, respectively. Our largest supplier accounted for 6.8%, 7.2%, 6.5% and 6.1% of our total purchase amount for the years ended December 31, 2021, 2022, and 2023, and the six months ended June 30, 2024, respectively.

The following table sets forth certain information of our top five suppliers in each relevant time period during the Track Record Period.

Rank	Supplier	Products/Services Provided	Transaction Amount	Percentage of Total Cost of Sales	Business Relationship Since	Principal Business	Credit Term	Registered Capital
			<i>(RMB in millions)</i>	<i>(%)</i>				
<b>For the Year Ended December 31, 2021</b>								
1	Alibaba Group <sup>(1)</sup> (阿里巴巴集團)	Passenger traffic and other information services	34.2	6.8	2016	The Alibaba Group is a leading technology conglomerate engaged in various businesses and the subsidiaries of the Alibaba Group with which we cooperate primarily engaged in online travel platform services and cloud computing services. The Alibaba Group is listed on both the NYSE and the main board of the Hong Kong Stock Exchange.	15 business days after receiving invoice	US\$154.6 million

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Rank	Supplier	Products/Services Provided	Transaction Amount <i>(RMB in millions)</i>	Percentage of Total Cost of Sales <i>(%)</i>	Business Relationship Since	Principal Business	Credit Term	Registered Capital
2 . .	Xiamen Yunxing Information Technology Co., Ltd. <i>(廈門雲行信息科技有限公司)</i>	Technology services	16.0	3.2	2019	Primarily engaged in providing software development and services.	Two business days after reconciliation	US\$0.5 million
3 . .	Supplier A <sup>(1)</sup> <i>(供應商A)</i>	Car partner services	6.5	1.3	2020	Primarily engaged in the wholesale and retail sales of automobiles.	Ten business days after receiving invoice	RMB0.1 million
4 . .	Supplier B <sup>(1)</sup> <i>(供應商B)</i>	Servers	4.0	0.8	2021	Primarily engaged in technology development service and technical advisory services.	5 business days upon delivery	RMB20.0 million
5 . .	Kunming Aoshi Technology Co., Ltd. <i>(昆明奧視科技有限公司)</i>	LED display	4.0	0.8	2019	Primarily engaged in software development, technical consulting, and information system integration services.	By stage according to contract	RMB6.8 million
<b>For the Year Ended December 31, 2022</b>								
1 . .	Alibaba Group <sup>(1)</sup> <i>(阿里巴巴集團)</i>	Passenger traffic and other information services	54.5	7.2	2016	The Alibaba Group is a leading technology conglomerate engaged in various businesses and the subsidiaries of the Alibaba Group with which we cooperate primarily engaged in online travel platform services and cloud computing services. The Alibaba Group is listed on both the NYSE and the main board of the Hong Kong Stock Exchange.	15 business days after receiving invoice	US\$154.6 million

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Rank	Supplier	Products/Services Provided	Transaction Amount <i>(RMB in millions)</i>	Percentage of Total Cost of Sales <i>(%)</i>	Business Relationship Since	Principal Business	Credit Term	Registered Capital
2 . .	China Great Wall Technology Co., Ltd. (中電長城科技有 限公司)	Electronic equipment	17.0	2.2	2022	Primarily engaged in the provision of technical development and consulting services. This supplier is the subsidiary of a listed company on the Shenzhen Stock Exchange.	Three business days after execution of contract	RMB1,000.0 million
3 . .	Xiamen Yunxing Information Technology Co., Ltd. (廈門雲行信息科 技有限公司)	Technology services	15.9	2.1	2019	Primarily engaged in providing software development and technology services.	Two business days after reconciliation.	US\$0.5 million
4 . .	Trip.com Group Ltd. (攜程集團有限公 司)	Passenger traffic and platform services	5.4	0.7	2019	Trip.com Group Ltd. is a leading technology conglomerate engaged in various businesses and the subsidiaries of Trip.com Group Ltd. with which we cooperate primarily engaged in online travel services. The Trip.com Group Ltd. is listed on both the NASDAQ the Hong Kong Stock Exchange.	Payment would be settled after the reconciliation of the previous month is completed.	N/A
5 . .	Supplier C <sup>(1)</sup> (供應商C)	Software	3.6	0.5	2022	Primarily engaged in provision of technical development and consulting services.	Ten business days upon acceptance of goods	RMB2.0 million

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Rank	Supplier	Products/Services Provided	Transaction Amount <i>(RMB in millions)</i>	Percentage of Total Cost of Sales <i>(%)</i>	Business Relationship Since	Principal Business	Credit Term	Registered Capital
<b>For the Year Ended December 31, 2023</b>								
1	Alibaba Group <sup>(1)</sup> (阿里巴巴集團)	Passenger traffic and other information services	73.3	6.5	2016	The Alibaba Group is a leading technology conglomerate engaged in various businesses and the subsidiaries of the Alibaba Group with which we cooperate primarily engaged in online travel platform services and cloud computing services. The Alibaba Group is listed on both the NYSE and the main board of the Hong Kong Stock Exchange.	15 business days after receiving invoice	US\$154.6 million
2	Xiamen Yunxing Information Technology Co., Ltd. (廈門雲行信息科技有限公司)	Technology services	17.9	1.6	2019	Primarily engaged in providing software development and technology services.	Two business days after reconciliation.	US\$0.5 million
3	Trip.com Group Ltd. (攜程集團有限公司)	Passenger traffic and platform services	42.8	6.1	2019	Trip.com Group Ltd. is a leading technology conglomerate engaged in various businesses and the subsidiaries of Trip.com Group Ltd. with which we cooperate primarily engaged in online travel services. The Trip.com Group Ltd. is listed on both the NASDAQ the Hong Kong Stock Exchange.	Payment would be settled after the reconciliation of the previous month is completed.	N/A

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Rank	Supplier	Products/Services Provided	Transaction Amount <i>(RMB in millions)</i>	Percentage of Total Cost of Sales <i>(%)</i>	Business Relationship Since	Principal Business	Credit Term	Registered Capital
4	China Great Wall Technology Co., Ltd. (中電長城科技有限公司)	Electronic equipment	10.3	0.9	2022	Primarily engaged in the provision of technical development and consulting services. This supplier is the subsidiary of a listed company on the Shenzhen Stock Exchange.	Seven business day after execution of contract	RMB1,000 million
5	Beijing Digital China Co., Ltd. (北京神州數碼有限公司)	Network switches under our digitalization and business solutions business	7.5	0.7	2022	Primarily engaged in the provision of technical development and consulting services. This supplier is the subsidiary of a listed company on the Shenzhen Stock Exchange.	90 days after shipment of goods	RMB1,000 million
<b>For the Six Months Ended June 30, 2024</b>								
1	Alibaba Group <sup>(1)</sup> (阿里巴巴集團)	Passenger traffic and other information services	42.8	6.1	2016	The Alibaba Group is a leading technology conglomerate engaged in various businesses and the subsidiaries of the Alibaba Group with which we cooperate primarily engaged in online travel platform services and cloud computing services. The Alibaba Group is listed on both the NYSE and the main board of the Hong Kong Stock Exchange.	The final payment would be settled after the reconciliation of the previous month is completed, which would normally take place on the 16th business day of the following month.	US\$154.6 million

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Rank	Supplier	Products/Services Provided	Transaction Amount <i>(RMB in millions)</i>	Percentage of Total Cost of Sales <i>(%)</i>	Business Relationship Since	Principal Business	Credit Term	Registered Capital
2	Xiamen Yunxing Information Technology Co., Ltd. (廈門雲行信息科技有限公司)	Technology services	12.2	1.7	2019	Primarily engaged in providing software development and technology services.	Two business days after reconciliation.	US\$0.5 million
3	China Great Wall Technology Co., Ltd. (中電長城科技有限公司)	Electronic equipment	5.7	0.8	2022	Primarily engaged in the provision of technical development and consulting services. This supplier is the subsidiary of a listed company on the Shenzhen Stock Exchange.	Seven business days after execution of contract	RMB1,000 million
4	Trip.com Group Ltd. (攜程集團有限公司)	Passenger traffic and platform services	5.2	0.7	2019	Trip.com Group Ltd. is a leading technology conglomerate engaged in various businesses and the subsidiaries of Trip.com Group Ltd. with which we cooperate primarily engaged in online travel services. The Trip.com Group Ltd. is listed on both the NASDAQ the Hong Kong Stock Exchange.	Payment would be settled after the reconciliation of the previous month is completed.	N/A
5	Supplier D <sup>(2)</sup> (供應商D)	Electronic equipment	3.2	0.4	2016	Primarily engaged in the development, consulting, sales, and after-sales service of computer software and hardware.	By stage according to contract	RMB5.0 million

*Notes:*

- (1) The entities we purchased services from primarily included Gaode and Alibaba Cloud.
- (2) This supplier did not consent to the disclosure of its name in this Document.



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Alibaba Group was our top supplier in each period of the Track Record Period. Please see “Risk Factors — Our ride-hailing services business depends on our collaboration with a limited number of aggregation platforms”. Alibaba Group will become our connected person as defined under the Listing Rules. Please see “Connected Transactions — Connected Persons.”

Save for the above, during the Track Record Period and up to the Latest Practicable Date, none of our Directors, their respective associates, or any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of the Company’s issued share capital) had any interest in any of our five largest suppliers.

### OVERLAPPING OF CUSTOMERS AND SUPPLIERS

Alibaba Group was among our five largest customers in 2022 and it was also our top supplier during the Track Record Period. During the Track Record Period, we primarily provided value-added services to Alibaba Group, and our purchases from Alibaba Group consisted primarily of passenger traffic for our ride-hailing services business and cloud computing services. Fliggy, the subsidiary of Alibaba Group with whom we transacted with during the Track Record Period, is a significant and influential player within the travel service industry, integrating resources from thousands of ticket agents, airlines, travel agencies and hotel providers to offer travellers services including flight bookings, hotel reservations and travel packages. For our passenger transportation services business, we leveraged our expansive coverage of passenger transportation stations and provided value-added services to Alibaba Group. Please see “— Passenger Transportation Services — Internet Ticketing Services — Pricing revenue and model”. For our ride-hailing services business, Gaode, a subsidiary of Alibaba Group, possesses one of China’s top aggregation platforms. Its vast network consistently provided us with a significant influx of passenger traffic, thereby bolstering our market presence.

In 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, revenue from Alibaba Group amounted to RMB1.6 million, RMB3.1 million, RMB1.9 million, RMB1.8 million and RMB0.2 million, respectively, representing 0.3%, 0.4%, 0.2%, 0.3% and 0.03%, respectively, of our total revenue for the respective periods. In 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, purchases from, or cost of sales attributable to, Alibaba Group amounted to RMB34.2 million, RMB54.5 million, RMB73.3 million, RMB41.6 million and RMB42.8 million, respectively, representing 6.8%, 7.2%, 6.5%, 7.9%, and 6.1%, respectively, of our total purchases, or total cost of sales, for the respective periods.

Our Directors are of the view that our sales to and purchase from Alibaba Group are conducted in the ordinary course of business under normal commercial terms on an arm’s-length basis after due and careful consideration.

Trip.com Group Ltd. was among our five largest customers in 2023 and during the six months ended June 30, 2024 and it was also our supplier during the same periods. During the Track Record Period, we primarily provided value-added services to Trip.com Group Ltd., and our purchases from Trip.com Group Ltd. consisted primarily of passenger traffic for our ride-hailing services business. Trip.com Group Ltd., leverages its extensive network of ticket

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agents, airlines, travel agencies, and hotel providers to offer a comprehensive suite of travel services including flight bookings, hotel reservations, car rentals, and travel packages, catering to a wide range of traveller needs. For our passenger transportation services business, we leveraged our expansive coverage of passenger transportation stations and provided value-added services to Trip.com Group Ltd. Please see “— Passenger Transportation Services — Internet Ticketing Services — Pricing revenue and model”. For our ride-hailing services business, Trip.com Group Ltd. possesses one of China’s major aggregation platforms. Its vast network consistently provided us with a significant influx of passenger traffic, thereby bolstering our market presence. Our Directors are of the view that our sales to and purchase from Trip.com Group Ltd. are conducted in the ordinary course of business under normal commercial terms on an arm’s-length basis after due and careful consideration.

In 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, revenue from Trip.com Group Ltd. amounted to RMB0.6 million, RMB1.7 million, RMB6.7 million, RMB4.2 million and RMB3.1 million, respectively, representing 0.1%, 0.2%, 0.6%, 0.7% and 0.4%, respectively, of our total revenue for the respective periods. In 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, purchases from, or cost of sales attributable to, Trip.com Group Ltd. amounted to RMB36.0 thousand, RMB5.4 million, RMB14.2 million, RMB6.5 million and RMB5.2 million, respectively, representing 0.01%, 0.7%, 1.3%, 1.2% and 0.7%, respectively, of our total purchases, or total cost of sales, for the respective periods.

## MARKETING AND BRANDING

We enjoy strong brand recognition among passengers, transportation service providers and ride-hailing drivers. We attract and retain riders by offering superior travel experience, both from various aggregation platforms and from our own platform. We routinely publish contents on our public accounts. We also engage in offline promotion, such as placing roll-up marketing banners at bus stations. We also engage in a combination of cross-marketing and rewards program.

We will continue to use our focused marketing strategy to further enhance awareness of our brands and acquire new target users.

## COMPETITION

China’s traditional road passenger transportation information service market and customized road passenger transportation information service market are relatively fragmented with the top three players capturing approximately 42.9% and 22.8% of the total market share, respectively, in 2023.

For our proprietary information systems such as CloudStation and Keyunda, we compete with other passenger transportation information service provider. For our passenger-facing platforms such as Chuxing 365, we compete primarily with other travel service platforms, including domestic consolidators of airline, bus and railway tickets as well as traditional travel agencies. As China’s travel market continues to evolve, we may be faced with increased

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competition from new domestic travel service platforms, including the ones operated by other major internet companies, or international players that seek to expand into China. We may also face increasing competition from airlines, railway companies and transportation companies as they increase their direct selling efforts or engage in alliances with other travel service providers, as well as content platforms and social networks entering into the travel industry.

We compete based on a number of factors, including, among other things, brand recognition, depth and breadth of products offerings, price competitiveness, and user support 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 supplier bases, or stronger financial, technical or marketing resources than we do.

China’s ride-hailing services market is relatively concentrated with the top five players occupying approximately 90.7% of the total market share in 2023.

Our ride-hailing services business competes with personal vehicle ownership and usage and with traditional transportation services, including public transportation and taxis. To grow our ride-hailing services business, we compete to attract, engage, and retain users based on the quality of our mobility services in terms of safety, price, convenience, and comfort as well as our ability to provide other service offerings that cater to their essential needs. We also compete to attract, engage, and retain drivers on our platform based on our ability to increase their income, simplify their operational workflows, and lower vehicle total cost of ownership.

In 2023, the number of market players in China’s digitalization and business solutions for road passenger transportation industry was more than 100. Our digitalization and business solutions business competes with other digitalization service providers that serve the passenger transportation industry as well as other industries. The intensification of competition has resulted in the compression of overall gross profit margin of the digitalization and business solutions industry. The combination of these factors means that potential entrants to our industries face relatively low entry barriers.

See “Risk Factors — The industries in which we operate are highly competitive. If we do not compete effectively or successfully against existing and new competitors, we may lose our market share, and our business may be materially and adversely affected.” and “Industry Overview” for more information about the market where we operate and the competition we face.

## INTELLECTUAL PROPERTY

Our intellectual property rights primarily include trademarks and domain names associated with the name “Shengwei Times” and copyright and other rights associated with our websites, technology platform, booking software, and other aspects of our business. We regard our intellectual property as a critical factor contributing to our success, although we are not dependent on any patents, intellectual property related contracts or licenses other than some commercial software licenses available to the general public. We rely on trademark and copyright law, trade secret protection, and confidentiality agreements with our employees to protect our intellectual property rights. We require our employees to enter into agreements to

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keep confidential all information relating to our users, methods, business, and trade secrets during and after their employment with us. Our employees are required to acknowledge and recognize that all inventions, trade secrets, works of authorship, developments, and other processes made by them during their employment are our property.

As of June 30, 2024, we had 33 patents registered with the PRC Intellectual Property Administration, including 28 invention patents, three utility model patents and two design patents in China.

As of June 30, 2024, we had 228 computer software copyrights registered with the PRC Copyright Administration.

As of June 30, 2024, we had 71 registered domain names in China, which we had full legal rights over these domain names. As of the Latest Practicable Date, all of our registered domain names were in effect.

For details of our intellectual property rights, see “Appendix VII — Statutory and General Information — Further Information About Our Business — Our Intellectual Property Rights.” During the Track Record Period and up to the Latest Practicable Date, no material claims or disputes were brought against us in relation to any infringement of trademarks, copyrights or other intellectual properties.

## ENVIRONMENTAL, SOCIAL, GOVERNANCE MATTERS

### Overview

Corporate social responsibility (CSR) is a fundamental aspect of our core business philosophy and a key driver in delivering sustainable value to our shareholders. We are deeply committed to advancing CSR and sustainability, integrating these principles into every major facet of our operations. For this purpose, we have implemented a comprehensive set of environmental, social, and governance (ESG) policies that guide the management of ESG matters.

Upon [REDACTED], we will fully comply with the *Environmental, Social and Governance Reporting Guide* set out in MB Appendix C2 of the Listing Rules, taking responsibility for issuing an annual ESG report. This report will address key ESG issues, assess risk management strategies, and track the progress of performance targets. We will particularly focus on disclosing material environmental, social, and governance issues that could significantly impact our sustainability efforts and are of critical importance to our shareholders. Through this transparent and proactive approach, we aim to align our business practices with long-term value creation while upholding our commitment to responsible corporate citizenship.

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We believe that effectively assessing and managing key ESG issues, and integrating them into our strategy and daily operations, is essential for long-term sustainable growth. This requires the active leadership of the Board of Directors. Upon [REDACTED] or when appropriate, the Board will be fully responsible for establishing, implementing, and reviewing the ESG strategies and policies, ensuring compliance with the *Environmental, Social and Governance Reporting Guide* in MB Appendix C2 of the Listing Rules. These policies will be regularly updated in line with evolving laws, regulations, and industry standards.

The Board will oversee the identification, assessment, and management of ESG-related risks and opportunities, ensuring a strong ESG risk management and internal control system. The Board will annually ESG report and adjust strategies as needed. The Strategic Decision Committee will oversee and manage ESG-related risks and matters, including formulating ESG strategies and policies, monitoring ESG issues, and advising the Board. To implement these strategies, the Board has appointed the CEO's office responsible for executing ESG initiatives and aligning operations with ESG goals. Through this structured approach, we are committed to creating long-term value while upholding our corporate responsibility and advancing ESG progress.

After [REDACTED], we plan to recruit ESG specialists to strengthen our core competencies in sustainability. At the same time, we will enhance ESG training for directors, senior management, and all employees, aiming to elevate their expertise and skill levels in this field.

In managing environmental, social, and climate-related issues, we will consider the concerns of internal and external stakeholders, align with the specific characteristics of our business, and incorporate recommendations from third-party professionals to ensure our ESG strategies are both sound and forward-looking.

### **Identification, Assessment, and Management of Key ESG Risks and Opportunities**

The Board is fully responsible for establishing and maintaining an effective ESG risk management and internal control system, regularly assessing its effectiveness in safeguarding the Group's assets and shareholder interests. After [REDACTED], we will conduct an annual risk assessment, covering current and potential business risks, particularly those related to ESG. Based on the assessment, the Board will review existing strategies, objectives, and controls, and implement necessary improvements to mitigate risks effectively.

Based on the judgment of the Board and management, and with reference to the materiality map provided by recognized external organizations such as the Sustainability Accounting Standards Board (SASB), along with third-party expert opinions, we have identified key ESG issues highly relevant to our business. Accordingly, we have integrated ESG risks into our overall risk assessment process to ensure these critical issues are effectively managed and addressed.

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Time horizon	Climate-related risk type	Climate-related risks	Potential impact	Tentative Countermeasures
Short term (current reporting period)	Physical risk: Acute risk	<ul style="list-style-type: none"> <li>• Extreme weather conditions such as rainstorms and typhoons</li> </ul>	<ul style="list-style-type: none"> <li>• Disrupt services, damage vehicles, and reduce customer satisfaction, negatively affecting revenue and brand reputation.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement real-time weather alerts and adjust operations accordingly to ensure safe service and timely customer notifications during adverse conditions.</li> </ul>
Medium term (one to three years)	Transition risk: Policies and laws	<ul style="list-style-type: none"> <li>• Heightened environmental regulatory oversight</li> </ul>	<ul style="list-style-type: none"> <li>• Raise operational costs due to tighter emission standards and compliance demands.</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize vehicle scheduling and energy management to boost efficiency, promote greener operations, and ensure regulatory compliance, reducing extra costs.</li> </ul>
	Transition risk: Technology	<ul style="list-style-type: none"> <li>• Technological innovation for carbon emission reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Increase costs due to the need for adopting cleaner technologies and adjusting current operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Stay updated on carbon policies and tech trends, gradually implement energy-efficient technologies</li> </ul>
	Transition risk: Market	<ul style="list-style-type: none"> <li>• Enhancement of consumers’ environmental awareness</li> </ul>	<ul style="list-style-type: none"> <li>• Customer loss, weakening market competitiveness and brand reputation.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement green travel solutions, and increase the use of clean energy vehicles to enhance market appeal and maintain competitiveness.</li> </ul>

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<b>Time horizon</b>	<b>Climate-related risk type</b>	<b>Climate-related risks</b>	<b>Potential impact</b>	<b>Tentative Countermeasures</b>
Long term (above three years) . . . . .	Physical risk: Chronic risk	<ul style="list-style-type: none"> <li>Global warming and sea level rise caused by continuous high temperatures</li> </ul>	<ul style="list-style-type: none"> <li>Increase infrastructure damage and extreme weather events, destabilize transport services and raise operational costs.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen climate risk management, optimize operations and infrastructure in high-risk areas, and adopt energy-efficient and sustainable technologies to enhance operational resilience.</li> </ul>

We will enhance our climate risk management capabilities and actively explore effective ways to reduce GHG emissions in our daily operations to address climate change. At the same time, we will adopt energy-efficient technologies and driving green transformation to further reduce operational costs.

In addition to climate-related risks, we have identified the following material ESG issues and their potential impacts.

<b>Material Topics</b>	<b>Potential Risks, Opportunities and Impacts</b>
Workplace safety . . . . .	Failing to maintain a safe work environment may expose us to operational disruptions and legal liabilities. We prioritize creating a safe and healthy workplace by implementing rigorous safety protocols, conducting regular inspections, and providing continuous safety training to prevent accidents and ensure the well-being of our employees.
Driver and passenger safety . . . . .	Failing to ensure the safety of drivers and passengers may result in service interruptions and a decline in customer trust. We implement measures before, during, and after the journey, as well as in emergency response, supported by comprehensive training, to effectively safeguard the safety of all parties involved.

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Material Topics	Potential Risks, Opportunities and Impacts
Employee care . . . . .	Neglecting employee care may bring us the risk of talent loss. We focus on equal rights, diversity and welfare of employee and fairly evaluate employee performance and cultivate employee skills to attract, reserve, promote, and retain talent.
Social responsibility . . . . .	Neglecting corporate social responsibility could pose reputational risks. Therefore, we place great importance on corporate social responsibility, actively contributing to the development of industry standards and providing tangible support to society, aiming to enhance our social credibility and reputation while creating opportunities for business growth.
Energy saving and emission reduction . . . . .	Neglecting sustainable operations poses potential risks of rising costs and reputational damage. Therefore, we focus on improving operational efficiency, reducing energy and resource consumption, and promoting green practices to minimize waste and mitigate climate impact.

The following outlines the measures we have implemented to manage and mitigate risks associated with key ESG issues.

### Workplace safety

We fully recognize the critical importance of employee safety and has implemented the *Fire Safety Management Procedures* (《火災管理辦法》) to effectively prevent and mitigate fire risks, which requires regular fire hazard inspections across all office areas and departments. Any risks, immediate action is taken to ensure timely rectification.

To enhance fire safety awareness and emergency response capabilities, the *Fire Safety Management Procedures* also require (i) regular fire drills and fire safety training sessions; (ii) fire safety warning signs to be prominently displayed; (iii) volunteer firefighters to be trained on the use of fire extinguishers; and (iv) optimization of emergency plan.

### Driver and passenger safety

We prioritize the safety of drivers and passengers by implementing a comprehensive set of safety measures, including the *Pre-employment and On-the-job Safety Education Training System for Registered Drivers* (《註冊駕駛員崗前崗中安全教育培訓制度》) and the *365 Ride-Hailing Safety Management Regulations* (《365約車司乘安全管理制度》). These measures cover all stages of the journey.



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Before the journey, our strict entry requirements mandate that drivers provide their identification, driver’s license, and vehicle registration documents. We also review their qualifications and industry experience, and conduct facial recognition checks before they accept any trips to ensure identity consistency and minimize risks.

During the journey, we leverage advanced technology and big data analytics to safeguard the safety of drivers and passengers. We actively collect customer feedback and employ virtual intermediary numbers to protect the privacy of passengers. Passengers can share their trip details, and in emergencies, they can use the “110 Alarm” button to send alerts containing trip information and location to their designated emergency contacts. Furthermore, we have established a robust emergency response mechanism, providing 24/7 support and assistance with claims.

After the journey, we focus on enhancing driver safety education and service quality. We employ a hybrid approach, combining online and offline training, to strengthen drivers’ safety awareness, driving skills, and compliance. The platform includes a “Driver Classroom” (《司機課堂》) offering drivers a wealth of learning resources. By participating in courses and passing assessments, drivers can continuously enhance their safety and service skills.

### **Employee care**

By implementing the *Human Resources Management Handbook* (《人力資源管理手冊》) and related policies, we standardize employment management and have established an efficient, people-oriented HR system focused on employee development and mutual growth. We are committed to equal and diverse employment practices, strictly prohibiting discrimination in hiring, as well as the use of child and forced labor. In the Human Resources Management Handbook, we also establish comprehensive benefits package. We ensure that employees’ legal rights in recruitment, dismissal, compensation, and benefits are protected, fostering an inclusive work environment.

We have established the *Compensation Management Procedure* (《薪酬管理制度》), where salary distribution and adjustments are based on employees’ annual performance evaluations and the company’s overall profitability. This ensures transparency and fairness in compensation, fostering mutual growth between employees and the company.

We believe that our talents are an integral part of our success and will invest significant resources in career development and training for our employees of all levels. See “—Employees” for further details.

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The following are employee-related key performance indicators for the reporting period:

Employee-related key performance indicators	For the six months ended June 30, 2024
Total number of employees . . . . .	447
Number of employees by gender	
Male . . . . .	263
Female . . . . .	184

### Social responsibility

The Company has always regarded social responsibility as an integral part of its development and is committed to benefiting society through practical actions. We leverage advanced technologies such as big data and cloud computing to deeply explore the online ticketing field and have been the main drafter of several transportation industry standards, including *Road Passenger Transport Networking Ticketing System Part 1: Service Interface Specifications, Part 2: Information Data Elements, Part 3: Data Exchange, Part 7: Technical Specifications of Ticket Booking System, Part 9: Technical Specifications of Mobile Terminal Ticket Booking System*, and *Technical Requirements for Interoperability of Integrated Transportation Electronic Ticket Information System*. In 2022, our Keyunda was awarded the Second Prize for Transport and Logistics Innovation by the China Highway & Transportation Society (中國公路學會運輸與物流創新成果二等獎), demonstrating our significant contribution to the field. “Theories, Policies, and Key Technologies for the Development of Road Passenger Transport in China,” co-drafted with the Ministry of Transport’s Highway Research Institute, won third prize in the 2022 China Highway & Transportation Society Science and Technology Awards.

Through our ride-hailing platform “365 Ride,” we have actively engaged in public welfare activities and fulfilled our social responsibilities, demonstrating corporate commitment. During the college entrance exam period, we organized charity car fleets for exam candidates.

In response to natural disasters, we act swiftly, actively participating in flood relief efforts by providing essential supplies to ensure timely assistance for affected communities, aiding in post-disaster reconstruction and recovery of livelihoods.

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### Anti-Corruption

We prioritize anti-corruption and integrity efforts, maintaining a strict stance against any violations of discipline and regulations. To strengthen corporate governance and internal controls, and to prevent fraud and commercial bribery while safeguarding the legal rights of the company and its shareholders, we establish the *Anti-Fraud and Anti-Bribery Policy* (《反舞弊、反商業賄賂制度》). The policy sets clear boundaries for fraud and bribery, regulating employee conduct while promoting integrity and diligence. To mitigate the risk of fraud and corruption, the policy details specific control measures, including anti-fraud education, advocacy, reporting mechanisms, remedial actions, and penalties.

The Internal Control Committee serves as the leadership core for the anti-fraud and anti-bribery efforts, guiding and supervising the relevant work. It drives management to foster a culture of anti-fraud and anti-bribery across the company and establishes a comprehensive internal control system that includes these principles.

To ensure that key positions strictly adhere to regulations, we require employees in key positions to sign the *Integrity Commitment* (《廉潔承諾書》). Upon [REDACTED], we will require senior management and all key position employees to further strengthen their commitment and understanding of the *Anti-Fraud and Anti-Bribery Policy* (《反舞弊、反商業賄賂制度》). In addition, we will effectively communicate anti-fraud and anti-bribery policies, procedures, and measures internally through various channels, ensuring that employees receive training on relevant laws, regulations, and ethical standards. This enhances employees' ability to distinguish between lawful and unlawful, honest and dishonest conduct, and ensures adherence to ethical guidelines.

We handle complaints and reports based on principles of fairness, justice, and confidentiality. We have implemented an *Employee Feedback Procedure* (《員工意見反饋制度》), which outlines protective measures for whistleblowers to ensure strict confidentiality of whistleblowers and reports. Public reporting channels are available, encouraging employees to report any suspected corruption or illegal activities. We are committed to conducting timely and thorough investigations to uphold the company's integrity and compliance. During the reporting period, the Group was not involved in any legal cases related to corruption.

### Responsible Supply Chain

Responsible sourcing and robust supply chain management are critical to ensuring product quality and the sustainable development of our supply chain. To promote sustainability and responsible practices, optimize supplier management, and build a strong supplier network, the company has established the *Supplier Management Policy* (《供應商管理辦法》). The policy covers procurement policies, supplier selection, evaluation, and oversight processes. Suppliers are classified and managed based on the characteristics and importance of their products or services, with regular performance reviews evaluating their capabilities, product quality, contract fulfillment, pricing, and after-sales service. The results are used flexibly to adjust supplier relationships. We also focus on developing strategic and high-quality suppliers, optimizing the supplier structure, and managing supply risks to ensure continuous improvement.

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We have formulated *the Procurement Management Policy* (《採購管理制度》) that mandates a fair and transparent supplier selection process, prioritizing suppliers with strong environmental performance and reputation to ensure supply chain quality and compliance. Suppliers undergo evaluations every six months, and those not meeting standards are suspended, with a re-evaluation process in place to encourage improvement. Through effective supply chain management, the company aims to drive business growth, enhance operational efficiency, and promote sustainable practices among suppliers.

### **Environmental protection**

We recognize that environmental protection has become a key element in promoting sustainable development. We are committed to improving environmental practices by focusing on energy conservation and reducing resource consumption during operations, while minimizing excessive emissions and pollution to prevent environmental damage.

#### ***(a) Overview of environmental protection related matters***

We place environmental management at the core of our operations, strictly adhering to the *Environmental Protection Law of the People’s Republic of China* (《中華人民共和國環境保護法》) and relevant regulations. We have established the *Integrated Management Manual for Quality, Environment, and Occupational Health and Safety* (《質量、環境、職業健康安全一體化管理手冊》), continuously optimizing our management system and strengthening environmental controls and long-term mechanisms. In alignment with the national goals of “carbon peak” and “carbon neutrality,” we recognize the importance of managing climate change and reducing greenhouse gas emissions as essential pathways for corporate transformation and sustainable green development. In our daily operations, we endeavor to enhance energy-saving measures, optimize resource allocation, and mitigate transition risks to create a low-carbon, environmentally friendly, and sustainable development model, contributing to the establishment of an ecological society.

To ensure swift and effective action in emergencies, we have implemented the *Emergency Preparedness and Response Control Procedures* (《應急準備與響應控制程序》), which identifies potential incidents and ensures a rapid response to prevent and minimize harm to personnel, property, and the environment. Upon [REDACTED], we will regularly conduct emergency drills and continuously improve any identified gaps, ensuring a comprehensive and efficient emergency management system that reliably safeguards personnel, assets, and environmental safety.

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### **(b) Resource Use and Management Plans**

#### *i. Energy*

To improve energy and fuel efficiency, we will prioritize replacing outdated equipment, adopting energy-saving lighting and efficient office devices, and emphasize regular maintenance to reduce unnecessary energy waste. For company vehicles, we plan to optimize travel schedules, consolidate tasks, and plan routes to lower fuel consumption and emissions. Additionally, we will strengthen the promotion of energy conservation and emission reduction to raise employee awareness.

#### *ii. Water*

We primarily utilize water for daily office and operational activities. We will enhance employees’ awareness of responsible water use through various awareness campaigns, promoting the efficient and sustainable management of water resources.

#### *iii. Resource Consumption*

We are dedicated to conserving resources and reducing environmental impact. To achieve this, we will actively promote paperless office practices, encouraging employees to reduce paper usage in daily tasks. Additionally, to promote the circular use of resources, we will encourage employees to properly recycle or reuse items.

### **Metrics and targets to manage ESG-related risks**

We have established metrics and targets to manage ESG-related risks, with a particular emphasis on environmental concerns.

As our business and workforce grow, we anticipate an increase in energy consumption and waste generation. We are committed to preventing environmental issues and minimizing resource use and waste output through a range of initiatives. Our ongoing commitment to environmental efforts ensures that the impact of daily operations on the environment is kept to a minimum. When setting ESG key performance indicators, we carefully consider industry best practices, historical data, and future developments to balance business growth with environmental responsibility, driving sustainable development. Specifically, we will promote green office practices, optimize energy management, enforce strict waste sorting, and ensure environmental compliance. Furthermore, we strive to reduce per capita energy consumption, water usage, and waste generation. We will continue to work with stakeholders to refine ESG metrics and drive improvements.

In the sections on “Resource Use and Management Plans”, we outline our plan to achieve our environmental goals. Although we do not engage in production processes, we will optimize the use of energy and water resources in our office operations, reducing waste generation to energy and resource costs, thereby reducing operational expenses. Furthermore, we believe improving resource efficiency will streamline management processes and enhanced productivity. On the non-financial side, we believe our environmental initiatives will strengthen the company’s sustainability and demonstrate our commitment to corporate social responsibility.

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We regularly collect and review key performance indicators to ensure their continued relevance to the Group. Below are the key performance indicators for the reporting period:

### *i. Resource consumption*

<b>Resource Consumption</b>	<b>For the years ended December 31,</b>			<b>For the six months ended June 30, 2024</b>
	<b>2021</b>	<b>2022</b>	<b>2023</b>	
Energy Consumption:				
Purchased electricity (kWh) . . . . .	208,211.64	193,190.46	201,991.77	102,012.11
Gasoline (Liters) . . . . .	5,303.12	4,428.40	5,143.06	3,222.12
Total energy consumption (tons of standard coal) . . .	31.29	28.50	30.35	16.00
Total energy consumption per million revenues (tons of standard coal/million revenue) . . . . .	0.06	0.03	0.03	0.02
Water Consumption (tons) . .	1,797.15	2,019.99	2,093.13	903.5
Water consumption per million revenues (tons/million revenue) . . .	3.25	2.48	1.73	1.24

*Notes:*

- The relevant values in the metrics are estimated numbers calculated based on the available data collected by our Group

### *ii. GHG Emission*

<b>Emission</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>For the six months ended June 30, 2024</b>
Scope 1 (direct emissions) (tons CO <sub>2</sub> equivalent) . . .	11.60	9.68	11.25	7.05
Scope 2 (indirect emissions) (tons CO <sub>2</sub> equivalent) . . .	118.74	110.18	115.20	58.18
Total greenhouse gas emissions (tons CO <sub>2</sub> equivalent) . . . . .	130.34	119.86	126.44	65.22
Emissions of greenhouse gas per million revenue (tons CO <sub>2</sub> equivalent/ million revenue) . . . . .	0.24	0.15	0.10	0.09

*Notes:*

- The relevant values in the metrics are estimated numbers calculated based on the available data collected by our Group

Additionally, our ESG-related KPIs encompass social issues, reflecting our strong commitment to corporate social responsibility. We are dedicated to making meaningful contributions to society by ensuring fair and equal treatment for all employees, while maintaining a healthy and safe working environment.

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### EMPLOYEES

As of June 30, 2024, we had 447 full-time employees, all of whom were based in China. The following table sets forth the number of our employees by function and business segment as of June 30, 2024.

<u>Function</u>	<u>Number of Employees</u>	<u>Percentage</u> (%)
Business Operations . . . . .	61	13.7
Research and Development . . . . .	113	25.3
General Administration . . . . .	68	15.2
Sales and Marketing . . . . .	144	32.2
Customer Service . . . . .	<u>61</u>	<u>13.7</u>
Total . . . . .	<u>447</u>	<u>100.0</u>

Our success hinges on our capability to attract, retain, and motivate qualified personnel. We offer our employees competitive compensation packages that include base salaries, performance-based salary, year-end bonuses, project awards and long-term incentives, fostering a productive and motivated workforce.

We primarily recruit our employees through various channels, including industry referrals, online platforms, and recruitment agencies, ensuring a diverse and talented pool of candidates. Once onboard, our employees receive comprehensive initial training and periodic training. Our training programs cover a wide range of topics, from management and operations to sales, marketing, and technology. This ongoing education ensures our team remains proficient and well-versed in the latest industry practices and technologies.

In compliance with PRC laws and regulations, we participate in housing funds and various employee social insurance plans that are organized by applicable competent municipal and provincial government authorities, including housing, pension, medical, work-related injury, maternity, and unemployment insurance. Additionally, we provide some of our staff with accidental insurance coverage, enhancing their overall sense of security and well-being. Our remuneration strategy includes discretionary bonuses, which are based on both the company's overall performance and individual employee achievements. To further incentivize our employees and align their interests with the long-term goals of our company, we implemented plans to grant share-based incentive awards.

We strive to maintain good relationships with our employees. During the Track Record Period, we experienced no material labor disputes, work stoppages, or difficulties in staff recruitment, which reflects our strong organizational culture and appealing work environment.

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We enter into standard confidentiality and employment agreements with our employees. The contracts with our key personnel typically include a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and typically for six months after the termination of his or her employment, provided that we pay a certain amount of compensation during the restriction period.

### INSURANCE

We maintain various types of insurance in relation to our ride-hailing services, including, among others, (i) carrier liability insurance which covers losses to both passengers and drivers, as mandated by the regulations of national and the local transportation departments for ride-hailing service providers and (ii) safety production liability insurance for certain staff. According to the applicable PRC laws and regulations, we do not serve as the actual carrier to passengers during the provision of the passenger transportation services. Accordingly, we are under no obligations to purchase relevant insurances for passenger transportation and safety transit.

As required by laws and regulations, we require the owners of operating vehicles (the drivers or their car partners, as the case may be) to maintain the mandatory traffic accident insurance and third-party liability insurance. Specifically, (i) in our agreements with car partners, we require them to maintain the mandatory traffic accident insurance and third-party liability insurance for all of their own operating vehicles; and (ii) we require each operating vehicle to be covered by the mandatory traffic accident insurance and third-party liability insurance prior to activating it for service. According to Frost & Sullivan, our insurance policies (i) cover various kinds of losses and fees arising from car accidents, including death, disability, medical expenses and lost wages, which is in line with the general market practice in China; and (ii) are sufficient and comparable to the general market practice.

During the Track Record Period, we had concluded 19 insurance claims in relation to bodily injury of our passengers resulting from car accidents for an aggregate claim amount of approximately RMB1.5 million, of which approximately 1.1 million was covered by our insurance policy. During the Track Record Period, we were not subject to increased insurance premiums or deductibles as a result of our insurance claims.

In addition, in line with general market practice, we maintain business insurances covering damages to our properties, but do not maintain any business interruption insurance or key man life insurance, which are not mandatory under the applicable laws. Please see "Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover risks related to our business." We believe that our insurance coverage is sufficient for its present purposes and is consistent with the general market practice in China. We periodically review our insurance coverage to ensure that it remains to be sufficient.



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### PROPERTIES

Our principal place of business is located in China. As of the Latest Practicable Date, we did not own any properties and leased 33 properties in various cities in China with an aggregate floor area of 6,537.4 square meters, all of which were used as office space for our business operations, staff dormitories or warehouse. Our leased properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. We believe that there is sufficient supply of properties in China, and thus we do not rely on existing leases for our business operations.

As of the Latest Practicable Date, 22 lease agreements of our leased properties with an aggregate gross floor area of 3,823.7 square meters had not been registered and filed with relevant land and real estate management departments in China, primarily due to reasons beyond the Company's control that the relevant lessors failed to perform necessary procedures for lease registration or failed to provide sufficient documents for the lease registrations, such as property ownership certificates or other relevant certificates regarding their legal right to lease the properties to the Company. Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease and the aggregate maximum potential penalty for the non-registration of the foregoing 22 leased properties would be RMB220,000 as of the Latest Practicable Date. As of the Latest Practicable Date, we did not received any order from the relevant government authorities requiring us to register these lease agreements. We undertake to cooperate fully to facilitate the registration of lease agreements pursuant to any material non-compliance as notified by the relevant government authorities.

As of the Latest Practicable Date, nine of our leased properties with an aggregate gross floor area of 1,417.3 square meters had title defects as certain lessors failed to provide property ownership certificates or other relevant certificates regarding their legal right to lease such properties. This was primarily because such lessors (i) failed to obtain the relevant title certificates; or (ii) refused to provide us with the relevant property ownership certificates or other relevant certificates regarding their legal right to lease such properties. As a result, the leases may not be valid and there are risks that we may not be able to continue to use such properties, according to our PRC Legal Advisor. If we are not able to continue to use such properties, we expect to be able to identify alternative places for relocation in a timely manner without incurring material related loss, as the properties are used as office spaces and there is sufficient supply of comparable properties. As of the Latest Practicable Date, we were not aware of any challenges being made by a third party or government authority to the titles of any of these leased properties that might affect our current occupation. Therefore, our Directors are of the view that this defect would not materially and adversely affect our business operations.

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For a discussion of risks relating to property interest defects, see “Risk Factors — Risks Relating to Our Business and Industry — Certain issues relating to our leased properties may disrupt our continued use of the properties or expose us to potential fines.”

As of June 30, 2024, each of our property interests had a carrying amount less than 15% of our combined total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this Document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all our interests in land or buildings.

### **Preventive and Remedial Measures**

To prevent any recurrence of similar incidents in the future, we have established and implemented both preventive and remedial measures to ensure our compliance with regulations in relation to properties:

- We plan to provide regular training on applicable legal and regulatory requirements in relation to the use of real properties to our senior management. We will also remain in close communication with the local authorities and external legal counsel to understand the latest development of the relevant laws and regulations;
- During the property selection process, we will assess the compliance status of the new properties before we enter into any new leases;
- We are prepared to relocate to alternative premises upon the expiration of the lease term based on our actual needs and in compliance with the administrative requirements;
- We plan to maintain regular communication with the lessors regarding their progress of remedying the defects, including among others, procuring the lessors, to the extent practicable, to provide, collect and obtain the ownership certificate from the owners of the lease properties, and promptly apply for lease registration; and
- We have created a checklist of our leased properties with detailed information, including the status of the lease registration of each premise, to continue to closely communicate with the relevant landlords.

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### AWARDS AND RECOGNITIONS

During the Track Record Period, our Group received recognition for the quality and popularity of our services. Some of the significant awards and recognition that our Group has received are set forth below.

Award/Recognition	Award Year	Awarding Institution/Authority
Advanced Enterprise in Combatting COVID-19 in the Transportation Sector (全國交通運輸抗擊新冠肺炎疫情先進單位) . . . . .	2021	China Communications and Transportation Association (中國交通運輸協會)
Top 100 Small and Medium Private Enterprises in Beijing (北京民營企業中小百強) . . . . .	2021	Beijing Federation of Industry and Commerce (北京工商聯)
“Specialized, Refined, Distinctive, and Innovative” Small and Medium Enterprises (“專精特新”中小企業) . . . . .	2021	Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局)
Second Prize in Transport and Logistics Innovation by the China Highway Society in 2021 (2021中國公路學會運輸與物流創新成果二等獎) . . . . .	2021	China Highway Society (中國公路學會)
Beijing Municipal Enterprise Technology Center (北京市企業技術中心) . . . . .	2022	Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局)
Third Prize in Scientific and Technological Awards by the China Highway Society (中國公路學會科學技術獎三等獎) . . . . .	2022	China Highway Society (中國公路學會)
Individual Award for Exemplary Figure in Transport Services as “Technology Innovation Figure” (運輸服務風範人物“科技創新人物”單項獎) . . . . .	2022	China Communications News Agency (中國交通報社)
Top 100 Beijing Private Enterprises for Social Responsibility (北京民營企業社會責任百強) . . . . .	2022	Beijing Federation of Industry and Commerce (北京市工商聯)
Advanced Enterprise in Economic Contribution (經濟貢獻先進企業) . . . . .	2022	Yunnan Province Digital Economy Development Zone (雲南省數字經濟開發區)

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Award/Recognition	Award Year	Awarding Institution/Authority
Anyang Engineering Technology Center (安陽工程技術中心) . . . . .	2023	Anyang Science and Technology Bureau of Hehan Province (河南省安陽市科學技術局)
Technologically Advanced Small and Medium-sized Enterprise (科技型中小企業) . . . . .	2023	Anyang Science and Technology Enterprise and Modern Services Science and Technology Office of Henan Province (河南省安陽市科技企業與現代服務業科技處)
Innovative Small and Medium-sized Enterprise (創新型中小企業) . . . . .	2023	Yunnan Province Department of Industry and Information Technology (雲南省工業和信息化廳)

## LICENSES, APPROVALS AND PERMITS

Our PRC Legal Advisor has advised that as of the Latest Practicable Date, we had obtained all requisite licenses, permits, approvals, and certificates from the relevant government authorities that are material for our business operations, and such licenses and permits remained in full effect and had not been revoked or cancelled as of the Latest Practicable Date. As of the Latest Practicable Date, we obtained 191 Online Ride-Hailing Operating Permits.

License/Permit	Issuing Authority	Grant Date	Expiration Date
Value-Added Telecommunications Business Operation License (《增值電信業務經營許可證》) . . . . .	Beijing Communications Administration (北京市通信管理局)	2023.01.03	2026.03.11
Value-Added Telecommunications Business Operation License (《增值電信業務經營許可證》) . . . . .	Shanxi Provincial Communications Administration (山西省通信管理局)	2022.03.04	2027.03.04
Value-Added Telecommunications Business Operation License (《增值電信業務經營許可證》) . . . . .	Zhejiang Provincial Communications Administration (浙江省通信管理局)	2023.07.21	2028.07.20
Value-Added Telecommunications Business Operation License (《增值電信業務經營許可證》) . . . . .	Tianjin Communications Administration (天津市通信管理局)	2022.10.19	2027.10.19

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License/Permit	Issuing Authority	Grant Date	Expiration Date
Travel Agency Business Operation License (《旅行社業務經營許可證》) . . . . .	Beijing Municipal Bureau of Culture and Tourism (北京市文化和旅遊局)	2023.09.21	–
Online Ride-Hailing Business License (《網絡預約出租汽車經營許可證》) . . . . .	Kunming Municipal Bureau of Transportation (昆明市交通運輸局)	2018.10.12	2026.10.11
Level-3 Cybersecurity Classification and Protection Record — Chuxing 365 Service System (三級等保備案-出行365服務系統) . . . . .	Beijing Municipal Public Security Bureau Haidian Branch (北京市公安局海澱分局)	2019.12.30	–
Level-3 Cybersecurity Classification and Protection Record — Chuxing 365 Mobile Service System (三級等保備案-出行365移動服務系統) . . . . .	Beijing Municipal Public Security Bureau Haidian Branch (北京市公安局海澱分局)	2019.12.30	–
Level-3 Cybersecurity Classification and Protection Record — 365 Ride (三級等保備案-365約車) . . . . .	Kunming Municipal Public Security Bureau (昆明市公安局)	2018.7.25	–
Level-3 Cybersecurity Classification and Protection Record — Bababus (三級等保備案-巴巴快巴) . . . . .	Hangzhou Municipal Public Security Bureau (杭州市公安局)	2024.9.27	–

For more information about the laws and regulations to which we are subject, see “Regulatory Overview.”

## LEGAL PROCEEDINGS AND COMPLIANCE

### Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any material legal, arbitral or administrative proceedings, and were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

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Litigation or any other legal or administrative proceeding, regardless of the outcome, could result in substantial costs and diversion of our resources, including our management’s time and attention. For potential impact of legal or administrative proceedings on us, see “Risk Factors — Risks Relating to Our Business and Industry — Adverse litigation judgments or settlements resulting from legal proceedings or investigations in which we may be involved could expose us to monetary damages or limit our ability to operate our business.”

### **Compliance Matters**

During the Track Record Period and up to the Latest Practicable Date, we did not commit any non-compliance of laws and regulations which individually or in the aggregate, in the opinion of our Directors, would have a material and adverse effect on our business, financial condition, or results of operations.

#### ***Transportation Permits and Online Ride Hailing Driver’s Licenses***

As required by applicable PRC laws and regulations, any vehicle that provides services on an online ride hailing platform is required to obtain a Transportation Permit by meeting certain operating safety criteria and any other criteria stipulated by local taxi administration bureaus (出租汽車行政主管部門). In addition, any driver that provides services on an online ride hailing platform is required to obtain an Online Ride Hailing Driver’s License by meeting certain background requirements stipulated by local government and passing relevant exams.

For a ride provided by a driver or vehicle without the requisite permit or license, an online ride hailing platform may be subject to an order of correction and a fine of RMB5,000 to RMB10,000, or in severe cases, a fine of RMB10,000 to RMB30,000. In addition, a platform may be ordered to suspend its business operations or have its platform license revoked if a taxi administration bureau at or above the country level finds that the platform no longer has the online and offline service capabilities or has committed a “serious breach.” For more information, please see “Regulatory Overview — Regulations on Online Ride Hailing Services.”

As of June 30, 2024, certain of the vehicles and drivers on our platform had not obtained their requisite Transportation Permits and Online Ride Hailing Driver’s Licenses. The reasons for the non-compliances in relation to unlicensed service vehicles or drivers on our platform during the Track Record Period included: (i) certain external factors such as the review period required for license issuance and the impact of COVID-19, which were beyond our control; (ii) certain car partners or drivers failed to comply fully with the policies set by us to manage, update and facilitate the license applications of the drivers under their management; (iii) our review of drivers and vehicles involved manual processes, which could lead to errors; and (iv) we were unable to promptly detect when certain drivers’ or vehicles’ documents had expired.

During the Track Record Period, a total of 43 administrative penalties with penalty amount of RMB20,000 or more were imposed on us. The total amount of penalty amounted to RMB1.2 million. As of the Latest Practicable Date, all the fines had been fully paid by us.

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To ascertain the implication of the non-compliance on our operation, we and our PRC Legal Advisor conducted due diligence and consultation with local transport authorities. Up to the Latest Practicable Date, we had obtained credit reports and confirmations from the relevant local governmental authorities and our PRC Legal Advisor consulted local transport authorities covering 144 cities in which we had operation, which accounted for 96.1%, 98.2%, 99.1% and 99.0% of our GTV in 2021, 2022, 2023 and the six months ended June 30, 2024, respectively. According to the consultations from the relevant local transport authorities, the local transport authorities confirmed that (i) the historical administrative penalties caused by the aforementioned unlicensed vehicles and drivers on our platform during the Track Record Period will not be deemed as material administrative penalties, or (ii) they normally will not suspend our business or revoke our permits solely due to our non-compliance in relation to unlicensed service vehicles or drivers. Our PRC Legal Advisor is of the view that these local transport authorities have the authority to issue these confirmations.

Based on the applicable laws and regulations, the online searches in relation to the practice of the transport authorities, and the above confirmation of relevant local authorities, our PRC Legal Advisor is of the view that the historical non-compliances have not and will not have material adverse impact on the business operation of our Group.

In preparation for the [REDACTED], we engaged an internal control consultant to conduct a review of our internal controls. Following this review, the internal control consultant did not identify material deficiency concerning the measures we have implemented in relation to requisite Transportation Permits and Online Ride Hailing Driver's Licenses. We will continue to enhance our non-compliance management and expect to further improve our order compliance rate. Based on the above, the Directors are of the view that our internal control measures are adequate and effective to prevent the recurrence of similar non-compliances in the future.

To further enhance our compliance level, we have been strengthening such measures on an ongoing basis. These policies and internal control measures include, among others:

- To engage proactively with local transportation regulatory authorities to establish timely and effective channels for verifying drivers' and vehicles' documentation;
- To further enhance the screening process for drivers and vehicles;
- To employ technological tools to improve the efficiency and accuracy of verifying drivers' and vehicles' documentation; and
- To immediately terminate cooperation with the driver if penalties are incurred due to the lack of requisite qualifications for the driver or the vehicle.

Our Directors are of the view that the above measures enable us achieve and maintain a high compliance rate during the Track Record Period and up to the Latest Practicable Date.

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### *Housing Provident Funds and Social Insurance*

During the Track Record Period, we had not made social insurance and housing provident fund contributions for some of our employees in full in accordance with the relevant PRC laws and regulations. The shortfall of social insurance and housing provident fund contributions amounted to approximately RMB8.4 million, RMB10.5 million, RMB10.1 million, RMB5.4 million and RMB6.1 million in 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively. During the Track Record Period we had made provision for the full amount of the short fall. We were unable to make full social insurance and housing provident fund contributions for the relevant employees primarily because, among other reasons, (i) consistent with the industry norm, our labor force is highly mobile, which has made it impracticable for us to make such contributions in time for the relevant employees that left our Group shortly after on-boarding, (ii) due to the lack of in-depth knowledge of the relevant requirements of applicable PRC laws and regulations, which may vary from region to region across China, and (iii) many of our employees were not willing to bear the costs associated with social insurance and housing provident funds. In addition, we engaged a third-party human resources agency to pay social insurance and housing provident funds for some of our employees during the Track Record Period due to certain off-site work arrangements with these employees.

Pursuant to relevant PRC laws and regulations, the under-contribution of social insurance within a prescribed period may subject us to a daily overdue charge of 0.05% of the delayed payment amount. If such payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount. Pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement.

As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the deficit amount. Moreover, as of the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy.

We have taken the following internal control rectification measures to prevent future occurrences of such non-compliance:

- We have enhanced our human resources management policies, which explicitly require social insurance and housing provident fund contributions to be made in full in accordance with applicable requirements by local authorities;
- We are in the process of communicating with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base, which also requires additional contributions from our employees;



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- We have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund on a monthly basis;
- We will keep abreast of latest developments in PRC laws and regulations in relation to social insurance and housing provident funds; and
- We will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments.

Our Directors are of the view that the above measures are effective and adequate in preventing noncompliance with respect to social insurance and housing provident funds.

In addition, we obtained confirmations from the relevant local governmental authorities covering substantially all of our employees that no administrative penalties had been imposed on us for the shortfall during the Track Record Period and up to the date of the respective confirmations. Our PRC Legal Advisor has advised us that such local governmental authorities are competent to provide the foregoing confirmations.

Based on the foregoing, our Directors believe that such non-compliance would not have a material adverse effect on our business, results of operations or financial condition or the [REDACTED], considering that: (i) we had not been subject to any administrative penalties during the Track Record Period and up to the Latest Practicable Date regarding our social insurance and housing provident fund policy, (ii) we were neither aware of any material employee complaints filed against us nor involved in any material labor disputes with our employees with respect to social insurance and housing provident funds during the Track Record Period and up to the Latest Practicable Date, and (iii) as of the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay for the shortfalls or any overdue charges with respect to social insurance and housing provident funds.

## RISK MANAGEMENT AND INTERNAL CONTROL

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continually improving these systems, developing a risk management culture, and raising the risk management awareness of all employees. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as financial reporting, information system, regulatory compliance, internal control and human resources.

## **BUSINESS**

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### **Financial Reporting Risk Management**

We have in place a set of accounting policies in connection with our financial reporting risk management, such as accounting records management policies, invoice management policies, cash management policies, ticket revenue settlement policies and financial payment and reimbursement policies. We have various procedures in place to implement accounting policies, and our financial department reviews our management accounts based on such procedures.

### **Information System Risk Management**

We have implemented relevant internal procedures and controls to ensure that user data is protected, and that leakage and loss of such data is avoided. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of user data. We have instituted and the implemented stringent information system monitoring procedures. These procedures involve the regular generation of monitoring logs, which meticulously record the operational status of our information system network equipment, network traffic, user activities, exceptions, and information security events. We also dedicated information system administrators to review the security situation to maintain high standards of data integrity and security. This review process includes examining authorized access, privileged operations, attempts at unauthorized access, system failures, and anomalies.

### **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 in which we operate to ensure we obtain requisite licenses to operate our business, and we have an up-to-date understanding of 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.

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### **Internal Control Risk Management**

We have designed and adopted strict internal control procedures to ensure the compliance of our business operations with the relevant rules and regulations. In accordance with these procedures, our in-house legal department reviews and updates the forms of contracts that we enter into, examines the contract terms and reviews all relevant documents for our business operations, and is responsible for obtaining any requisite governmental pre-approvals or consents. We have strictly prohibited our employees from receiving kickbacks, bribing others, or secretly receiving commissions or any other personal benefits.

### **Human Resources Risk Management**

We have implemented a human resource management system to ensure the effective functioning of us, safeguard the legitimate rights and interests of both parties to the employment relationship and improve operating efficiency. Our internal human resource management system covers all the stages of employment relationship, from recruitment to probation, appraisal, promotion and review, and exit. See “— Employees” for further details.

## **RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER GROUP**

### **CONTROLLING SHAREHOLDER GROUP**

As of the Latest Practicable Date, (i) approximately 20.67% of our issued Share capital was directly held by Mr. Jiang, (ii) approximately 1.64% of our issued Share capital was directly held by Mr. WANG Jiawei, (iii) approximately 6.74% of our issued Share capital was directly held by Chengdu Yingchuang, a limited partnership controlled and managed by its general partner Yingchuang Century, which is ultimately controlled by Mr. YU Lang; (iv) approximately 6.34% of our issued Shares capital was directly held by Haidai Zhushi, which is controlled by Mr. CHEN Shulin; (v) approximately 3.61% of our issued Share capital was directly held by Times Zhongcheng, and (vi) approximately 3.20% of our issued Shares was directly held by Times Xincheng. As of the Latest Practicable Date, Mr. Jiang served as the general partner of both Times Zhongcheng and Times Xincheng, the employee incentive platforms of our Group. Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Haidai Zhushi, Times Zhongcheng and Times Xincheng have entered into the Voting Rights Entrustment Agreement, the details of which are set out in the section headed “History, Development and Corporate Structure — Voting Rights Entrustment Arrangements”.

Accordingly, as of the Latest Practicable Date, Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Yingchuang Century, Mr. YU Lang, Haidai Zhushi, Mr. CHEN Shulin, Times Zhongcheng and Times Xincheng were collectively entitled to control the exercise of approximately 42.20% of the voting rights at the general meeting of our Company. Immediately following the completion of the [REDACTED], Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Yingchuang Century, Mr. YU Lang, Haidai Zhushi, Mr. CHEN Shulin, Times Zhongcheng and Times Xincheng will collectively be entitled to control the exercise of approximately [REDACTED] of the voting rights at the general meetings of our Company, assuming the [REDACTED] is not exercised. As such, Mr. Jiang, Mr. WANG Jiawei, Chengdu Yingchuang, Yingchuang Century, Mr. YU Lang, Haidai Zhushi, Mr. CHEN Shulin, Times Zhongcheng and Times Xincheng constituted as of the Latest Practicable Date and will continue to constitute upon the [REDACTED] a group of controlling shareholders of our Company (“**Controlling Shareholder Group**”) pursuant to the [REDACTED]. See “History, Development and Corporate Structure — Information about the [REDACTED]”, “History, Development and Corporate Structure — Employee Incentive Platforms” and “Directors, Supervisors and Senior Management — Directors” for more background details of members of the Controlling Shareholder Group.

### **INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDER GROUP**

Having considered the following factors, the Directors believe that our Group can conduct our business independently from our Controlling Shareholder Group and their respective close associates after the [REDACTED].

#### **Management Independence**

Our business is managed by our Board and senior management. Upon [REDACTED], our Board will consist of nine Directors, comprising four executive Directors, two non-executive Directors and three independent non-executive Directors. Our executive Directors have served our Group for a long time and/or have substantial experience in the industry in which we are engaged. For more information, please see the section headed “Directors, Supervisors and Senior Management.”

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER GROUP

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Save for Mr. Jiang, who is the general partner of Times Xincheng and Time Zhongcheng, none of our Directors, Supervisors or senior management has any other roles within any member of our Controlling Shareholder Group.

Hence, we have sufficient management team members who do not hold any position within any member of our Controlling Shareholder Group, and are independent and have the adequate relevant experience to ensure the normal operation of the day-to-day business and management of our Group.

Furthermore, our Directors consider that our Board and senior management are capable of operating our business and managing all actual or potential conflicts of interest independently of our Controlling Shareholder Group because:

- (a) each of our Director is aware of his fiduciary duties as a Director which require, among other things, that he acts for the benefit and in the interest of our Company and does not allow any conflict between his duties as a Director and his personal interests;
- (b) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and our Directors or their respective associates, the interested Director(s) are required to declare the nature of such interest. Furthermore, they are prohibited from voting in any Board resolution approving such a proposal, and shall not be counted in the quorum present at the particular Board meeting;
- (c) all of our three independent non-executive Directors are independent of the Controlling Shareholder Group and have extensive experience in their respective areas of expertise. See "Directors, Supervisors and Senior Management." All our independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules to ensure that the decisions of our Board are made only after due consideration of independent and impartial opinions;
- (d) our daily management and operations are carried out by our executive Directors and the members of our senior management team. Except for Mr. Jiang, each member of our executive Directors and senior management team is independent from our Controlling Shareholder Group. All of them 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 interest of our Group;
- (e) we have established a Supervisory Committee comprising three Supervisors who are independent from our Controlling Shareholder Group. Our Supervisors shall be responsible for the supervision of performance of our Directors and the senior management team, including monitoring any acts of a Director or senior management member which may be detrimental to the interests of our Company; and

## **RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER GROUP**

- (f) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholder Group which would support our independent management. Please see “— Corporate Governance Measures” in this section for further information.

Based on the above, our Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role our Group independently.

### **Operational Independence**

Our Directors believe that our Group is operationally independent from our Controlling Shareholder Group. Up to the Latest Practicable Date, we had obtained all requisite licenses, permits, approvals, and certificates from the relevant government authorities that are material for our business operations, and such licenses and permits remained in full effect and had not been revoked or cancelled as of the Latest Practicable Date. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholder Group. We also have independent access to our customers and an independent management team to operate our business.

In addition, our organizational structure comprises of individual departments, each with specific areas of responsibilities. We have also established a set of internal control measures to facilitate the effective operation of our business.

Based on the above, our Directors are satisfied that we have been operating independently from each member of our Controlling Shareholder Group and their respective associates during the Track Record Period and will continue to operate independently of the business of our Controlling Shareholder Group upon [REDACTED].

### **Financial Independence**

Our financial system and financial operations are independent from our Controlling Shareholder Group and their close associates. Our Group has its own internal control, accounting, funding, reporting and financial management system as well as accounting and finance department. Moreover, our Group makes financial decisions according to our own business needs and our Group’s financial operations are handled by our finance team, without sharing any financial management functions or resources with our Controlling Shareholder Group or their close associates. Except for Mr. Jiang, who participates in making significant financial decision of our Group in his capacity as an executive Director of the Company, our Controlling Shareholder Group is not involved in any of our financial decisions.

As of the Latest Practicable Date, there were no other outstanding loans, advances, non-trade balances due to or from any member of our Controlling Shareholder Group or their close associates, nor were there any other outstanding pledges or guarantees or other forms of security provided for our benefit by any member of our Controlling Shareholder Group or their respective close associates.

## **RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER GROUP**

Our Group has sufficient capital to operate its business independently, and has adequate internal resources to support its daily operations. We are capable of obtaining, if necessary, financing from banks without relying on any guarantee or security provided by any member of our Controlling Shareholder Group and their respective close associates. There will be no financial assistance, security and/or guarantee provided by any member of our Controlling Shareholder Group or their respective close associates in favor of our Group or vice versa upon the [REDACTED].

Based on the above, our Directors believe that our business is financially independent of each member of our Controlling Shareholder Group and their respective close associates and are able to maintain financial independence from each member of our Controlling Shareholder Group and their respective close associates.

## **INTERESTS OF OUR CONTROLLING SHAREHOLDER GROUP IN OTHER BUSINESSES**

Mr. WANG Jiawei, apart from his interests in our Group, holds 27.4% of the equity interests in Sinofortune Financial Holdings Limited (華億金控集團有限公司) (“**Sinofortune**”), a company listed on the Hong Kong Stock Exchange (stock code: 08123). Sinofortune is an investment holding company incorporated in Cayman Islands with limited liability. Sinofortune and its subsidiaries (collectively referred to as the “**Sinofortune Group**”) are principally engaged in the (i) trading of motor vehicles, provision of agency services and accessories sourcing in the PRC, excluding Hong Kong, (ii) provision of securities and futures contracts trading services in Hong Kong, and (iii) trading of listed securities in Hong Kong. Given the different type and nature of businesses between our Group and Sinofortune Group, our Directors are of the view that there is clear delineation and no competition between the businesses of our Group and the Sinofortune Group.

Mr. CHEN Shulin, apart from his interests in our Group, holds 26.47% of the equity interests in Nova Technology Corporation Limited (南凌科技股份有限公司) (“**Nova Technology**”), a company listed on the Shenzhen Stock Exchange (stock code: 300921), as of June 30, 2024. Nova Technology engages in businesses including (i) enterprise network services, such as IP-VPNs, enterprise internet, and network infrastructure hosting; (ii) software-defined services such as cloud security and cloud connection; and (iii) digital solutions for smart cities and smart parks using technologies such as modern security identification, identity recognition, modern communications, and digital management (collectively referred to as the “**Nova Technology Business**”).

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER GROUP

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Our Directors consider that there is a clear delineation between the business of our Group and the Nova Technology Business, and that there would be no competition and the risk of potential conflicts of interest is comparatively low, taking into account that:

- Mr. CHEN Shulin is considered a member of our Controlling Shareholder Group solely due to the Voting Rights Entrustment Agreement, pursuant to which his voting rights are entrusted to and exercised by Mr. Jiang. Further, he holds no position in our Group, and is not involved in the management of our Group. Accordingly, Mr. CHEN Shulin has limited influence and control over the business of our Group. In addition, as a listed company, the management and decisions of Nova Technology is subject to numerous requirements concerning proper corporate governance, internal controls and management of potential conflict of interests. As such, by virtue of only the Voting Rights Entrustment Agreement and considering Nova Technology's listed status, the risk of potential conflicts of interest between Nova Technology and our Group is relatively low.
- Digitalization can be applied in wide-ranging settings and various industry sectors. The Nova Technology Business includes the provision of network services and cloud services. Although Nova Technology also provides digital solutions, their target customers are primarily belong to the manufacturing, information transmission/software and information technology services, wholesale and retail, finance, and leasing industries. In addition, digitalization projects in the Nova Technology Business include services and products such as cloud video conferencing systems, private desktop cloud office platforms and system disaster recovery solutions. In contrast, our digitalization services business is a manifestation of the capabilities extended from our passenger transportation business. We primarily focus on providing services to customers in the transportation and provide services and applications such as self-service ticketing machines, general and specialized equipment with communication technologies. Therefore, there is clear business delineation between the respective products, services and customers between our Group and Nova Technology.
- As of the Latest Practicable Date, our Company has no plan to expand into services and industry sectors that Nova Technology mainly focuses in. To the best of our knowledge, Nova Technology do not, and are not expected to engage in any business activities in industry sectors that compete or will compete with those of our Group.
- Nova Technology is a listed company that has independent management, business operations and financial systems separate from our Group. The research and development of our key products and services are also conducted independently from Nova Technology. During the Track Record Period, there was no overlap in the directors, supervisors and senior management, or to the best knowledge of the Directors, top five customers, between Nova Technology and our Group.



## **RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER GROUP**

- We have put in place sufficient measures to avoid potential conflicts of interest between our Group and our Controlling Shareholder Group, as set out in the section headed “— Corporate Governance Measures” below.

Accordingly, our Directors are of the view that there is no competition between our Group and Mr. CHEN Shulin or Nova Technology.

Save as disclosed above, as of the Latest Practicable Date, none of the members of our Controlling Shareholder Group was interested in any business which competes, or is likely to compete, directly or indirectly, with the business of our Group or would otherwise require disclosure under Rule 8.10 of the Listing Rules.

### **CORPORATE GOVERNANCE MEASURES**

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We have adopted the following measures to ensure good corporate governance standards and to avoid potential conflicts of interest between our Group and our Controlling Shareholder Group:

- (a) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provide that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her close associates have a material interest nor shall such Director be counted in the quorum present at the meeting;
- (b) where a Shareholders’ meeting is held to consider proposed transactions in which members of our Controlling Shareholder Group or any of their associates has a material interest, our Controlling Shareholder Group will abstain from voting on the relevant resolutions;
- (c) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with members of our Controlling Shareholder Group or any of their associates, our Company will comply with applicable Listing Rules;
- (d) our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors, to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders;

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## RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDER GROUP

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- (e) our independent non-executive Directors, individually and collectively, possess requisite knowledge and experience. They are committed to providing impartial and professional advice to protect the interests of our minority Shareholders;
- (f) we have established our audit committee, remuneration committee, and nomination committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code in Appendix C1 to the Listing Rules;
- (g) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expense; and
- (h) we have appointed Somerley Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest that may arise between our Group and our Controlling Shareholder Group, and to protect our minority Shareholders' interests after the [REDACTED].

## CONNECTED TRANSACTIONS

We will engage in certain transactions with our connected persons after the [REDACTED] which will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

### CONNECTED PERSONS

Upon completion of the [REDACTED], the following persons, with whom we have entered into certain transactions in our ordinary course of business, will become our connected persons as defined under the Listing Rules:

Name of connected person	Relationship
Beijing Kaibao . . . . .	Ms. FU Yao was a director of our subsidiary, Beijing Hongbo. Mr. GUO Weidong, the spouse of Ms. FU Yao, owns approximately 90% of the equity interest in Beijing Kaibao. Accordingly, upon completion of the [REDACTED], Beijing Kaibao will be an associate of Ms. FU Yao and a connected person at the subsidiary level of our Company. For further details on Beijing Kaibao, please see the section headed “Business — Our Customers”
Beijing Yixing Travel and Tourism Co., Ltd.* (北京易行出行旅遊有限公司)	Immediately following the completion of the [REDACTED], Alibaba Travel will hold approximately [REDACTED] of our issued Share capital (assuming the [REDACTED] is not exercised), or approximately [REDACTED] of our issued Share capital (assuming the [REDACTED] is exercised in full). Each of Alibaba Travel, Gaode Entities, Amap, Fliggy Entities, Hangzhou Dingdang, Alibaba Cloud Entities, Beijing Litong and Aslan Aviation (together, the “Alibaba Entities”) and Alipay China and the Alipay Hangzhou Entities is a subsidiary or associate of Alibaba Group Holding Limited, a dual-primary listed company on both the Main Board of the Hong Kong Stock Exchange (Stock Code: 9988) and the New York Stock Exchange (Stock Code: BABA). Accordingly, upon completion of the [REDACTED], each of the Alibaba Entities, Alipay China and the Alipay Hangzhou Entities will be an associate of Alibaba Travel and therefore a connected person of our Company.  For further details on the Alibaba Entities, please see the sections headed “Business — Our Suppliers” and “Business — Our Customers”.
Tianjin Xing’an Technology Co., Ltd.* (天津行安科技有限公司) (together, “ <b>Gaode Entities</b> ”) . . . . .	
Amap Software Co., Ltd. (高德軟件有限公司) (“ <b>Amap</b> ”) . . . . .	
Zhejiang Feizhu Network Technology Co., Ltd. (浙江飛豬網絡技術有限公司) (“ <b>Zhejiang Feizhu</b> ”) Hangzhou Taomei Aviation Services Co., Ltd.* (杭州淘美航空服務有限公司) (“ <b>Taomei Aviation</b> ”) (together, “ <b>Fliggy Entities</b> ”) . . . . .	

**CONNECTED TRANSACTIONS**

Name of connected person	Relationship
Alipay.com Co., Ltd. (支付寶(中國)網絡技術有限公司) (“ <b>Alipay China</b> ”).	
Alipay (Hangzhou) Information Technology Co., Ltd.* (支付寶(杭州)信息技術有限公司) (“ <b>Alipay Hangzhou</b> ”) Hangzhou Huiju Ant Information Technology Co., Ltd.* (杭州慧聚蟻信息技術有限公司) (“ <b>Hangzhou Huijuyi</b> ”) (together, “ <b>Alipay Hangzhou Entities</b> ”) . . . . .	
Hangzhou Dingdang International Travel Agency Co., Ltd.* (杭州叮當國際旅行社有限公司) (“ <b>Hangzhou Dingdang</b> ”) . .	
Aliyun Computing Co., Ltd. (阿里雲計算有限公司) (“ <b>Alibaba Cloud Computing</b> ”) Alibaba Communication Technology (Beijing) Co., Ltd. (阿里巴巴雲計算(北京)有限公司) (“ <b>Alibaba Cloud Beijing</b> ”) (together, “ <b>Alibaba Cloud Entities</b> ”) . . . . .	
Beijing Litong Travel Technology Co., Ltd.* (北京利通出行科技有限公司) (“ <b>Beijing Litong</b> ”) . . .	
Aslan Aviation Services (Shanghai) Co., Ltd.* (阿斯蘭航空服務(上海)有限公司) (“ <b>Aslan Aviation</b> ”) . . .	

## CONNECTED TRANSACTIONS

### SUMMARY OF CONTINUING CONNECTED TRANSACTIONS

Name of transaction	Applicable Listing Rule(s)	Waiver(s) sought
<b><i>Fully-exempt continuing connected transactions</i></b>		
Procurement of payment services . . . . .	14A.76(1)(a)	N/A
Advertising cooperation in transactions with Alipay . . . .	14A.76(1)(a)	N/A
Procurement of offline ticket sales services . . . . .	14A.76(1)(a)	N/A
Provision of comprehensive services for drivers in ride-hailing business . . . . .	14A.76(1)(a)	N/A
Provision of Chuxing 365 platform services . . . . .	14A.76(1)(a)	N/A
Alibaba Cloud services . . . . .	14A.76(1)(c)	N/A
Procurement of Amap mapping and navigation services. . . . .	14A.76(1)(a)	N/A
Procurement of service in customized transportation business . . . . .	14A.76(1)(a)	N/A
Procurement of travel agency service in pleasure boat ticket sales . . . . .	14A.76(1)(a)	N/A
<b><i>Partially-exempt continuing connected transactions</i></b>		
Provision of ticket sourcing services in internet ticketing business . . . . .	14A.76(2)(a)	Requirement on announcement under Chapter 14A of the Listing Rules
<b><i>Non-exempt continuing connected transactions</i></b>		
Cooperation services . . . . .	14A.35, 14A.36, 14A.46 and 14A.105	Requirements on announcement, circular and independent Shareholders' approval under Chapter 14A of the Listing Rules

## CONNECTED TRANSACTIONS

Name of transaction	Applicable Listing Rule(s)	Waiver(s) sought
Procurement of aggregation platform service in ride-hailing business . . . . .	14A.35, 14A.36, 14A.46 and 14A.105	Requirements on announcement, circular and independent Shareholders’ approval under Chapter 14A of the Listing Rules

### FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

#### 1. Procurement of payment services

We, Hengsheng Changyun, our non-wholly owned subsidiary, and Shengzhi Yilian, our wholly-owned subsidiary, respectively entered into a standard online contract in respect of payment services (respectively, the “**Shengwei Times Alipay Service Agreement**”, “**Hengsheng Changyun Alipay Service Agreement**”, and “**Shengzhi Yilian Alipay Service Agreement**”, and together, the “**Alipay Service Agreements**”) with Alipay China, pursuant to which, among others, Alipay China will provide to us payment processing services. The term of each of the Alipay Service Agreements is one year, and we, Hengsheng Changyun and Shengzhi Yilian, expect to respectively renew the Alipay Service Agreements upon expiry of their respective terms for one year, subject to compliance with Listing Rules and applicable laws and regulations. The payment processing costs under the Alipay Service Agreements are primarily determined based on standard prices published by Alipay China from time to time, calculated by multiplying the amounts paid to us through Alipay by a fixed fee rate per transaction. The current applicable payment service fee rate is 0.38% to 0.6% for each completed transaction.

In order to ensure that the fee rates are fair and reasonable, we generally will obtain and compare the fee rates offered by other third-party payment service providers in the market, prior to entering into any payment service agreement. To the best of our knowledge, such pricing policies are comparable to payment services provided by Alipay China to Independent Third Parties.

During each period of the Track Record Period, the fees paid by us to Alipay China in respect of the payment services under the Alipay Service Agreements were RMB0.2 million (in respect of fees paid by Hengsheng Changyun, since the period from August 2021), RMB0.2 million, RMB0.2 million and RMB0.1 million, respectively. The expected transaction amounts for the years ending December 31, 2024 and 2025 would be RMB0.3 million and RMB0.3 million, respectively.

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## CONNECTED TRANSACTIONS

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### *Reasons for the transaction*

The payment services provided by Alipay China is commonly used and widely accepted by consumers in the PRC for settling transactions. We have been continuously collaborating with Alipay China in respect of payment services for our passenger transportation business and ride-hailing services business, to provide consumers with an efficient and reliable payment service that enables prompt real-time payment for transactions with our Group. Therefore, we consider that it would be beneficial to continue using payment services provided by Alipay China to meet our requirement for transaction payments in the ordinary and usual course of our business.

### *Listing Rules implications*

Our Directors confirm that the above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that, on an aggregated basis for transactions contemplated under the Shengwei Times Alipay Service Agreement, Hengsheng Changyun Alipay Service Agreement and Shengzhi Yilian Alipay Service Agreement, the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be less than 0.1%. As such, these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **2. Advertising cooperation in transactions with Alipay**

We and Hengsheng Changyun, our non-wholly owned subsidiary, respectively entered into a standard online contract in respect of advertising cooperation (respectively, the “**Shengwei Times Alipay China Advertising Cooperation Agreement**” and the “**Hengsheng Changyun Alipay China Advertising Cooperation Agreement**”, and together, the “**Alipay Advertising Cooperation Agreements**”) with Alipay China, pursuant to which the parties agreed to cooperate on advertising and promotion of Alipay payment service products (both through online and offline channels, such as our self-service ticket vending machines), among others, and in return we and Hengsheng Changyun shall receive service fees from the Alipay China. The term of each of the Alipay Advertising Cooperation Agreements is one year, and we and Hengsheng Changyun expect to respectively renew the Alipay Advertising Cooperation Agreements prior to expiry of their respective terms for one year, subject to compliance with Listing Rules and applicable laws and regulations. The cooperation fees are primarily determined based on standard prices published by Alipay China from time to time, calculated by multiplying the transaction amount completed using the relevant payment service products by a fixed fee rate per transaction. As at the Latest Practicable Date, the applicable fee rate ranges from 0.18% to 0.4% of the transaction amount for a completed transaction. To the best of our knowledge, such pricing policies are comparable to advertising services provided to the Alipay China by Independent Third Parties.

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## CONNECTED TRANSACTIONS

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During each period of the Track Record Period, the fees received by us from Alipay China in respect of the advertising cooperation under the Alipay Advertising Cooperation Agreements were RMB0.2 million (in respect of fees paid to Hengsheng Changyun, since the period from August 2021), RMB0.1 million, RMB0.1 million and RMB0.1 million, respectively. The expected transaction amounts for the years ending December 31, 2024 and 2025 would be RMB0.1 million and RMB0.1 million, respectively.

### *Reasons for the transaction*

We adopt Alipay payment services in our passenger transportation business and ride-hailing services business, to provide passengers with real-time payment services for transactions with our Group. The advertising cooperation arrangements contemplated under the Alipay Advertising Cooperation Agreements are standard arrangements that the Alipay China enter into with their business partners, and can facilitate our collaboration with the Alipay China, as well as allow us to better serve passengers and passenger transportation stations and increase revenue of our Group.

### *Listing Rules implications*

Our Directors confirm that the above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that, on an aggregated basis for transactions contemplated under both the Shengwei Times Alipay China Advertising Cooperation Agreement and the Hengsheng Changyun Alipay China Advertising Cooperation Agreement, the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be less than 0.1%. As such, these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **3. Procurement of offline ticket sales system services**

We entered into an offline ticket sales system services agreement (“**Shengwei Times Fliggy Offline Ticket Sales System Service Agreement**”) with the Fliggy Entities, pursuant to which the Fliggy Entities allow passengers to purchase through their offline ticket sales systems the tickets provided by passenger transportation stations in partnership with us, among others. The term of the Shengwei Times Fliggy Offline Ticket Sales System Service Agreement commenced on June 12, 2023 and will be subject to the Listing Rules and applicable laws and regulations. Subject to compliance with Listing Rules and applicable laws and regulations, we expect to renew the Shengwei Times Fliggy Offline Ticket Sales System Service Agreement upon expiry of its term. The service fees for the offline ticket sales system service under the Shengwei Times Fliggy Offline Ticket Sales System Service Agreement are agreed between Fliggy Entities and us based on arm’s length negotiation, calculated by multiplying the amounts paid for tickets purchased through their offline system by a fixed fee rate per transaction. The current applicable fee rate under the Shengwei Times Fliggy Offline Ticket Sales System Service Agreement is 0.3%.



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## CONNECTED TRANSACTIONS

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In order to ensure that the fee rates are fair and reasonable, we generally will obtain and compare the fee rates offered by other offline ticket sales system providers in the market, prior to entering into any service agreement. To the best of our knowledge, such pricing policies are comparable to services provided by the Fliggy Entities to Independent Third Parties.

During each period of the Track Record Period, the fees paid by us to the Fliggy Entities in respect of the offline ticket sales system services under the Shengwei Times Fliggy Offline Ticket Sales System Service Agreement were nil, nil, RMB0.2 million and RMB0.2 million, respectively. The expected transaction amounts for the years ending December 31, 2024 and 2025 would be RMB0.3 million and RMB0.3 million, respectively.

### *Reasons for the transaction*

The offline ticket sales system services provided by the Fliggy Entities offer passengers an additional option for the purchase of tickets offline, with a relatively lower service fee charged to us as compared to offline ticket purchases made through channels offered by other service providers, such as Alipay China. Therefore, we consider that it would be beneficial to continue using offline ticket sales system services provided the Fliggy Entities to facilitate the sales of tickets offline in the ordinary and usual course of our business.

### *Listing Rules implications*

Our Directors confirm that the above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be less than 0.1%. As such, these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **4. Provision of comprehensive services for drivers in ride-hailing business**

Shengzhi Yilian, our wholly-owned subsidiary, entered into a comprehensive service provision agreement (the “**Ride-hailing Drivers Service Provision Agreement**”) with Beijing Litong, pursuant to which we will, among others, assist with the recruitment and management of drivers and provide comprehensive services, including business support, consultation and training, to the ride-hailing drivers cooperating with by Beijing Litong. The term of the Ride-hailing Drivers Service Provision Agreement is two years, and we expect to renew the Ride-hailing Drivers Service Provision Agreement prior to expiry of its term for two years, subject to compliance with Listing Rules and applicable laws and regulations. Pursuant to the Ride-hailing Drivers Service Provision Agreement, Beijing Litong shall pay to us service fees for the services we provide, calculated by multiplying the transaction amount of effective ride-hailing orders completed by drivers by a fee rate. Fee rates and effective orders are determined based certain assessment criteria, such as total driver flow, number of drivers completing orders, average dispatch duration and driver-responsible cancellation rate, which

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## CONNECTED TRANSACTIONS

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are agreed between Beijing Litong and us based on arm’s length negotiation on a monthly basis. To the best of our knowledge, such pricing policies are comparable to those of services provided to Beijing Litong by Independent Third Parties.

During each period of the Track Record Period, the fees received by us from Beijing Litong in respect of the comprehensive services under the Ride-hailing Drivers Service Provision Agreement were nil, nil, nil and RMB42.4 thousand, respectively. The expected transaction amounts for the years ending December 31, 2024 and 2025 would be RMB35.0 thousand and RMB52.5 thousand, respectively.

### *Reasons for the transaction*

Beijing Litong is a wholly-owned subsidiary of Amap that operates ride-hailing services on the aggregation platforms operated by the Gaode Entities. The Gaode Entities are also wholly-owned subsidiaries of Amap. From time to time, Beijing Litong and the Gaode Entities seek to collaborate with other ride-hailing service providers in the provision of comprehensive services for their drivers, such as business support, consultation and training services. Leveraging our experience in providing ride-hailing services, we also participate in the provision of such comprehensive services, through which we are able to further develop our ride-hailing services business, strengthen collaboration with the Gaode Entities, expand our service offerings and increase the revenue of our Group.

### *Listing Rules implications*

Our Directors confirm that the above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be less than 0.1%. As such, these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## **5. Provision of Chuxing 365 platform services**

### *Principal terms*

We entered into a platform service provision agreement (the “**Chuxing 365 Platform Service Provision Agreement**”) with Zhejiang Feizhu on August 13, 2024, pursuant to which we will, among others, allow ticket service providers of Zhejiang Feizhu to access our Chuxing 365 platform as a service provider on the platform to book train tickets on behalf of passengers from the website and mobile terminal of 12306, as well as provide value-added services to passengers on the platform. The initial term of the Chuxing 365 Platform Service Provision Agreement will end on December 31, 2024. Subject to compliance with Listing Rules and applicable laws and regulations, we expect to renew the Chuxing 365 Platform Service Provision Agreement for one year. We charge tiered-rate service fees to service providers on Chuxing 365, determined based on the actual amount of transactions service providers

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## CONNECTED TRANSACTIONS

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completed through the platform. For effective orders placed by passengers to ticket service providers of Zhejiang Feizhu through Chuxing 365 (i.e., orders which include the purchase of train tickets on behalf of passengers from the website and mobile terminal of 12306 and value-added services provided to passengers, and for which travel has been completed by the passenger without cancelling or refunds), tiered fees rates ranging from RMB2 to RMB6 per ticket are charged by multiplying the aggregate number of train tickets sold during a specified period by the applicable fee rate. In order to ensure that the fee rates are fair and reasonable, we generally will take into account the terms and fees of other Independent Third Parties offering train tickets ordering services through aggregation platforms in the market, prior to entering into any platform service provision agreement.

As the Chuxing 365 Platform Service Provision Agreement is a new arrangement entered into after the Track Record Period, we have not received any service fees from Zhejiang Feizhu in respect of the platform services during the Track Record Period. The expected transaction amounts for the years ending December 31, 2024 and 2025 would be RMB0.01 million and RMB0.05 million, respectively.

### ***Reasons for the transaction***

Chuxing 365 is our passenger-facing platform for ticket sales and other passenger services. To attract passengers to use our services through Chuxing 365, in addition to connecting passengers with passenger transportation stations, we also offer additional transportation services on Chuxing 365, such as the option for passengers to purchase train (via the website and mobile terminal of 12306) and airline tickets from OTAs to fulfil overall travel needs. As an OTA, Zhejiang Feizhu has access to transportation ticket providers, and facilitate the purchases of transportation tickets on behalf of passengers through platforms such as Chuxing 365, as well as provide ancillary services on such platforms. By collaborating with Zhejiang Feizhu, we are able to offer more comprehensive transportation services on Chuxing 365, which we believe will help us to further grow and expand Chuxing 365 and our passenger transportation services business.

### ***Listing Rules implications***

Our Directors confirm that the above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be less than 0.1%. As such, these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## CONNECTED TRANSACTIONS

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### 6. Alibaba Cloud services

#### *Principal terms*

We entered into a cloud services agreement and a supplemental agreement (the “**Shengwei Times Alibaba Cloud Services Agreement**”) through a distributor of Alibaba Cloud Computing, and Hengsheng Changyun entered into a cloud services agreement and a supplemental agreement through a distributor of the Alibaba Cloud Entities (the “**Hengsheng Changyun Alibaba Cloud Services Agreement**”, and together with the Shengwei Times Alibaba Cloud Services Agreement, the “**Alibaba Cloud Services Agreements**”), pursuant to which, among others, we will purchase cloud services provided by the Alibaba Cloud Entities. The initial term of the Shengwei Times Alibaba Cloud Services Agreement commenced on October 24, 2022 and will end on October 23, 2025. The term of the Hengsheng Changyun Alibaba Cloud Computing Services Agreement in effect commenced on April 1, 2024 and will end on March 31, 2025. We and Hengsheng Changyun expect to respectively renew the Alibaba Cloud Services Agreements upon expiry of their respective terms, subject to compliance with Listing Rules and applicable laws and regulations. The Alibaba Cloud Entities from time to time publish standard prices for Alibaba Cloud services, setting out specific types of services and the corresponding prices. In addition, the Alibaba Cloud Entities and their distributors may offer discounts on specific types of cloud services provided to us from time to time. In order to ensure that the prices offered for the Alibaba Cloud services are fair and reasonable, we will verify the standard prices published by the Alibaba Cloud Entities, to negotiate on an arm’s length basis in agreeing on the prices for specific cloud services we purchase.

During each period of the Track Record Period, the fees paid by us to the Alibaba Cloud Entities in respect of the Alibaba Cloud service were RMB1.3 million (in respect of fees paid by Hengsheng Changyun, since the period from August 2021), RMB1.3 million, RMB0.4 million and RMB0.4 million, respectively. The expected transaction amounts for the years ending December 31, 2024 and 2025 would be RMB1.3 million and RMB1.6 million, respectively.

#### *Reasons for the transaction*

We require cloud services for the operation of our passenger transportation business in the ordinary course of our business, such as our CloudStation and data analysis platform. Alibaba Cloud Entities are renowned providers of cloud computing and AI service, used widely by customers in different countries and regions. Through our long-term usage since August 2018, Alibaba Cloud has proved to be a reliable and secure cloud computing and data processing service, enabling us to analyse vast amounts of data to identify patterns and predict passenger needs, as well as customize service experience to meet individual preferences. We consider that the migration of systems to another cloud service provider will incur additional costs, and it would be beneficial to continue using Alibaba Cloud services to satisfy our increasing demand on cloud computing and data processing capabilities as a result of our business development.

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## CONNECTED TRANSACTIONS

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### *Listing Rules implications*

Our Directors confirm that the above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that, on an aggregated basis for transactions contemplated under the Shengwei Times Alibaba Cloud Services Agreement, Hengsheng Changyun Alibaba Cloud Computing Services Agreement and Hengsheng Changyun Alibaba Cloud Beijing Services Agreement, the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be less than 5%, and the consideration for each of the years ending December 31, 2024, 2025 and 2026 is expected to be less than HK\$3.0 million. As such, these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **7. Procurement of Amap mapping and navigation services**

#### *Principal terms*

We entered into a service provision agreement (the “**Amap Service Provision Agreement**”) with Amap, pursuant to which Amap will provide us with services such as positioning and route management in our applications, among others. The term of the Amap Service Provision Agreement commenced on November 27, 2023 and will end on December 15, 2024. Subject to compliance with Listing Rules and applicable laws and regulations, we expect to renew the Amap Service Provision Agreement. The service fees under the Amap Service Provision Agreement are determined based on the types of products and services procured. To the best of our knowledge, such pricing policies are comparable to map services provided by Amap to Independent Third Parties.

During each period of the Track Record Period, the fees paid by us to Amap in respect of the map services under the Amap Service Provision Agreement nil, nil, RMB0.04 million and RMB0.13 million, respectively. The expected transaction amounts for the years ending December 31, 2024 and 2025 would be RMB0.3 million and RMB0.3 million, respectively.

#### *Reasons for the transaction*

As a leading intercity road passenger transportation information services provider, we have identified the integration of comprehensive mapping and navigation services as critical to enhancing user experience and operational efficiency. Partnering with Amap allows us to leverage their advanced services for positioning and route management within our applications, which we believe will further elevate the accuracy and reliability of our services.

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## CONNECTED TRANSACTIONS

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### *Listing Rules implications*

Our Directors confirm that the above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be less than 0.1%. As such, these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

### **8. Procurement of service in customized transportation business**

We and Hengsheng Changyun, our non-wholly owned subsidiary, respectively entered into a service agreement (respectively, the “**Shengwei Times Aslan Customized Transportation Service Agreement**” and the “**Hengsheng Changyun Aslan Customized Transportation Service Agreement**”, and together, the “**Aslan Customized Transportation Service Agreements**”) with Aslan Aviation, pursuant to which Aslan Aviation will offer to passengers through its stores on OTA platforms tickets for customized transportation services provided by passenger transportation companies in partnership with us, among others. The initial term of the Shengwei Times Aslan Customized Transportation Service Agreement commenced on May 22, 2023 and will end on 31 December, 2024. The term of the Hengsheng Changyun Aslan Customized Transportation Service Agreement in effect commenced on 31 December, 2023 and will end on 30 December, 2024. We and Hengsheng Changyun expect to respectively renew the Aslan Customized Transportation Service Agreements upon expiry of their respective terms for one year, subject to compliance with Listing Rules and applicable laws and regulations. Pursuant to the Aslan Customized Transportation Service Agreements, Aslan Aviation charges passenger traffic fees for the provision of its services, by multiplying the actual transaction amounts completed on its stores on OTA platforms by a fee rate. The current applicable fee rate is 5% under the Shengwei Times Aslan Customized Transportation Service Agreement. Currently Aslan Aviation do not charge any fees to Hengsheng Changyun.

Hengsheng Changyun, our non-wholly owned subsidiary, also entered into a service agreement with the Alipay Hangzhou Entities (“**Hengsheng Changyun Alipay Customized Transportation Service Agreement**”, and together with the Aslan Customized Transportation Service Agreements, the “**Customized Transportation Service Agreements**”), pursuant to which the Alipay Hangzhou Entities will allow us access to display and offer to passengers on its platform tickets for customized transportation services provided by passenger transportation companies in partnership with us, among others. The initial term of the Hengsheng Changyun Alipay Customized Transportation Service Agreement commenced on June 5, 2024 and will end on March 31, 2027. Subject to compliance with Listing Rules and applicable laws and regulations, Hengsheng Changyun expect to renew the Hengsheng Changyun Alipay Customized Transportation Service Agreement upon expiry of its term. Pursuant to the Hengsheng Changyun Alipay Customized Transportation Service Agreement, the Alipay Hangzhou Entities charge standard passenger traffic fees for their services, by multiplying the actual transaction amounts completed on its aggregation platform by a fee rate. Such fee rate are published by the Alipay Hangzhou Entities from time to time, with the current applicable fee rate being 1%.

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## CONNECTED TRANSACTIONS

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In order to ensure that the fee rates are fair and reasonable, we generally will obtain and compare the fee rates offered by other providers in the market, prior to entering into any service agreement for the provision of passenger traffic in our customized transportation business. To the best of our knowledge, such pricing policies are comparable to services provided by Aslan Aviation and the Alipay Hangzhou Entities to Independent Third Parties.

Under such transactions, passengers make an order payment to Aslan Aviation and the Alipay Hangzhou Entities, consisting of the passenger traffic fee, a ticket fare, a system usage fee and a platform usage fee. Aslan Aviation and the Alipay Hangzhou Entities retain the passenger traffic fee and then settle the rest (including the ticket fare, the system usage fee and the platform usage fee) with us, as we act on behalf of passenger transportation companies. During each period of the Track Record Period, the passenger traffic fees were nil (in respect of fees paid to Hengsheng Changyun, since the period from August 2021), nil, nil and RMB0.3 thousand, respectively. Pursuant to the Customized Transportation Service Agreements, the passenger traffic fee mentioned above is the historical transaction amounts for the continuing connected transaction. The expected transaction amounts for the six months ending December 31, 2024, the years ending December 31, 2025 and 2026, and the three months ending March 31, 2027 would be RMB7.0 thousand, RMB18.6 thousand, RMB39.3 thousand and RMB7.8 thousand, respectively.

### *Reasons for the transaction*

In contrast to our internet ticketing business, passenger transportation companies in our customized transportation services can only sell tickets exclusively through online platforms, and not through offline passenger transportation stations. As such, passenger transportation companies under our customized transportation service business have a relatively higher demand for passenger traffic provided by OTAs and through stores on OTA platforms. We therefore collaborate with major OTAs and stores on OTA platforms in the ordinary course of our customized transportation services business. Aslan Aviation and the Alipay Hangzhou Entities have a wide reach to passengers nationwide, and offer access a large amount of passenger traffic efficiently, enhancing the visibility and expanding the market reach of tailored routes offered by passenger transportation companies in partnership with us, allowing us to grow our customized transportation service business.

### *Listing Rules implications*

Our Directors confirm that the above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that, on an aggregated basis for transactions contemplated under the Aslan Customized Transportation Service Agreements and the Hengsheng Changyun Alipay Customized Transportation Service Agreement, the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be less than 0.1%. As such, these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## CONNECTED TRANSACTIONS

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### 9. Procurement of travel agency service in pleasure boat ticket sales

Hengsheng Changyun, our non-wholly owned subsidiary, entered into a travel agency service agreement (the “**Pleasure Boat Ticket Travel Agency Service Provision Agreement**”) with Hangzhou Dingdang, pursuant to which Hangzhou Dingdang as a travel agent will, among others, offer pleasure boat tickets provided by pleasure boat companies in partnership with us to passengers. The term of the Pleasure Boat Ticket Travel Agency Service Provision Agreement in effect is one year, and Hengsheng Changyun expect to renew the Pleasure Boat Ticket Travel Agency Service Provision Agreement upon expiry of its term, subject to compliance with Listing Rules and applicable laws and regulations. Pursuant to the Pleasure Boat Ticket Travel Agency Service Provision Agreement, Hangzhou Dingdang charges pleasure boat ticket traffic fees on certain pleasure boat tickets sold, calculated by multiplying the number of total relevant tickets sold by a fixed fee rate per ticket. The current applicable fee rate is RMB0 to RMB1 per relevant pleasure boat ticket sold. Such pricing policies are comparable to similar services Hengsheng Changyun procures from Independent Third Parties.

Under such transactions, the pleasure boat companies make a payment to Hengsheng Changyun, consisting of the pleasure boat ticket traffic fee and an agency fee. Hengsheng Changyun retains the agency fee and then settle the pleasure ticket boat traffic fee with Hangzhou Dingdang, as we act on behalf of pleasure boat companies. During each period of the Track Record Period, the pleasure boat ticket traffic fees were nil (since the period from August 2021), RMB6.0 thousand, nil and nil, respectively. Pursuant to the Pleasure Boat Ticket Travel Agency Service Provision Agreement, the pleasure boat ticket traffic fee mentioned above is the historical transaction amounts for the continuing connected transaction. The expected transaction amounts for the years ending December 31, 2024 and 2025 would be RMB7.0 thousand and RMB7.0 thousand, respectively.

#### *Reasons for the transaction*

In addition to servicing passenger transportation stations, we also offer services to pleasure boat companies from time to time in the ordinary course of our business. Where pleasure boat companies have a demand for passenger traffic, we may collaborate with travel agents to provide passenger traffic to the pleasure boat companies. Hangzhou Dingdang is a travel agent that offers travel products to passengers, including pleasure boat tickets. Partnering with Hangzhou Dingdang can expand the market reach of pleasure boats offered by pleasure boat companies, increasing their ticket sales and strengthening collaboration between the pleasure boat companies and us.

#### *Listing Rules implications*

Our Directors confirm that the above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be less than 0.1%. As such, these transactions will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.



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## CONNECTED TRANSACTIONS

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### PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

#### 10. Provision of ticket sourcing services in internet ticketing business

##### *Principal terms*

We and Hengsheng Changyun, our non-wholly owned subsidiary, respectively entered into a ticket sourcing services agreement (respectively, the “**Shengwei Times Ticket Sourcing Service Agreement**” and the “**Hengsheng Changyun Ticket Sourcing Service Agreement**”, and together, the “**Ticket Sourcing Service Agreements**”) with Aslan Aviation, pursuant to which Aslan Aviation may obtain ticket sources (provided by passenger transportation stations in partnership with us) through our Company and Hengsheng Changyun, and offer tickets to passengers, among others.

The term of the Shengwei Times Ticket Sourcing Service Agreement in effect commenced on July 1, 2024 and will end on June 30, 2025. The term of the Hengsheng Changyun Ticket Sourcing Service Agreement in effect commenced on September 1, 2024 and will end on August 31, 2026. We and Hengsheng Changyun expect to respectively renew the Ticket Sourcing Service Agreements upon expiry of their respective terms, subject to compliance with Listing Rules and applicable laws and regulations.

##### *Reasons for the transaction*

We collaborate with OTAs and stores on OTA platforms to facilitate the sales of bus tickets for passenger transportation stations. By allowing Aslan Aviation to distribute tickets to passengers, we are able to expand sales channels and increase passenger traffic for passenger transportation stations, as well as strengthen collaboration with and better serve passenger transportation stations.

##### *Pricing policies*

Pursuant to the Ticket Sourcing Service Agreements, we charge platform usage fees to Aslan Aviation. The platform usage fees are calculated by multiplying the total number of tickets sold on its platforms by a fixed fee rate per ticket. This fee rate per ticket may vary based on by different regions, and generally range between RMB1.5 to RMB3.5 per ticket, taking into account the costs of the Group in sourcing tickets from different passenger transportation stations operating in different areas. Such fee rates are comparable to the fee rates charged to Independent Third Parties for similar services we provide.

##### *Historical amounts*

Under such transactions, passengers make an order payment to Aslan Aviation. Such order payment consists of the ticket fare, the platform usage fee and (if any) an OTA fee to Aslan Aviation. Aslan Aviation retains the OTA fee and settles the rest (including the ticket fare and the platform usage fee) with us, as we act on behalf of passenger transportation stations. During each period of the Track Record Period, the platform usage fees were RMB4.2 million (in respect of fees paid to Hengsheng Changyun, since the period from August 2021), RMB4.4 million, RMB6.1 million and RMB2.8 million, respectively. Pursuant to the Ticket Sourcing Service Agreements, the platform usage fee mentioned above is the historical transaction amounts for the continuing connected transaction.

## CONNECTED TRANSACTIONS

### *Annual caps*

The following table sets forth the proposed annual caps for the fees in respect of the ticket sourcing services we provide under the Ticket Sourcing Service Agreements:

	Proposed Annual Cap for the Year Ending December 31,		
	2024	2025	2026
	<i>(RMB in millions)</i>		
Shengwei Times Ticket Sourcing			
Service Agreement . . . . .	3.5	3.5	3.5
Hengsheng Changyun Ticket Sourcing			
Service Agreement . . . . .	2.4	2.5	2.5
Total . . . . .	5.9	6.0	6.0

The proposed annual caps have been estimated based on the following factors:

- (i) the current fee rates charged by us, and potential movements in such fee rates based on changes in average historical fee rates and market rates charged by similar service providers;
- (ii) the historical transaction amounts received by us for the ticket sourcing services we provided to Aslan Aviation during the Track Record Period;
- (iii) the current and expected costs of the Group in sourcing tickets from passenger transportation stations that collaborate with us; and
- (iv) the current and expected demand of passengers for tickets on stores operated by Aslan Aviation on OTA platforms, which is currently expected to be stable, taking into account the number of tickets sold in the Track Record Period.

### *Listing Rules implications*

The above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that, on an aggregated basis for transactions contemplated under the Shengwei Times Ticket Sourcing Service Agreement and the Hengsheng Changyun Ticket Sourcing Service Agreement, the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will be above 0.1% but will not exceed 5% on an annual basis. As such, these transactions will be subject to the reporting and announcement requirements but be exempt from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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## CONNECTED TRANSACTIONS

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### NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

#### 11. Cooperation services

##### *Principal terms*

We entered into a cooperation services agreement (the “**Cooperation Services Agreement**”) with Beijing Kaibao, pursuant to which we will, among others, cooperate with Beijing Kaibao to provide certain digitalization services to customers.

Beijing Kaibao is primarily engaged in the provision of information services. Customers of Beijing Kaibao from time to time require digitalization services, such as the provision of communications IT equipment, software and hardware, and the system integration of such components. Pursuant to the Cooperation Services Agreement, where Beijing Kaibao receives such digitalization services projects from its customers, our Group will provide the services to such customers, and in turn will share the fees it receives from customers with the Group.

The term of the Cooperation Services Agreement commenced on February 28, 2022. We have issued a notice of termination to Beijing Kaibao to end the cooperation on June 30, 2025.

##### *Reasons for the transaction*

We provide digitalization services in the ordinary course of our business, mainly to customers in the passenger transportation industry. Leveraging on our experience and resources accumulated in this area, we also from time to time provide our digitalization services to customers in other industry sectors. By cooperating with Beijing Kaibao, which has established and maintained robust relationships with customers in various industry sectors and has been included on the supplier lists of such customers, we are able to access and collaborate with such customers. This cooperation allows us to gain experience in digitalization projects in additional sectors and further grow our services business.

##### *Pricing policies*

Pursuant to the Cooperation Services Agreement, Beijing Kaibao agreed to share with the Group the fees received from customers in digitalization services projects at a ratio of 3 (Beijing Kaibao): 97 (our Group). Such ratio is determined through arms’ length negotiations, considering, among others (i) to the best knowledge of our Directors, the fee-sharing ratio of similar cooperation arrangements in respect of digitalization services in the market; (ii) the costs of provision of digitalization services by us, taking into account costs of digitalization projects we have completed in the past and our usual procurement costs in providing digitalization services; and (iii) relevant PRC regulations concerning cooperation arrangements, such as minimum taxable profit allocated to parties in cooperation.

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## CONNECTED TRANSACTIONS

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### *Historical amounts*

The fees received by us from Beijing Kaibao in respect of the digitalization services we provided for each of the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2024 were RMB4.2 million, RMB34.9 million, RMB34.9 million and RMB9.8 million, respectively.

### *Annual caps*

The following table sets forth the proposed annual caps for the fees payable to us from Beijing Kaibao in respect of the digitalization services we provide under the Cooperation Services Agreement:

	Proposed Annual Cap for the Year Ending December 31,	
	2024	2025
	<i>(RMB in millions)</i>	
Cooperation Services Agreement . . . . .	22.0	30.0

The proposed annual caps have been estimated based on the following factors:

- (i) the historical transaction amounts of relevant transactions and the existing digitalization projects received by Beijing Kaibao during the Track Record Period;
- (ii) the expected demand of Beijing Kaibao’s customers for digitalization services, taking into account expected orders and projects to be delivered; and
- (iii) the fact that we intend to cease cooperations with Beijing Kaibao and reach out to customers directly should the opportunity arise.

### *Listing Rules implications*

The above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that the highest applicable percentage ratio of such transactions calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5% on an annual basis. As such, these transactions will be subject to the reporting, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

However, Ms. FU Yao has resigned as a director of Beijing Hongbo on September 4, 2024. As such, Beijing Kaibao will cease to be a connected person of our Company under the Listing Rules from September 4, 2025, being the date which is 12 months after Ms. FU Yao’s resignation. In addition, we have issued a notice of termination to Beijing Kaibao to end our cooperation on June 30, 2025. Accordingly, the transactions under the Cooperation Services Agreement will cease to be continuing connected transactions of our Company.

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## CONNECTED TRANSACTIONS

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### 12. Procurement of aggregation platform service in ride-hailing business

#### *Principal terms*

We have collaborated with major aggregation platforms to access passenger traffic and provide ride-hailing services through such aggregation platforms, among which include platforms operated by the Gaode Entities and Fliggy Entities.

Our wholly-owned subsidiary, Shengzhi Yilian, entered into with the Gaode Entities (i) an aggregation platform service agreement to access the Gaode Entities’ platform for the provision of our ride-hailing services to corporate customers in cooperation with the Gaode Entities; and (ii) an aggregation platform service agreement to access the Gaode Entities’ platform for the provision of our ride-hailing services to individual passengers (each referred to as a “**Gaode Ride-hailing Platform Service Provision Agreement**”, and collectively, the “**Gaode Ride-hailing Platform Service Provision Agreements**”). Pursuant to these agreements, the Gaode Entities will, among others, allow us access to its aggregation platform and have us as a service provider on the platform, to provide ride-hailing services. The term of the Gaode Ride-hailing Platform Service Provision Agreement in effect for corporate customers in cooperation with the Gaode Entities commenced on December 27, 2023 and will end on December 26, 2025. The term of the Gaode Ride-hailing Platform Service Provision Agreement in effect for individual passengers commenced on November 1, 2024 and will end on October 31, 2025. Subject to compliance with Listing Rules and applicable laws and regulations, the Gaode Ride-hailing Platform Service Provision Agreements are expected to be renewed upon mutual consent by the parties.

Our wholly-owned subsidiary, Shengzhi Yilian, also entered into an aggregation platform service agreement (the “**Fliggy Airport Transport Aggregation Platform Service Provision Agreement**”) with the Fliggy Entities, pursuant to which the Fliggy Entities will, among others, allow us access to its aggregation platform and have us as a service provider on the platform, to provide ride-hailing services (primarily for rides to and from airports) to passengers on the platform. The term of the Fliggy Airport Transport Aggregation Platform Service Provision Agreement in effect commenced on October 12, 2024 and will end on December 31, 2025. Subject to compliance with Listing Rules and applicable laws and regulations, the Fliggy Airport Transport Aggregation Platform Service Provision Agreement is expected to be renewed upon mutual consent by the parties.

#### *Reasons for the transaction*

To accelerate the growth of our ride-hailing services business and expand our reach to diverse customer groups, we partner with major aggregation platforms in the ordinary course of our ride-hailing services business. The aggregation platforms operated by the Gaode Entities and Fliggy Entities have a wide reach to passengers nationwide, and our partnership with them helps us access such large amount of passenger traffic efficiently, enhances our online visibility and brand awareness, and thereby attracting more users to our services.

## CONNECTED TRANSACTIONS

### *Pricing policies*

The Gaode Entities and Fliggy Entities charge service fees to ride-hailing service providers on their respective platforms. Such service fees are determined by multiplying the actual transaction amount by a standard fee rate. Such fee rates are set by the Gaode Entities and Fliggy Entities from time to time, and vary depending on the types of services we have completed on the platform. The current applicable fee rate is 9% under the Gaode Ride-hailing Airport Platform Service Provision Agreements, and 15% under the Fliggy Airport Transport Aggregation Platform Service Provision Agreement. Since rides to and from airports are usually longer journeys, the fee rate is generally higher. In order to ensure that the fee rates are fair and reasonable, we generally will obtain and compare the fee rates offered by other aggregation platforms operated by Independent Third Parties in the market, prior to entering into any aggregation platform service agreement. To the best of our knowledge, such pricing policies are comparable to and applied uniformly for ride-hailing services providers on platforms operated by Gaode Entities and Fliggy Entities.

### *Historical amounts*

The service fees paid by us to the Gaode Entities in respect of the aggregation platform services for each of the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2024 were RMB32.6 million, RMB52.6 million, RMB70.1 million and RMB40.7 million, respectively.

The service fees paid by us to the Fliggy Entities in respect of the aggregation platform services for each of the years ended December 31, 2021, 2022 and 2023 and the six months ended June 30, 2024 were RMB0.2 million, RMB0.6 million, RMB2.5 million and RMB0.9 million, respectively.

### *Annual caps*

The following table sets forth the proposed annual caps for the fees payable by us to the Gaode Entities and Fliggy Entities in respect of the aggregation platform services under the Gaode Ride-hailing Platform Service Provision Agreements and Fliggy Airport Transport Aggregation Platform Service Provision Agreement:

	<b>Proposed Annual Cap for the Year Ending December 31,</b>	
	<b>2024</b>	<b>2025</b>
	<i>(RMB in millions)</i>	
Gaode Ride-hailing Platform Service Provision Agreements . . . . .	135.8	179.5
Fliggy Airport Transport Aggregation Platform Service Provision Agreement . . . . .	2.2	2.5
<b>Total . . . . .</b>	<b>138.0</b>	<b>182.0</b>

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## CONNECTED TRANSACTIONS

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The proposed annual caps have been estimated based on the following factors:

- (i) the current service fee rates charged by the Gaode Entities and Fliggy Entities, and potential increase in such fee rates based on changes in average historical fee rates;
- (ii) the historical transaction amounts we had paid in respect of relevant platform services during the Track Record Period;
- (iii) the expected transaction amounts to be generated from the ride-hailing services on the aggregation platforms operated by the Gaode Entities and Fliggy Entities, having considered the Gaode Entities’ estimations for the transactions that will be completed on its platform;
- (iv) the current and expected demand of passengers for our ride-hailing services on such aggregation platforms, taking into account estimated growth of demand based on past growth rates and the anticipated expansion of our ride-hailing services business following the establishment of several 365 Homes (365之家). Please see sections headed “Future Plans and [REDACTED] — [REDACTED] for details;
- (v) the demand for ride-hailing services in the PRC market, including passenger preference in respect of conducting transactions on major aggregation platforms, and the growing ride-hailing services market in the PRC; and
- (vi) the expected growth in the size and reach of the aggregation platforms operated by the Gaode Entities and Fliggy Entities.

### *Listing Rules implications*

The above transactions are conducted in our ordinary and usual course of business on normal commercial terms or better and our Directors currently expect that the highest applicable percentage ratio of such transactions (on an aggregated basis for transactions contemplated under both the Gaode Ride-hailing Platform Service Provision Agreements and Fliggy Airport Transport Aggregation Platform Service Provision Agreement) calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5% on an annual basis. As such, these transactions will be subject to the reporting, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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## CONNECTED TRANSACTIONS

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### INTERNAL CONTROL MEASURES

In order to ensure that the terms under relevant agreements for the continuing connected transaction are fair and reasonable, and no less favorable to us than terms available to or from Independent Third Parties, and the connected transactions are carried out under normal commercial terms or better, we have put in place internal approval and monitoring procedures relating to our connected transactions, which include the following:

- we have adopted and implemented a management system to monitor our connected transactions after [REDACTED]. Under such system, (i) our Company's finance department will be responsible for monitoring the actual transaction amount between our Group and the connected persons in respect of the continuing connected transactions and will report to the relevant business unit (and if required, the Board) if the actual transaction amounts exceed a prescribed threshold of the predetermined annual caps in order to ensure we comply with the relevant requirements under the Listing Rules after [REDACTED]; (ii) the Audit Committee of our Company will be responsible for conducting reviews on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions; and (iii) our Company's finance department, the Chief Financial Officer and/or various other internal departments of the Company (including but not limited to legal department) will be jointly responsible for evaluating the terms under the framework agreements for the continuing connected transactions, in particular, the fairness and reasonableness of the pricing terms and policies as well as the annual caps under such agreement;
- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the relevant agreements and provide annual confirmation to ensure that, in accordance with the Listing Rules, the continuing connected transactions are conducted in accordance with the terms of the relevant agreements, on normal commercial terms and in accordance with the relevant pricing policies, and are fair and reasonable in the interests of the Shareholders as a whole;
- when considering the fees or prices for the transactions between our Group and the connected persons of our Company, the Group will regularly consider the prevailing market terms, conditions and practices and make reference to the pricing and terms for similar transactions to make sure the terms and conditions offered to or by the connected persons of our Company upon arms' length negotiations will be fair and reasonable and based on normal commercial terms as compared to those offered to or by other comparable Independent Third Parties; and



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## CONNECTED TRANSACTIONS

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- when considering any renewal or revision to the relevant agreements after [REDACTED], interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at Board meetings or Shareholders’ general meetings (as the case may be), and our independent non-executive Directors and independent Shareholders have the right to consider if the terms of the continuing connected transaction (including the proposed annual caps) are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of our Group, and in the interests of our Company and our Shareholders as a whole. If the independent non-executive Directors’ or independent Shareholders’ approvals (as the case may be) cannot be obtained, we will not continue the transactions under the relevant agreements to the extent that they constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules.

### WAIVER APPLICATION

As the material terms of the partially-exempt and non-exempt continuing connected transactions are disclosed in this document and potential investors will participate in the [REDACTED] on the basis of the disclosures, our Directors consider that strict compliance with the announcement, circular and/or independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules would be unduly burdensome and, in particular, would induce unnecessary administrative costs to our Company.

As a result, our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], subject to the condition that the maximum aggregate annual transactions value shall not exceed the estimated annual caps as stated above, a waiver under Rule 14A.105 of the Listing Rules to exempt (i) transactions set out in “— Partially-Exempt Continuing Connected Transactions” in this section from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules; and (ii) transactions set out in “— Non-Exempt Continuing Connected Transactions” in this section from strict compliance with the requirements on announcement, circular and independent Shareholders’ approval under Chapter 14A of the Listing Rules.

Our independent non-executive Directors and auditors of our Company will review whether the above continuing connected transactions have been entered into pursuant to the principal terms and pricing policies as disclosed in this section. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually in accordance with the requirements of the Listing Rules.

In addition, we confirm that we will comply with the relevant requirements under Chapter 14A of the [REDACTED] and immediately inform the Stock Exchange if any of the proposed annual caps set out above is exceeded, or when there is a material change in the terms of these transactions.

## **CONNECTED TRANSACTIONS**

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### **DIRECTORS' CONFIRMATION**

Our Directors (including independent non-executive Directors) are of the view that: (i) the continuing connected transactions set out above have been and will be entered into in our ordinary and usual course of business on normal commercial terms or better, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, and (ii) the proposed annual caps for these transactions are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

### **SOLE SPONSOR'S CONFIRMATION**

Based on (i) the documentation and information provided by the Company in relation to the above partially-exempt and non-exempt continuing connected transactions; and (ii) the due diligence and discussions participated by the Sole Sponsor with the Company, the Sole Sponsor is of the view that the aforesaid partially-exempt and non-exempt continuing connected transactions, for which waivers have been sought, have been entered into in the ordinary and usual course of the Group's business on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole, and that the proposed annual caps in respect of these continuing connected transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### DIRECTORS

Our Board consists of nine Directors, including four executive Directors, two non-executive Directors and three independent non-executive Directors. The following table sets forth certain information about the Directors.

Name	Age	Position	Date of joining our Group	Date of appointment as director	Roles and Responsibilities
Mr. JIANG Shengxi (姜生喜先生) . . . . .	49	Executive Director, Chairman of the Board	September 28, 2012	September 28, 2012	Responsible for overall business strategy and overall management of our Group
Mr. YANG Yang (楊揚先生). . . . .	45	Executive Director, Chief Executive Officer	February 17, 2014	August 30, 2016	Responsible for overall management of Group’s business and external financing work
Mr. ZHANG Jintao (張勁濤先生) . . . . .	49	Executive Director, Senior Vice President, Chief Technology Officer	July 1, 2013	July 19, 2018	Responsible overall management of product development
Ms. CHENG Qian (程千女士). . . . .	41	Executive Director	October 8, 2015	November 7, 2024	Responsible for qualification, contract, and intellectual property management
Mr. LI Chen (李晨先生). . . . .	41	Non-Executive Director	March 22, 2018	March 22, 2018	Responsible for supervising management and providing professional advice to enhance board decision-making
Mr. CHEN Xin (陳欣先生). . . . .	44	Non-Executive Director	November 7, 2024	November 7, 2024	Responsible for supervising management and providing professional advice to enhance board decision-making
Mr. GUO Xinping (郭新平先生) . . . . .	60	Independent Non-Executive Director	[REDACTED]	November 7, 2024	Responsible for providing independent opinion and judgment to the Board
Mr. GUAN Jizhen (關積珍先生) . . . . .	58	Independent Non-Executive Director	[REDACTED]	November 7, 2024	Responsible for providing independent opinion and judgment to the Board
Mr. HUI Kai Lung (許佳龍先生) . . . . .	51	Independent Non-Executive Director	[REDACTED]	November 7, 2024	Responsible for providing independent opinion and judgment to the Board

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

### Executive Directors

**Mr. JIANG Shengxi** (姜生喜先生), aged 49, is the founder, executive Director and chairman of the Board of our Company. Mr. Jiang is also the chairman of the board of Hengsheng Changyun and a director of Beijing Hongbo and the executive director of Shengwei Changxing. Mr. Jiang has over 20 years of experience in software industry. From February 2001 to March 2013, he worked at Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), whose shares are listed on Shanghai Stock Exchange (stock code: 600588), with his last position as the vice president.

Mr. Jiang received his bachelor’s degree in accounting from Northern Jiaotong University (currently known as Beijing Jiaotong University) in the PRC in July 1998. Mr. Jiang received masters of Executive Management Business Administration (“EMBA”) degrees from Hong Kong University of Science and Technology in November 2007 and from Cheung Kong Graduate School of Business in the PRC in September 2021. In April 2023, Mr. Jiang was honored with the title of “Technological Innovation Figure (科技創新人物)” at an event organised by China Communications News (中國交通報社).

Mr. Jiang held positions in the following dissolved companies. The relevant details are as follows:

Name of the company	Position	Place of establishment	Principal business	Status	Date of deregistration	Reason of deregistration
Shandong Jiaoyou Information Technology Co Ltd (山東交游信息技術有限公司) . . . . .	Legal representative and chairman of the board of directors	PRC	Software information technology services	Dissolved by deregistration	December 16, 2021	Business decision-making
Hubei Shengwei Times Technology Co Ltd (湖北盛威時代科技有限公司) . . . . .	Legal representative, executive director and general manager	PRC	Software and information technology services	Dissolved by deregistration	December 14, 2021	Business decision-making
Hunan Shengwei Times Technology Co Ltd (湖南盛威時代科技有限公司) . . . . .	Legal representative, executive director and general manager	PRC	Software and information technology services	Dissolved by deregistration	December 2, 2021	Business decision-making
Jiangsu Nanjing Shengwei Times Technology Co Ltd (江蘇南京盛威時代科技有限公司) . . . . .	Executive director	PRC	Software and information technology services	Dissolved by deregistration	February 11, 2022	Business decision-making

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name of the company	Position	Place of establishment	Principal business	Status	Date of deregistration	Reason of deregistration
Jiangxi Ganyixing Technology Co Ltd (江西贛易行科技有 限公司) . . . . .	Director	PRC	Software and information technology services	Dissolved by deregistration	November 2, 2022	Business decision- making
Gansu Public Road Passenger Transport Network Ticketing Operation Service Center Co Ltd (甘肅公眾道路客運聯網售票運營服務中心有 限公司) . . . . .	General manager	PRC	Information technology services	Dissolved by deregistration	January 30, 2024	Business decision- making
Shaanxi New Shengwei Information Technology Co Ltd (陝西新盛威信息科 技有限公司) . . . . .	Legal representative and executive director	PRC	Software and information technology services	Dissolved by deregistration	July 31, 2018	Business decision- making

Mr. Jiang confirmed that (i) the outstanding liabilities of the above companies were fully settled prior to their dissolution, (ii) there was no wrongful act on his part leading to the deregistration, and (iii) the deregistration of the above companies had not resulted in any liability or obligation imposed against him.

**Mr. YANG Yang (楊揚先生)**, aged 45, is an executive Director and the chief executive officer of our Company. Additionally, Mr. Yang holds the position of an executive director of Henan Shengwei. From 2016 to 2019, he served as head of operation center of our Company. Prior to joining our Group, Mr. Yang worked at Beijing China Enterprise Dynamics Business Information Co., Ltd. (北京中企動力商務信息有限公司) from February 2007 to October 2007. From January 2010 to January 2014, he worked at Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), whose shares are listed on Shanghai Stock Exchange (stock code: 600588).

Mr. Yang received his bachelor’s degree in information management and information system from Shandong Technology and Business University in the PRC in July 2003.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Yang held positions in the following dissolved companies. The relevant details are as follows:

Name of the company	Position	Place of establishment	Principal business	Status	Date of deregistration	Reason of deregistration
Shandong Jiaoyou Information Technology Co Ltd (山東交游信息技術有限公司) . . . . .	Director	PRC	Software and information technology services	Dissolved by deregistration	December 16, 2021	Business decision-making
Gansu Public Road Passenger Transport Network Ticketing Operation Service Center Co Ltd (甘肅公眾道路客運聯網售票運營服務中心有限公司) . . . . .	Supervisor	PRC	Information technology services	Dissolved by deregistration	January 30, 2024	Business decision-making
Hubei Shengwei Times Technology Co Ltd (湖北盛威時代科技有限公司) . . . . .	Supervisor	PRC	Software information technology services	Dissolved by deregistration	December 14, 2021	Business decision-making
Hunan Shengwei Times Technology Co Ltd (湖南盛威時代科技有限公司) . . . . .	Supervisor	PRC	Software information technology services	Dissolved by deregistration	December 2, 2021	Business decision-making

Mr. Yang confirmed that (i) the outstanding liabilities of the above companies were fully settled prior to their dissolution, (ii) there was no wrongful act on his part leading to the deregistration, and (iii) the deregistration of the above companies had not resulted in any liability or obligation imposed against him.

**Mr. ZHANG Jintao** (張勁濤先生), aged 49, is an executive Director and the chief technology officer of our Company. Mr. Zhang has more than 20 years of experience in software engineering and development industry. From November 2000 to July 2013, he served several positions within corporations affiliated with Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司) (“**Yonyou**”), whose shares are listed on Shanghai Stock Exchange (stock code: 600588), including serving as a development manager at Weiku (Shanghai) Network Technology Co., Ltd. (偉庫(上海)網絡科技有限公司) from November 2000 to August 2001, serving as a development manager of the network distribution development department at Yonyou from August 2001 to November 2004, serving as a department manager of the U8 platform department at Yonyou from November 2004 to April 2011, and serving as a U8 technical director at Yonyou from April 2011 to July 2013.

Mr. Zhang received his undergraduate diploma in business management from University of International Business and Economics in the PRC through online courses in January 2011.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. **CHENG Qian** (程千女士), aged 41, was appointed as an Executive Director of our Company on November 7, 2024, with her appointment becoming effective from the [REDACTED]. Ms. Cheng has served as an assistant president of our Company since January 2020. Prior to joining our Group, Ms. Cheng worked at Pony Testing Group Co., Ltd. (譜尼測試集團股份有限公司) from August 2009 to August 2011. Subsequently, from September 2011 to January 2014, she worked at Beijing Bailingwei Technology Co., Ltd. (北京百靈威科技有限公司).

Ms. Cheng received her bachelor's degree in management from Hubei University in the PRC in December 2009 and received her master's degree in business administration from Beijing Institute of Technology in the PRC in June 2011.

Ms. Cheng held positions in the following dissolved company. The relevant details are as follows:

Name of the company	Position	Place of establishment	Principal business	Status	Date of deregistration	Reason of deregistration
Tianjin Yilian Mingyue Technology Partnership Enterprise (Limited Partnership) (天津易聯明月科技合夥企業(有限合夥)) . . . .	Executive partner	PRC	Technical services and consulting	Dissolved by deregistration	April 17, 2023	Business decision-making

Ms. Cheng confirmed that (i) the above companies were solvent at the time of the deregistration, (ii) there was no wrongful act on his part leading to the deregistration, and (iii) the deregistration of the above companies had not resulted in any liability or obligation imposed against her.

### Non-Executive Directors

Mr. **LI Chen** (李晨先生), aged 41, is a non-executive Director of our Company. Mr. Li has over 15 years of experience in the travel and transportation industry. Since August 2008, he has worked within corporations affiliated with Alitrip Network Technology (Beijing) Co., Ltd. (阿里旅行網絡技術(北京)有限公司) and currently holds the position of senior director in the transportation business department of the company.

Mr. Li obtained his master's degree in hotel and tourism management from Hong Kong Polytechnic University in September 2018.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Li held positions in the following dissolved companies. The relevant details are as follows:

Name of the company	Position	Place of establishment	Principal business	Status	Date of deregistration	Reason of deregistration
Wuhan Fangxinfei Aviation Services Co Ltd (武漢放心飛航空服務有限公司)	Legal representative, executive director and general manager	PRC	Ticketing agency	Dissolved by deregistration	May 23, 2019	Cessation of business
Shenzhen Yuanda Aviation Services Co Ltd (深圳遠大航空服務有限公司)	Legal representative, executive director and general manager	PRC	Ticketing agency	Dissolved by deregistration	December 29, 2023	Cessation of business

Mr. Li confirmed that (i) the above companies were solvent at the time of the deregistration, (ii) there was no wrongful act on his part leading to the deregistration, and (iii) the deregistration of the above companies had not resulted in any liability or obligation imposed against him.

**Mr. CHEN Xin (陳欣先生)**, aged 44, is a non-executive Director of our Company. Mr. Chen has over eight years of experience in investment and post-investment management. Since July 2016, he has worked at Guiyang High-tech Softbank Bosheng Venture Investment Management Partnership (Limited Partnership) (貴陽高新軟銀博盛創業投資管理合夥企業(有限合夥)) and currently holds the position of investment director in the company. He has additionally held the position of director at Zhejiang Zuicheng Semiconductor Technology Co., Ltd. (浙江最成半導體科技有限公司) since December 2021, Ayiwa (Beijing) Technology Co., Ltd. (阿依瓦(北京)技術有限公司) since August 2023, Shengyin Optoelectronics (Kunshan) Co., Ltd. (昇印光電(昆山)股份有限公司) since March 2023. Furthermore, he has served as a supervisor at Global Technology Co., Ltd. (格陸博科技有限公司) since September 2019.

Mr. Chen obtained his bachelor's degree in economics from East China Normal University in the PRC in July 2002. He holds a fund practitioner qualification certificate issued by the Asset Management Association of China in November 2021.

### Independent Non-executive Directors

**Mr. GUO Xinping (郭新平先生)**, aged 60, was appointed as an independent non-executive director of our Company on November 7, 2024, with his appointment becoming effective from the [REDACTED]. Mr. Guo has extensive experience in accounting and finance. Prior to joining our Group, Mr. Guo served as an executive deputy general manager and the general manager at Yonyou Electronic Financial Technology Co., Ltd. (用友電子財務技術有限公司) from July 1989 to December 1994, serving as a director and the vice president at Yonyou Software Group Co., Ltd. (用友軟件集團有限公司) from January 1995 to December 1999, serving as a director and the general manager at Beijing Yonyou Software Co., Ltd. (北



## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

京用友軟件股份有限公司) from January 2000 to April 2002. Since May 2002, he has served as the vice chairman of the board at Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), whose shares are listed on Shanghai Stock Exchange (stock code: 600588). From May 2002 to January 2022, Mr. Guo served as an independent non-executive director at CCID Consulting Company Limited (賽迪顧問股份有限公司), whose shares are listed on the Hong Kong Stock Exchange (stock code: 2176). From April 2008 to April 2023, he served as an independent director at Glodon Company Limited (廣聯達科技股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 002410). Since May 2016, he has been serving as a director at Yonyou Financial Information Technology Co., Ltd. (用友金融信息技術股份有限公司), whose shares are listed on NEEQ (stock code 839483).

Mr. Guo received a bachelor's degree in finance and accounting from Zhongnan University of Economics and Law in the PRC in July 1985 and received an EMBA degree from Hong Kong University of Science and Technology in November 2007. He holds a senior accountant certificate issued by the Personnel Department of Hubei Province in the PRC on August 23, 1998.

Mr. Guo held positions in the following dissolved companies or in companies whose business licenses have been revoked. The relevant details are as follows:

Name of the company	Position	Place of establishment	Principal business	Status	Date of deregistration/ revocation	Reason of deregistration/ revocation
Beijing Yonyou Tongbao Financial Analysis Technology Co Ltd (北京用友通寶財務分析技術有限公司) . . . . .	Supervisor	PRC	Software development and sales	Dissolved by deregistration	July 23, 2003	Business decision-making
Shenyang Yonyou Management Consulting Co Ltd (瀋陽用友管理諮詢有限公司). . . . .	Director	PRC	Technology and management consulting	Dissolved by deregistration	September 26, 2003	Business decision-making
Beijing Yonyou Hospital Management Software Co Ltd (北京用友醫院管理軟件有限公司) . . . . .	Director	PRC	Software development	Dissolved by deregistration	December 21, 2010	Business decision-making

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name of the company	Position	Place of establishment	Principal business	Status	Date of deregistration/ revocation	Reason of deregistration/ revocation
Xi'an Yonyou Financial Software Co Ltd (西安用友財務軟件有限責任公司) . . . . .	Director	PRC	Software development	Dissolved by deregistration	March 1, 2017	Business decision-making
Beijing Chunyuan Jinruan Technology Development Co Ltd (北京春元金軟科技發展有限公司) . . . . .	Director	PRC	Technology development	Dissolved by deregistration	November 3, 2010	Business decision-making
Yonyou Yunda Information Technology Service (Nanchang) Co Ltd (用友雲達信息技術服務(南昌)有限公司) . . . . .	Director	PRC	Software development and sales	Dissolved by deregistration	May 22, 2020	Business decision-making
Beijing Yonyou Dakang Mobile Business Technology Co Ltd (北京用友達康移動商務技術有限公司) . . . . .	Director	PRC	Mobile communication business technology	Dissolved by deregistration	March 20, 2008	Business decision-making
Beijing Changjie Youcai Network Co Ltd (北京暢捷優財網絡有限公司) . . . . .	Director	PRC	Software services and technology development	Dissolved by deregistration	March 5, 2018	Business decision-making
Ningbo Shanyou Software Co Ltd (寧波山友軟件有限公司) . . . . .	Supervisor	PRC	Software development	Dissolved by deregistration	December 17, 2001	Business decision-making
Taiyuan Yonyou Software Co Ltd (太原用友軟件有限公司) . . . . .	Director	PRC	Software development and sales	Dissolved by deregistration	March 31, 2021	Business decision-making

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name of the company	Position	Place of establishment	Principal business	Status	Date of deregistration/ revocation	Reason of deregistration/ revocation
Hainan Shangbo Software Co Ltd (海南商博軟件有限公司) . . . . .	Director	PRC	Software development and sales	Business licence revoked	June 29, 2016	Death of legal representative
Suzhou Yonyou Software Co Ltd (蘇州用友軟件有限公司) . . . . .	Legal representative, executive director	PRC	Software development and sales	Business licence revoked	April 15, 2010	Failure to file business qualification
Shenzhen Shuowang Management Consulting Co Ltd (深圳市碩旺管理諮詢有限公司) . . . . .	Director	PRC	Software development and sales	Business licence revoked	February 1, 2005	Failure to file business qualification

Mr. Guo confirmed that (i) the above companies were solvent at the time of the deregistration or revocation, (ii) there was no wrongful act on his part leading to the deregistration or revocation, and (iii) the deregistration or the revocation of the above companies had not resulted in any liability or obligation imposed against him.

**Mr. GUAN Jizhen (關積珍先生)**, aged 58, was appointed as an independent non-executive director of our Company on November 7, 2024, with his appointment becoming effective from the [REDACTED].

Mr. Guan successively served as a teaching assistant and a lecturer at Northern Jiaotong University (currently known as Beijing Jiaotong University) from May 1987 to July 1992. During 1992 to 1998, he served several positions within corporations affiliated with LanTong New Technology Industry (Group) Co., Ltd. (藍通新技術產業(集團)有限公司), including serving as the deputy general manager at Beijing Lantong Electronics Co., Ltd. (北京藍通電子有限公司) from December 1992 to May 1995, as the general manger at Beijing Lantong Electronics Technology Co., Ltd. (北京藍通電子科技有限責任公司) and as a vice president at LanTong New Technology Industry (Group) Co., Ltd. (藍通新技術產業(集團)有限公司) from June 1995 to December 1998. From November 2015 to November 2018, he served as a part-time professor in Tongji University. Since January 1991, Mr. Guan has been with Beijing STONE Intelligent Transportation System Integration Co., Ltd. (北京四通智能交通系統集成有限公司), where he had successively served as general manager, chairman of the board, and is currently the chief scientist of the company. Since July 2018, Mr. Guan has been serving as a director at Shandong Eagle Software Technology Co., Ltd. (山東易構軟件技術股份有限公司), whose shares are listed on the National Equities Exchange and Quotations (“NEEQ”) (stock code: 834002). Since May 2024, Mr. Guan has been serving as an independent director at Hengtong Kaiyuan Information Technology Co., Ltd. (恒拓開源信息科技股份有限公司), whose shares are listed on the Beijing Stock Exchange (stock code: 834415).

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Guan received a bachelor's degree in materials management engineering and a master's degree in engineering from Northern Jiaotong University (currently known as Beijing Jiaotong University) in the PRC in July 1985 and October 1988, respectively. He received a doctor's degree in management from Huazhong University of Science and Technology in the PRC in December 2009. Mr. Guan holds a senior engineer qualification certificate issued by the Ministry of Railways of the PRC.

Mr. Guan held positions in the following dissolved companies or in companies whose business licenses have been revoked. The relevant details are as follows:

Name of the company	Position	Place of establishment	Principal business	Status	Date of deregistration/revocation	Reason of deregistration/revocation
Beijing Zhineng Shixun Information Technology Co Ltd (北京智能實訊信息技術有限責任公司)	Director and general manager	PRC	Technical development	Dissolved by deregistration	August 14, 2020	Business decision-making
Beijing Borui Shengshi Technology Co Ltd (北京博瑞盛世科技有限公司)	Supervisor	PRC	Technical development	Dissolved by deregistration	August 26, 2021	Business decision-making
Beijing Lantong Electronics Co Ltd (北京藍通電子有限公司)	General Manager and deputy general manager	PRC	LED electronic screen development, production and sales	Dissolved by deregistration	October 8, 1997	Business decision-making
Beijing Liyixun Information Technology Co Ltd (北京立移訊信息技術有限公司)	Director	PRC	Technical development	Business licence revoked	January 23, 2008	Annual inspection overdue
Shanghai Sentaiké Communication Industry Co Ltd (上海森泰克通信產業有限公司)	Director	PRC	Communication equipment development and services	Business licence revoked	March 22, 2005	Annual inspection overdue
Beijing Yizhou Qicheng Information Technology Co Ltd (北京移舟啟程信息技術有限公司)	Director	PRC	Technical development	Business licence revoked	January 23, 2008	Annual inspection overdue

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Guan confirmed that (i) the above companies were solvent at the time of the deregistration or revocation, (ii) there was no wrongful act on his part leading to the deregistration or revocation, and (iii) the deregistration or the revocation of the above companies had not resulted in any liability or obligation imposed against him.

**Mr. HUI Kai Lung** (許佳龍先生), aged 51, was appointed as an independent non-executive director of our Company on November 7, 2024, with his appointment becoming effective from the [REDACTED]. Mr. Hui Kai Lung has served in various roles at Hong Kong University of Science and Technology ("HKUST") during his tenure since September 2008. In the Department of Information Systems, Business Statistics and Operations Management, he served as an associate professor from September 2008 to June 2013 and as a professor since July 2013. Additionally, he served as the deputy head from August 2017 to July 2023, as the acting head from August 2023 to March 2024 and as the head of department from April 2024 to June 2024. From September 2013 to August 2015, he served as the associate dean for Undergraduate Programs in School of Business and Management. In the HKUST Business School, he served as the associate dean for Research from March 2019 to August 2021. He subsequently held the position of senior associate dean from September 2021 to June 2024 and has been serving as the acting dean since July 2024. Furthermore, Mr. Hui has held the title of Chair Professor since July 2017 and the title of Elman Family Professor of Business since July 2019.

Mr. Hui received a bachelor's degree in business administration in information and systems management with first class honors in November 1996 from HKUST. He received a doctor's degree in philosophy in information systems from HKUST in November 2000.

### SUPERVISORS

Our Supervisory Committee consists of three Supervisors. The following table sets forth certain information about our Supervisors.

Name	Age	Position	Date of joining our Group	Date of appointment as Supervisor	Roles and Responsibilities
Mr. ZHAO Changsheng (趙昌勝先生) . . . . .	61	Chairman of the Board of Supervisors, Supervisor	March 2, 2015	August 31, 2022	Responsible for presiding over the work of the board of supervisors, supervising and providing independent advice to our Board
Ms. LUO Yan (羅燕女士). . . . .	39	Supervisor, Manager of Human Resources and Administration Department	October 28, 2013	August 31, 2022	Responsible for supervising and providing independent advice to our Board
Mr. YU Min (余敏先生). . . . .	40	Supervisor, Director of Bus ticket R&D Department and Manager of Intelligent Equipment Development Department	January 1, 2013	August 31, 2022	Responsible for supervising and providing independent advice to our Board

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Mr. ZHAO Changsheng (趙昌勝先生)**, aged 61, is a Supervisor and the chairman of the board of supervisors of our Company. Previously, Mr. Zhao has over 20 years of experience in software engineering and development. From January 2001 to November 2004, he worked at Kingdee Software (China) Co., Ltd. (金蝶軟件(中國)有限公司) and its Shenzhen branch. From March 2007 to July 2012, he worked at Shenzhen Yonyou Software Co., Ltd. (深圳用友軟件有限公司).

Mr. Zhao received his undergraduate diploma in electronic engineering from Xi'an Institute of Technology (presently known as Xi'an Technological University) in the PRC in July 1985.

Mr. Zhao held positions in the following dissolved company or in the company whose business license has been revoked. The relevant details are as follows:

Name of the company	Position	Place of establishment	Principal business	Status	Date of deregistration/ revocation	Reason of deregistration/ revocation
Lanzhou Tianhe Computer Software Development Co Ltd (蘭州天和計算機軟件開發有限責任公司) . . . . .	Legal representative and executive director	PRC	Software development and sales	Dissolved by deregistration	January 11, 2022	Business decision-making
Zhuhai Zhimeng Information Technology Co Ltd (珠海置盟信息技術有限公司) . . . . .	Director, general manager	PRC	Software development and sales	Business licence revoked	August 18, 2010	Annual inspection overdue
Zhengzhou Qipeng Technology & Trade Co., Ltd. (鄭州奇鵬科貿有限公司) . . .	Legal representative and executive director	PRC	Computer application services	Business licence revoked	June 8, 2011	Annual inspection overdue

Mr. Zhao confirmed that (i) the above companies were solvent at the time of the deregistration or revocation, (ii) there was no wrongful act on his part leading to the deregistration or revocation, and (iii) the deregistration or the revocation of the above companies had not resulted in any liability or obligation imposed against him.

**Ms. LUO Yan (羅燕女士)**, aged 39, is a Supervisor and the manager of human resources and administration department of our Company. Prior to joining our Group, Ms. Luo served as a consultant at Duoda Innovation Investment Management Co., Ltd. (多達創新投資管理有限公司) from April 2011 to October 2011. She also served as a consultant at Bosi Dream (China) Co., Ltd. (博思夢想(中國)有限公司) from February 2012 to October 2012.

Ms. Luo obtained her junior college diploma in bioengineering technology from Beijing Vocational College of Agriculture in the PRC in July 2006.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

**Mr. YU Min (余敏先生)**, aged 40, is a Supervisor and a development director of Bus ticket R&D Department and department manager of intelligent equipment development department of our Company. Mr. Yu has years of experience in the information technology industry. Prior to joining our Group, Mr. Yu worked at Shenzhen Tianyun Network Technology Co., Ltd. (深圳天運網科技有限公司) from March 2007 to March 2010. From May 2010 to August 2012, he worked at NOVA Technology Corporation Limited (南凌科技股份有限公司).

Mr. Yu obtained his bachelor's degree in engineering from Wuhan Institute of Chemical Engineering (武漢化工學院) in the PRC in June 2004. He has the qualification of the information system project manager issued by the Human Resources and Social Security Department of Guangdong Province in March 2013.

### SENIOR MANAGEMENT

The following table provides information about members of the senior management of our Company:

Name	Age	Position	Date of joining our Group	Date of appointment to current position	Roles and Responsibilities
Mr. YANG Yang (楊揚先生) . . . . .	45	Chief Executive Officer	February 17, 2014	January 4, 2021	Responsible for the overall management of Group's business and external financing work
Mr. WANG Dengyue (王登嶽先生) . . . . .	56	Chief Financial Officer, Senior Vice President	November 2, 2015	January 4, 2021	Responsible for Group's financial and procurement management
Mr. HU Xinghua (胡興華先生) . . . . .	46	Senior Vice President, General Manager of Passenger Transportation Business Department	April 1, 2017	January 4, 2021	Responsible for Group's management of passenger transportation business
Mr. LI Tao (李陶先生) . . . . .	46	Senior Vice President, Deputy Manager of Passenger Transportation Business Department	June 15, 2015	February 10, 2021	Responsible for Group's management of passenger transportation business

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position	Date of joining our Group	Date of appointment to current position	Roles and Responsibilities
Mr. BAI Shan (白杉先生) . . . . .	54	Senior Vice President, General Manager of Digitalization Services Business Department	October 13, 2014	January 4, 2021	Responsible for Group’s management of digitalization services business
Mr. ZHANG Jintao (張勁濤先生) . . . . .	49	Senior Vice President, Chief Technology Officer	July 1, 2013	January 4, 2021	Responsible for the technology management of the Group
Mr. ZHOU Chunhui (周春輝先生) . . . . .	38	Vice President, General Manager of Ride-Hailing Business Department	January 7, 2019	January 4, 2021	Responsible for Group’s management of ride-hailing business

**Mr. YANG Yang** (楊揚先生) is the chief executive officer of our Company. See “— Directors — Executive Directors” in this section for Mr. Yang’s biographies.

**Mr. WANG Dengyue** (王登嶽先生), aged 56, is the chief financial officer and a senior vice president of our Company. He has been serving as these positions in our Company since January 2021. Mr. Wang has more than 30 years of experience in financial and accounting sector. From July 1991 to April 2001, Mr. Wang successively served as a trainee employee, the head of the industry section under the finance department, deputy chief accountant of the financial department, and first-level audit supervisor of the supervision and audit department at China Railway Signal and Communication Corporation (中國鐵路通信信號總公司). From October 2001 to December 2003 and from July to October 2004, he was employed at China Railway Communication Network Technology Co., Ltd. (中鐵通信網絡技術有限公司). From September 2004 to August 2006, he served as the deputy general manager of industrial investment department at China Tietong Group Corporation (中國鐵通集團有限公司). From August 2006 to November 2010, he served as the chief accountant at Hainan Branch of China Tietong Group Corporation (中國鐵通集團有限公司海南分公司). From November 2010 to October 2015, he served as the chief accountant at China Tietong Group Co., Ltd. Beijing Branch (中國鐵通集團有限公司北京分公司).

Mr. Wang received a bachelor’s degree in economics in July 1991 and a master’s degree in accounting in July 2012 from Beijing Jiaotong University (formerly known as Northern Jiaotong University). He holds an accountant certificate issued by the Ministry of Finance of the PRC in May 1996.

**Mr. HU Xinghua** (胡興華先生), aged 46, is a senior vice president and the general manager of passenger transportation business department of our Company. Mr. Hu has more than 20 years of experience in transportation industry. Prior to joining our Company, Mr. Hu worked in Gansu Provincial Road Transportation Administration (甘肅省道路運輸管理局) from July 2001 to March 2017.



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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Mr. Hu received his master’s degree in public management from Lanzhou University in the PRC in June 2013. He holds a senior engineer qualification certificate issued by the Human Resources and Social Security Department of Gansu Province in December 2011.

**Mr. LI Tao** (李陶先生), aged 46, is a senior vice president and the deputy manager of passenger transportation business department of our Company. From November to December 2001, Mr. Li worked at Beijing Yonyou Technology Co., Ltd. (北京用友科技有限公司). From January 2002 to October 2005, he worked at Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), whose shares are listed on Shanghai Stock Exchange (stock code: 600588). From November 2005 to June 2006, he worked at Beijing Yunwang Infinite Network Technology Co., Ltd. (北京雲網無限網絡技術有限公司). From January 2007 to February 2011, he worked at Aerospace Information Co., Ltd. (航天信息股份有限公司). From March 2011 to July 2015, he worked at Aerospace Information Software Technology Co., Ltd. (航天信息軟件技術有限公司).

Mr. Li received a bachelor’s degree in Chinese language and literature from Beijing Union University in the PRC in January 2004.

**Mr. BAI Shan** (白杉先生), aged 54, is a senior vice president and the general manager of digitalization services business department of our Company. Mr. Bai also holds the position of a general manager of Henan Shengwei and a director of Beijing Hongbo. Prior to joining us, from May 1999 to March 2006, he worked at Yonyou Network Technology Co., Ltd. (用友網絡科技股份有限公司), whose shares are listed on Shanghai Stock Exchange (stock code: 600588). Mr. Bai then started his own business from May 2008 to February 2015, during which he founded LeQing (Beijing) Application Technology Co., Ltd. (樂擎(北京)應用技術有限公司) (dissolved) and served as the executive director.

Mr. Bai received his undergraduate diploma in information science from Nankai University in the PRC in July 1992. He holds a qualification certificate of middle professional rank in computer engineering issued by the Title Reform Leading Group Office of Hebei Province (河北省職稱改革領導小組辦公室) in December 2000.

**Mr. ZHANG Jintao** (張勁濤先生) is a senior vice president and the chief technology officer of our Company. See “— Directors — Executive Directors” in this section for Mr. Zhang’s biographies.

**Mr. ZHOU Chunhui** (周春輝先生), aged 38, is a vice president and the general manager of ride-hailing business department of our Company. He also holds the position of an executive director and the general manager of Shengzhi Yilian. Prior to joining our Group, Mr. Zhou served as the vice president at Tianjin Travel Co., Ltd. (天津出行有限公司) from January 2018 to December 2018.

Mr. Zhou received his bachelor’s degree in electronic information engineering from Sichuan University in the PRC in June 2010.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Save as disclosed above, none of the Directors, Supervisors and senior management had held any directorships in listed companies during the three years immediately prior to the Latest Practicable Date. There is no other information in respect of the Directors, Supervisors and senior management to be disclosed pursuant to Rules 13.51(2)(a) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

### JOINT COMPANY SECRETARIES

**Ms. AU Wai Ching** (區慧晶女士), has been appointed as one of our joint company secretaries. Ms. Au has joined SWCS Corporate Services Group (Hong Kong) Limited, a corporate service provider, since January 2016 and currently serves as a senior manager in corporate secretarial department of the company. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

Ms. Au obtained the bachelor's degree in business administration and the master's degree in professional accounting and corporate governance from City University of Hong Kong.

**Ms. CHEN Jia** (陳佳女士), who has been appointed as one of our joint company secretaries, is also an assistant to the president of our Company. Prior to joining us, Ms. Chen worked in Nanjing Chenguang Hi-Tech Venture Capital Co., Ltd. (南京晨光高科創業投資有限公司) from August 2018 to December 2019. She served as investment supervisor at Aerospace Science and Industry Private Equity Fund Management (Nanjing) Co., Ltd. (航天科工私募基金管理(南京)有限公司) from December 2019 to April 2021.

Ms. Chen obtained her bachelor's degree in accounting and finance from De Montfort University in the United Kingdom in June 2014 and her master's degree in finance from the University of Lancaster in the United Kingdom in November 2015.

### MANAGEMENT AND CORPORATE GOVERNANCE

#### Board Committees

##### *Audit committee*

We have established an audit committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the audit committee encompass the communication, supervision, and verification of both internal and external audits of the Company, as well as oversight of risk management and internal control processes of the Company. The audit committee comprises three members, namely, Mr. GUO Xinping, Mr. GUAN Jizhen and Mr. HUI Kai Lung, with Mr. Guo as the chairperson of the audit committee.

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## **DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

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### ***Remuneration committee***

We have established a remuneration committee in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the remuneration committee include formulating and evaluating assessment standards for the Directors and senior management of the Company, as well as establishing and reviewing remuneration policies and plans for these individuals. The remuneration committee comprises three members, namely Mr. GUAN Jizhen, Mr. GUO Xinping and Mr. HUI Kai Lung, with Mr. Guan as the chairperson of the remuneration committee.

### ***Nomination committee***

We have established a nomination committee in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The primary duties of the nomination committee include formulating the candidates, selection criteria, and procedures for the Directors and senior management of the Company, as well as conducting assessments and making recommendations for these individuals. The nomination committee comprises five members, namely Mr. JIANG Shengxi, Ms. CHENG Qian, Mr. GUO Xinping and Mr. GUAN Jizhen and Mr. HUI Kai Lung, with Mr. Jiang as the chairperson of the nomination committee.

### **Corporate Governance Code**

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with the Corporate Governance Code set out in Appendix C1 to the Listing Rules upon the [REDACTED].

### **Board Diversity**

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. Our Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining our Company’s competitive advantage and enhancing its ability to attract, retain, and motivate employees from the widest possible pool of available talent. Pursuant to the board diversity policy, in reviewing and assessing suitable candidates to serve as a Director of our Company, the nomination committee will consider a number of factors, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience. Pursuant to the board diversity policy, the nomination committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board and recommend them to the Board for formal adoption.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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### Confirmation from our Directors

Apart from Mr. Chen Xin, 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 on September 4, 2024, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules; Mr. Chen Xin confirms that he (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on September 29, 2024; and (ii) understands his obligations as a director of a listed issuer under the Listing Rules.

Each of our Directors confirms that:

- (1) as of the Latest Practicable Date, save as disclosed in this Document, he or she did not have any interest in a business which materially competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules;
- (2) save as disclosed in this Document, he or she has no interests in the Shares within the meaning of Part XV of the SFO as of the Latest Practicable Date.

Each of our independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

As of the Latest Practicable Date, none of our Directors, Supervisors or senior management is related to other Directors, Supervisors or senior management of our Company.

### REMUNERATION

Our Directors, Supervisors and senior management receive remuneration, including salaries, discretionary bonuses, allowances, share-based payments, social insurance benefits, and other benefits in kind.

The aggregate amount of emoluments for our Directors and Supervisors for the years ended December 31, 2021, 2022, and 2023, and for the six months ended June 30, 2024, was approximately RMB7.4 million, RMB5.5 million, RMB5.9 million and RMB2.1 million, respectively.

For the years ended December 31, 2021, 2022 and 2023, and for the six months ended June 30, 2024, the aggregate amount of emoluments for the five highest paid individuals of our Company (excluding our Directors and Supervisors) were approximately RMB2.7 million, RMB0.7 million, RMB0.7 million and RMB0.3 million, respectively.

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## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

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Save as disclosed above, no other payments have been paid or are payable, in respect of the years ended December 31, 2021, 2022, and 2023, and for the six months ended June 30, 2024, by our Company to our Directors or Supervisors. For the year ended December 31, 2024, we expect to pay approximately RMB6.5 million in aggregate remuneration to our Directors and Supervisors.

During the Track Record Period, no remuneration was paid to, or receivable by, our Directors, Supervisors or the five highest paid individuals of our Company as an inducement to join or upon joining our Company or as a compensation for loss of office in the Track Record Period. Further, none of our Directors or Supervisors waived any emoluments during the same period.

### Compliance Advisor

We have appointed Somerley Capital Limited as our Compliance Advisor pursuant to Rules 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company, among others, in the following circumstances:

- (a) before the publication of any regulatory announcement, circular, or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this Document;
- (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of the Shares or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the Compliance Advisor shall commence on the [REDACTED] and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

## SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately prior to the completion of the [REDACTED] and immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the following persons will have an interest or short position in our Shares or underlying shares of our Company which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholders	Nature of Interest and capacity	Shares held in the total share capital of our Company as of the Latest Practicable Date and immediately prior to the [REDACTED]		Shares held in the total share capital of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
		Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
Mr. Jiang. . . . .	Beneficial owner <sup>(1)</sup> Interest of controlled corporation <sup>(3)</sup> Interest held jointly with other persons <sup>(6)</sup>	29,204,824	42.20%	[REDACTED]	[REDACTED]
Mr. Wang Jiawei . . . . .	Beneficial owner <sup>(2)</sup> Interest held jointly with another person <sup>(6)</sup>	29,204,824	42.20%	[REDACTED]	[REDACTED]
Chengdu Yingchuang . . . . .	Beneficial owner <sup>(4)</sup> Interest held jointly with another person <sup>(6)</sup>	29,204,824	42.20%	[REDACTED]	[REDACTED]
Yingchuang Century . . . . .	Interest of controlled corporation <sup>(4)</sup> Interest held jointly with another person <sup>(6)</sup>	29,204,824	42.20%	[REDACTED]	[REDACTED]
Mr. Yu Lang . . . . .	Interest of controlled corporation <sup>(4)</sup> Interest held jointly with another person <sup>(6)</sup>	29,204,824	42.20%	[REDACTED]	[REDACTED]

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Nature of Interest and capacity	Shares held in the total share capital of our Company as of the Latest Practicable Date and immediately prior to the [REDACTED]		Shares held in the total share capital of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
		Number of Shares	Approximate % of shareholding	Number of Shares	Approximate % of shareholding
Haidai Zhushi . . . . .	Beneficial owner <sup>(5)</sup> Interest held jointly with another person <sup>(6)</sup>	29,204,824	42.20%	[REDACTED]	[REDACTED]
Mr. Chen Shulin . . . . .	Interest of controlled corporation <sup>(5)</sup> Interest held jointly with another person <sup>(6)</sup>	29,204,824	42.20%	[REDACTED]	[REDACTED]
Times Zhongcheng . . . . .	Beneficial owner <sup>(3)</sup> Interest held jointly with another person <sup>(6)</sup>	29,204,824	42.20%	[REDACTED]	[REDACTED]
Times Xincheng . . . . .	Beneficial owner <sup>(3)</sup> Interest held jointly with another person <sup>(6)</sup>	29,204,824	42.20%	[REDACTED]	[REDACTED]
Alibaba Travel . . . . .	Beneficial owner	18,690,010	27.01%	[REDACTED]	[REDACTED]
Mr. Zhang Xu . . . . .	Interests of controlled corporation <sup>(7)</sup>	7,420,489	10.72%	[REDACTED]	[REDACTED]
Ningbo SoftBank . . . . .	Beneficial owner <sup>(7)</sup>	3,945,248	5.70%	[REDACTED]	[REDACTED]

*Notes:*

- (1) As of the Latest Practicable Date, Mr. Jiang directly held approximately 20.67% of our issued Share capital. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Jiang will directly hold approximately [REDACTED] of our Shares.
- (2) As of the Latest Practicable Date, Mr. Wang Jiawei directly held approximately 1.64% of our issued Share capital. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Wang will directly hold approximately [REDACTED] of our Shares.
- (3) As of the Latest Practicable Date, Times Zhongcheng and Times Xincheng directly held approximately 3.61% and 3.20% of our issued Share capital, respectively. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Times Zhongcheng and Times Xincheng will directly hold approximately [REDACTED] and [REDACTED] of our Shares, respectively. Mr. Jiang served as the general partner of Times Xincheng and Times Zhongcheng, the employee incentive platforms of our Group. By virtue of the SFO, Mr. Jiang was deemed to be interested in the Shares held by Times Xincheng and Times Zhongcheng.

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## SUBSTANTIAL SHAREHOLDERS

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- (4) As of the Latest Practicable Date, Chengdu Yingchuang directly held approximately 6.74% of our issued Share capital. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Chengdu Yingchuang will directly hold approximately [REDACTED] of our Shares. Yingchuang Century, a private fund manager principally engaged in investment activities, controls and manages Chengdu Yingchuang as its general partner. Mr. Yu Lang is responsible for the management of Yingchuang Century as the chairman of the board and the general manager, and owned 50.00% of the interests in Yingchuang Century. None of the remaining shareholders held more than 30.00% of the interests in Yingchuang Century or had been able to exert substantial influence on the management of Yingchuang Century. As such, Yingchuang Century and Mr. Yu are deemed to be interested in the Shares held by Chengdu Yingchuang under the SFO.
- (5) As of the Latest Practicable Date, Haidai Zhushi directly held approximately 6.34% of our issued Share capital. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Haidai Zhushi will directly hold approximately [REDACTED] of our Shares. Haidai Zhushi was owned as to 70.00% by Mr. Chen Shulin, who was able to exercise voting control of Haidai Zhushi. By virtue of the SFO, Mr. Chen is deemed to be interested in the Shares held by Haidai Zhushi.
- (6) Mr. Jiang, Mr. Wang Jiawei, Chengdu Yingchuang, Haidai Zhushi, Times Zhongcheng and Times Xincheng have entered into the Voting Rights Entrustment Agreement dated August 30, 2016. See “History, Development and Corporate Structure — Voting Rights Entrustment Arrangements” for details. As such, each of Mr. Jiang, Chengdu Yingchuang, Yingchuang Century, Mr. Yu Lang, Haidai Zhushi, Mr. Chen Shulin, Times Zhongcheng and Times Xincheng is regarded as a member of our Controlling Shareholder Group and together were entitled to exercise voting rights attached to [REDACTED] Shares, representing approximately 42.20% of the total issued Share capital of our Company. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholder Group will collectively be entitled to control the exercise of approximately [REDACTED] of the voting rights at the general meeting of our Company. For details, please see “Relationship with Our Controlling Shareholder Group — Controlling Shareholder Group”.
- (7) As of the Latest Practicable Date, Mr. Zhang Xu is the ultimate beneficial owner of and controls Ningbo SoftBank, Shanghai Minghe and Guiyang SoftBank. As of the same date, Ningbo SoftBank, Shanghai Minghe and Guiyang SoftBank held 5.70%, 3.60% and 1.43% of our issued Share capital, respectively. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Ningbo SoftBank, Shanghai Minghe and Guiyang SoftBank will hold approximately [REDACTED], [REDACTED] and [REDACTED] of our Shares, respectively. For details, please see “History, Development and Corporate Structure — Information about the [REDACTED]”.

Save as disclosed herein, the Directors are not aware of any person who will, immediately following the [REDACTED] (assuming that the [REDACTED] is not exercised), have an interest or short position in our Shares or underlying shares of our Company which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.



## SHARE CAPITAL

### BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB69,205,066, comprising 69,205,066 [REDACTED] Shares of nominal value RMB1.00 each.

	Number of Shares	Percentage of issued share capital
[REDACTED] Shares . . . . .	69,205,066	100%

### UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [REDACTED], assuming that the [REDACTED] is not exercised, the entire share capital of our Company would be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the enlarged issued share capital
[REDACTED] Shares . . . . .	[40,441,256]	[REDACTED]
H Shares converted from [REDACTED] Shares . . .	[REDACTED]	[REDACTED]
H Shares issued pursuant to the [REDACTED]. . . .	[REDACTED]	[REDACTED]
<b>Total</b> . . . . .	<b>[REDACTED]</b>	<b>100.00%</b>

Immediately following completion of the [REDACTED] and assuming that the [REDACTED] is fully exercised, the entire share capital of our Company would be as follows:

Description of Shares	Number of Shares	Approximate Percentage of the enlarged issued share capital
[REDACTED] Shares . . . . .	[40,441,256]	[REDACTED]
H Shares converted from [REDACTED] Shares . . .	[REDACTED]	[REDACTED]
H Shares issued pursuant to the [REDACTED]. . . .	[REDACTED]	[REDACTED]
<b>Total</b> . . . . .	<b>[REDACTED]</b>	<b>100.00%</b>

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## SHARE CAPITAL

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### SHARES OF OUR COMPANY

The H Shares, to be issued following the completion of the [REDACTED] and converted from the [REDACTED] Shares, and the [REDACTED] Shares are ordinary Shares in the share capital of our Company, all of which are considered as one class of Shares. However, apart from qualified domestic institutional investors (“QDII”) and persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approval of any competent authority, or through Shanghai-Hong Kong Stock Connect and Shenzhen – Hong Kong Stock Connect pursuant to relevant PRC laws and regulations, H shares generally may not be subscribed by or traded between legal or natural persons of the PRC.

[REDACTED] Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

### [REDACTED] PERIODS

Pursuant to the PRC Company Law, the Shares issued prior to any [REDACTED] of our Shares should not be transferred within a period of one year from the date on which our publicly [REDACTED] Shares are listed on the relevant stock exchange. Accordingly, the Shares issued by our Company prior to the [REDACTED] shall be subject to such statutory restriction on transfer within a period of one year from the [REDACTED]. In addition, certain holders of our [REDACTED] Shares have given undertaking not to transfer their shareholding for a certain period. See “History, Development and Corporate Structure”.

### CONVERSION OF OUR [REDACTED] SHARES INTO H SHARES

#### Conversion of [REDACTED] Shares

According to the regulations by the securities regulatory authority of the State Council and our Articles of Association, our shareholders of [REDACTED] Shares may convert their [REDACTED] shares into overseas-listed shares and have them listed and traded on an overseas stock exchange, upon the completion of the filing procedure with the CSRC. In addition, any requisite internal approval process in respect of such conversion and transfer shall be completed and such conversion and transfer shall comply with the regulations prescribed by securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant stock exchange. The listing and trading of such converted shares on the Hong Kong Stock Exchange will also require the approval of the Hong Kong Stock Exchange.

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## SHARE CAPITAL

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Based on the procedures for the conversion of the [REDACTED] Shares into H Shares as disclosed below, we may apply for the [REDACTED] of all or any portion of the [REDACTED] Shares on the Hong Kong Stock Exchange as H Shares before any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Hong Kong Stock Exchange and delivery of shares for entry on the H Share register. As any [REDACTED] of additional Shares after our initial [REDACTED] on the Hong Kong Stock Exchange is ordinarily considered by the Hong Kong Stock Exchange to be a purely administrative matter, it does not require such prior application for [REDACTED] at the time of our initial [REDACTED] in Hong Kong.

Our Company has applied for H Share full circulation to convert certain of the [REDACTED] Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of [REDACTED] Shares into H Shares will involve an aggregate of [REDACTED] Shares held by [REDACTED] existing Shareholders. For details of full circulation, see “History, Development and Corporate Structure — Full Circulation.”

No approval by separate class meeting is required for shareholders of [REDACTED] Shares of our Company to have their unissued shares converted into overseas-listed shares and have them listed and traded on an overseas stock exchange, pursuant to our Articles of Association. Any application for listing of the converted shares on the Hong Kong Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and public investors of any proposed conversion in advance.

### **Mechanism and Procedure for Conversion**

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant unlisted shares will be withdrawn from the [REDACTED] Share register and we will re-register such Shares on our H Share register maintained in Hong Kong and instruct our [REDACTED] to issue H Share certificates. Registration on our H Share register will be conditional on (a) our [REDACTED] lodging with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange in compliance with the Hong Kong Listing Rules, the General Rules of [REDACTED] and the [REDACTED] Operational Procedures in force from time to time. Until the converted shares are re-registered on our H Share register, such Shares would not be listed as H Shares.

### **SHAREHOLDERS’ GENERAL MEETINGS AND CLASS MEETINGS**

For details of circumstance under which our Shareholders’ general meeting and Shareholders’ class meeting are required, see “Appendix VI — Summary of Articles of Association.”

## FINANCIAL INFORMATION

*You should read the following discussion and analysis in conjunction with our consolidated financial information and the related notes thereto included in the Accountants’ Report in Appendix I to this Document. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards.*

*The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Risk Factors” and elsewhere in this Document. For further details, see “Forward-Looking Statements.”*

### OVERVIEW

We are a leading intercity and intracity road passenger transportation information services provider in China. According to Frost & Sullivan, we ranked first in China’s road passenger transportation information services market in terms of the number of tickets sold in 2023. We ranked second in China’s ride-hailing service market in terms of the number of Online Ride-Hailing Operating Permits as of June 30, 2024. Moreover, according to the same source, we were the largest digitalization and business solutions provider in China’s road passenger transportation market in terms of the number of the digitalization projects in provincial-level as of June 30, 2024. Our mission is to empower our corporate partners with advanced technology solutions and elevate travel experience for the passengers. Leveraging our technological expertise to address the challenges of traditional road passenger transportation industry, we provide business and technology solutions to our partners that digitalize their operations, expand their business scope, enhance their customer service capabilities and ultimately improve the overall passenger experience.

We primarily provide intercity road passenger transportation services and intracity ride-hailing services. Our reputation is built on our expertise in integrating digitalization solutions for passenger transportation stations. Building on our extensive experience and established capabilities in the internet ticketing services sector, we collaborate with various passenger transportation companies to deliver customized transportation services to address the diverse travel needs of passengers across different scenarios. We have gained extensive experience and established strong partnerships with key industry players such as passenger transportation companies, major aggregation platforms and OTAs. Relying on our strategic partnerships and extensive network in the intercity passenger transportation sector, we actively pursue opportunities in the ride-hailing services sector. We have constructed a diversified travel service network connecting cities nationwide, offering solutions for both intracity and intercity travel and catering to a variety of scenarios, needs and preferences.

During the Track Record Period, our business experienced rapid growth. For the years ended December 31, 2021, 2022 and 2023, and the six months ended June 30, 2023, and 2024, our revenue was RMB553.5 million, RMB816.0 million, RMB1,206.5 million, RMB577.8 million and RMB726.2 million, respectively, representing a CAGR of 47.6% from 2021 to 2023.

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## FINANCIAL INFORMATION

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### **BASIS OF PRESENTATION**

The historical financial information has been prepared in accordance with IFRS Accounting Standards and is presented in RMB unless otherwise stated. We have adopted all applicable new and revised IFRS Accounting Standards consistently throughout the Track Record Period. The preparation of historical financial information in conformity with IFRS Accounting Standards requires the use of certain accounting estimates, as well as our management’s judgment, estimates and assumption in applying our accounting policies. See Note 3 to the Accountants’ Report in Appendix I to this Document for the areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information.

### **MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

Our results of operations and financial conditions have been, and/or will continue to be affected by a number of factors, including those key factors set out below:

#### **Economic and Industry Trends in China**

As a leading intercity and intracity road passenger transportation information services provider in China, we have constructed an integrated travel service system with diversified service offerings, including passenger transportation services, ride-hailing services and digitalization and business solutions. The demand for these services is intricately linked to the economic climate of China, where economic expansion generally fosters greater willingness and financial capability among passengers to utilize and spend on our services. This economic growth not only boosts the frequency of service usage but also increases passenger spending power, enhancing the overall demand for our service and product offerings.

In addition to the direct impact of economic growth, our position within the market renders us susceptible to the key trends within the industries we operate in. The passenger transportation industry is starting to evolve, undergoing a gradual shift towards modernization and efficiency, driven by passenger expectations and technological advancements. This shift includes the adoption of digitalized ticketing systems, real-time tracking and enhanced safety measures. The improvements enhance the passenger experience and operational efficiency, marking the beginning of a promising trend towards greater technological integration. In addition, the rapid growth of the PRC tourism market has led to a significant increase in the need for intercity travel. As the tourism industry continues to flourish, a large number of passengers are traveling between cities, and road passenger transportation serves as a crucial transportation mode to fulfill their travel demands.

The ride-hailing industry has seen rapid adaptation and growth over the past decade. China’s ride-hailing market has transformed from a single player dominated market to a fragmented market. According to Frost & Sullivan, in 2023, the number of market players in China’s ride-hailing industry was more than 300. Additionally, the ongoing improvement of government policies and regulations are also driving the industry.

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## FINANCIAL INFORMATION

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Furthermore, our digitalization and business solutions are capitalizing on the widespread digitalization transformation across China. Since 2023, recovery from the COVID-19 pandemic had positive impact on the road passenger transportation industry as the public resumed travel activities, and the digitalization and business solutions industry for road passenger transportation market witnessed higher demand. China’s digitalization and business solutions market is relatively fragmented. In 2023, the number of market players in China’s digitalization and business solutions industry was more than 100.

Our results of operations are largely affected by various factors, including changes in passenger preference and demand, technology advancement and the overall condition of the economy. Changes in such factors may result in the growth or decline in the markets where we are exploring more business opportunities. Our ability to anticipate and respond to potential changes in the industry trends will have a considerable impact on our future performance.

### Regulatory Development

We may be affected by various PRC laws, regulations and policies, the changes of which could affect the demand for our services, increase our costs, and subject us to additional liabilities.

For instance, under the MOT’s Action Plan for the Construction of New Infrastructure in the Transportation Sector (2021-2025) (《交通運輸領域新型基礎設施建設行動方案(2021-2025)》), efforts are being made to strengthen the effective connection of ticketing systems for different modes of transportation, facilitating a “one-stop ticket purchase, one code (certificate) for travel” approach. Such policy encourages increased use of transportation services. Consequently, passenger demand for transportation may relatively rise, thereby increasing the demand for our services.

The laws and regulations may also require us to change certain aspects of our business operations. For example, in February 2022, the MOT, together with other relevant authorities, jointly promulgated 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》), which enhances the collaborative supervision jointly conducted by different government departments at various levels in China, significantly tightening oversight within the ride-hailing sector. Additionally, the MOT promulgated 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臺運行管理辦法》) and came into effect on July 1, 2022. This regulation aims to safeguard passenger safety by establishing a comprehensive regulatory framework for platforms, vehicles, and drivers involved in online ride-hailing services. For more details, please see “Regulatory Overview.” Our ability to comply with applicable laws, regulations, and policies and to respond to potential changes therein will continue to have a significant effect on our future business performance and profitability.

## FINANCIAL INFORMATION

### The Depth and Breadth of Our Products and Service Offering

Our results of operations are closely tied to the breadth and depth of our products and service offerings and our capability to expand and enhance our offerings to appeal to a wider customer and passenger base, driving revenue and profit growth. We have constructed an integrated travel service system with diversified service offerings that include passenger transportation services, ride-hailing services and digitalization and business solutions to meet the diverse needs of our customers and passengers. Relying on our strategic partnerships and extensive network in the intercity passenger transportation sector, we actively pursue opportunities in the ride-hailing services sector, thereby expanding our revenue sources. Additionally, we are committed to continuously upgrading our services by applying advanced technologies into our services, including big data analytics and cloud technology. This ongoing enhancement of our service offerings will attract more customers and passengers, potentially increasing our bargaining power and improving our profitability.

Our financial performance is affected by the mix of our service offerings. Different services vary in revenue recognition methods which may affect our overall revenue and gross profit. Please see “— Material Accounting Policy Information and Estimates — Revenue and Other Income” for details. Moreover, different service offerings vary in pricing, competition strategies and marketing activities and thus have different gross profit and gross profit margins. The table below sets forth a breakdown of our gross profit and gross profit margin by business segment for the period indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>Gross profit</i>	<i>Gross profit margin (%)</i>	<i>Gross profit</i>	<i>Gross profit margin (%)</i>	<i>Gross profit</i>	<i>Gross profit margin (%)</i>	<i>Gross profit</i>	<i>Gross profit margin (%)</i>	<i>Gross profit</i>	<i>Gross profit margin (%)</i>
	<i>(RMB in thousands, except percentages)</i>									
	<i>(unaudited)</i>									
Passenger transportation services . . . . .	27,958	51.9	21,406	44.3	37,027	53.7	19,947	57.3	20,358	57.0
Ride-hailing services . . . . .	10,793	2.3	20,534	2.9	12,158	1.2	5,218	1.1	(3,112)	(0.5)
Digitalization and business solutions . . . . .	8,426	27.8	11,635	18.2	36,479	33.8	20,669	37.0	8,127	17.2
Others . . . . .	295	99.7	495	99.0	229	32.7	35	89.7	86	11.3
<b>Total . . . . .</b>	<b>47,472</b>	<b>8.6</b>	<b>54,070</b>	<b>6.6</b>	<b>85,893</b>	<b>7.1</b>	<b>45,869</b>	<b>7.9</b>	<b>25,459</b>	<b>3.5</b>

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Our gross profit margin fluctuated during the Track Record Period. For more details, please see “— Description of Principal Consolidated Statements of Profit or Loss Items — Gross Profit and Gross Profit Margin” and “— Results of Operations.” Any material changes in our services mix, influenced by market conditions, passenger preferences, technological advancements and regulatory changes, could significantly affect our results of operations.

### **Our Ability to Strengthen Our Brand Recognition and Maintain Market Leadership**

We enjoy strong brand recognition among passengers, transportation service providers and ride-hailing drivers. Our ability to strengthen our brand recognition and maintain our leading position as the passenger transportation information services provider is critical for our business success. According to Frost & Sullivan, we ranked first in China’s road passenger transportation information service market in terms of the number of tickets sold in 2023. We ranked second in China’s ride-hailing service market in terms of the number of Online Ride-Hailing Operating Permits as of June 30, 2024. Moreover, according to the same source, we were the largest digitalization and business solutions provider in China’s road passenger transportation market in terms of the number of the digitalization projects in provincial-level as of June 30, 2024. In order to strengthen our brand recognition and maintain market leadership, we may need to increase our investments in marketing activities, passengers and car partner engagement and research and development activities, which may affect our operating margin.

Our market leading position and our ability to attract new customers and continue to retain and engage our existing customers depends on our ability to continue to provide them with accessible and efficient solutions to improve their operational efficiency and increase economic benefits. We have been consistently enhancing our technology and service offerings to offer passengers with a personalized journey experience. We have also been strengthening our ride-hailing services capability continuously to cater to the specific travel demands, delivering efficient and targeted transportation services. To support these efforts, we employed a flexible research and development strategy to maintain and advance service quality. Similarly, marketing activities are essential for promoting these enhancements and reaching a wider audience. While these investments may increase our capital expenditures or operating costs in the short term, they are expected to improve the quality of our services in the long run, thereby attracting more customers and passengers.

### **Competition**

China’s road passenger transportation information services industry, ride-hailing services industry and digitalization and business solutions industry are all competitive and characterized by rapid changes in technology, shifting user preferences and frequent introduction of new services and products. We compete primarily with other transportation and ride-hailing service platforms, including domestic consolidators of airline, bus, and railway tickets, OTAs, as well as traditional travel agencies. As the industries continue to evolve, we may be faced with increased competition from domestic travel service platforms, including the ones operated by major internet companies. We may also face increasing competition from



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airlines, railway companies and transportation companies as they increase their direct selling efforts or engage in alliances with other travel service providers, as well as content platforms and social networks entering into the passenger transportation industry. In addition, we may face competition from other digitalization and business solutions provider as they continue to apply advanced technologies to improve their service offerings.

We compete based on a number of factors, including, among other things, brand recognition, depth and breadth of products offerings, price competitiveness, and user support 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 supplier bases, or stronger financial, technical or marketing resources than we do. For more details, please see “Business — Competition” and “Industry Overview.”

### Seasonality

The passenger transportation industry is characterized by seasonal fluctuations. We have experienced, and expect to continue to experience, seasonality in our business and accordingly our revenue may vary from quarter to quarter. We typically record higher revenue during holidays and festive seasons for our passenger transportation services when the public have higher demand for intercity travel. The seasonality trends are difficult to discern in our historical results of the ride-hailing services business because our revenue from the ride-hailing services business has grown substantially during the Track Record Period. Nevertheless, we anticipate that our future performance will continue to be influenced by these seasonal fluctuations as the use of our services by our customers and passengers varies throughout the year. Moving forward, we expect to see continued revenue fluctuations aligned with these seasonal variations.

### Outbreak of Health Pandemics, Natural Disasters and Other Calamities

Our business operations and financial outcomes are closely linked to our ability to manage the effects of health pandemics, natural disasters, and other significant disruptions. Events like prolonged outbreaks of contagious diseases or adverse public health developments could impact our operations.

For example, during the Track Record Period, the COVID-19 pandemic had a notable impact on the passenger transportation and travel industries in China, which in turn influenced our business performance and financial stability. We will continue to monitor developments related to health pandemics and other global events, assessing their potential impacts on our business and financial stability. For more details into the historical effects of the COVID-19 outbreak on our operations and the associated risks, please see “Risk Factors — General declines or disruptions in the transportation industry may materially and adversely affect our business and results of operations.”

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### **PATH TO PROFITABILITY**

We are a leading intercity and intracity road passenger transportation information services provider in China. We primarily provide intercity road passenger transportation services and intracity ride-hailing services. We believe that our business strategy constructs a substantial value proposition for transportation industry participants, including passenger transportation stations, passenger transportation companies, drivers and passengers. This proposition not only fosters sustainable growth but also charts us on a course towards profitable operations.

We achieved robust revenue growth during the Track Record Period, which increased from RMB553.5 million in 2021 to RMB816.0 million in 2022, further increased to RMB1,206.5 million in 2023, representing a CAGR of 47.6%. Our revenue increased from RMB577.8 million for the six months ended June 30, 2023 to RMB726.2 million for the six months ended June 30, 2024. Our gross profit increased from RMB47.5 million in 2021 to RMB54.1 million in 2022, further increased to RMB85.9 million in 2023, representing a CAGR of 34.5%. Our gross profit decreased from RMB45.9 million for the six months ended June 30, 2023 to RMB25.5 million for the six months ended June 30, 2024. Our gross profit margin was 8.6%, 6.6%, 7.1%, 7.9% and 3.5% in 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively. Please see “— Description of Principal Consolidated Statements of Profit or Loss Items — Gross Profit and Gross Profit Margin”.

We had a loss for the year/period of RMB586.6 million, RMB499.4 million, RMB482.3 million, RMB234.6 million and RMB284.5 million in 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively. Eliminating impact of items including (i) changes in the carrying amounts of redemption rights issued to investors and (ii) equity-settled share-based payments, we generated an adjusted net loss (non-IFRS measure) of RMB55.6 million, RMB50.5 million, RMB17.8 million, RMB4.3 million and RMB16.7 million in 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively. Please see “Financial Information — Non-IFRS Measure.”

We believe the following measures would support our growth and achieve profitability in the future:

### **Driving Sustainable and Efficient Revenue Growth**

As the effects of the COVID-19 pandemic gradually diminished and both the economy and consumer travel demand started to recover, the road passenger transportation volume is expected to maintain a slow but steady recovery. The transaction amount of road passenger transportation market is forecasted to experience sustained growth, reaching RMB217.3 billion in 2028 with a CAGR of 6.5% from 2023, according to Frost & Sullivan. In particular, the transaction amount from internet ticketing is anticipated to experience significant expansion, reaching RMB37.8 billion by 2028, according to the same source. Moreover, the transaction amount of customized road passenger transportation market is expected to reach RMB10.2 billion in 2028, representing a CAGR of 16.3% since 2023. In addition, as the tourism industry continues to flourish, a large number of passengers are traveling between cities, and road

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passenger transportation serves as a crucial transportation mode to fulfill their travel demands. With regard to the ride-hailing service market, with the full lift of epidemic control measures and the favorable policies issued by the national and local governments, the GTV of the ride-hailing service market is expected to reach RMB647.4 billion by 2028, representing a CAGR of 19.5%, according to Frost & Sullivan. From 2023, the market size of the digitalization and business solutions for road passenger transportation market is expected to grow at a CAGR of 29.7% from 2023 to 2028, and reach RMB1,358.9 million by 2028, according to Frost & Sullivan. Please see “Industry Overview” for more information.

We expect our passenger transportation services business, ride-hailing services business and digitalization and business solutions business to experience sustained growth in the foreseeable future, primarily supported by factors as follows.

### *Strengthen the collaboration with external channels and explore our self-owned sales channels*

Relying on our strategic partnerships and extensive network in the intercity passenger transportation sector, during the Track Record Period, we collaborated with OTAs to expand sales channels for passenger transportation stations and passenger transportation companies, thereby significantly increasing the market reach for them. Additionally, for our ride-hailing services business, our partnership with aggregation platforms helped us gain access to a large amount of passenger traffic without excessive efforts on promotions to attract the same amount of passenger traffic to our own platform. During the Track Record Period, the GTV of orders that we received from aggregation platforms represented the vast majority of our total GTV for the respective period. We plan to continue and deepen our collaboration with these OTAs and aggregation platforms to boost sales and increase the revenue generated from these avenues. Specifically, we aim to strengthen collaboration with existing partners. We plan to enhance our promotional activities on partner platforms and increase our geographical coverage. Additionally, we plan to expand our network by forming collaboration with new partners.

In addition, we intend to explore new sales channels, such as information and content platforms, social media platforms and search engines in order to capture more extensive passenger traffic and maintain our growth in order volumes, allowing for more effective passengers traffic conversion while also retaining loyal consumers. Please see “Future Plans and [REDACTED] — [REDACTED].”

As of the Latest Practicable Date, Chuxing 365 was our passenger-facing platform for ticket sales and other passenger services including checking bus schedules, booking tickets, obtaining information about bus stations, viewing announcements, managing their bookings and accessing customer support. We plan to boost our brand presence through increased marketing efforts to strengthen passenger awareness and preference for our own platform. Please see “Future Plans and [REDACTED] — [REDACTED].” By enhancing brand loyalty, we expect to see a significant increase in platform usage and customer lifetime value.

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### *Diversify our products and service offering mix*

We are committed to broadening our products and service offering mix by building on our passenger transportation services business. We plan to develop new transportation products to address transportation needs around popular commercial areas, tourist attractions, hospitals, and schools, encompassing long-distance passenger transportation, customized transportation and ride-hailing services. In particular, we plan to continuously expand our range of services for scenarios such as car rentals, charter services, taxi services and airport transfer services, with the aim to create integrated travel solutions that combine transportation with targeted destination experiences, enhancing customer convenience and satisfaction.

Subject to the development of the relevant regulations and policies, we plan to collaborate with car manufacturers and autonomous technology providers to roll out projects such as Robotaxi, Robobus, and Robovan services. For traditional manned ride-hailing services, driver costs constitute a significant part of total costs. For autonomous driving vehicles, costs primarily encompass technology and vehicle costs, which would decrease with increased scale and technological improvements, thereby enhancing profitability. We intend to strengthen cooperation with leading car manufacturers and autonomous technology providers and transportation industry participants to gradually integrate autonomous driving technologies into our services. This integration would diversify our services offering mix to cater to the growing demand for sustainable and smart transportation solutions.

Moreover, we plan to identify and capitalize on emerging market trends and opportunities that align with our strengths and capabilities. In particular, we plan to tap into new industries and markets for our digitalization and business solutions business. Since the inception of our digitalization and business solutions business, we have accumulated abundant experience and resources in terms of software development services, hardware procurement, sales and ancillary services, and system integration that can be applied to various industries. We aim to create a seamless and integrated infrastructure that enhances overall operational efficiency for our customers.

### *Enhance our service capabilities*

We plan to enhance our service capabilities of our ride-hailing services business by participating in transportation capacity management. We intend to deepen our cooperation with our industry partners to facilitate their car purchases from car manufacturers, car rental to drivers, vehicle and license management services, thereby securing additional transportation capacity. We also plan to establish a number of 365 Homes to recruit and manage drivers and provide them with tailored services that fit the local conditions in a timely manner. Please see "Future Plans and [REDACTED]." These collaborations and services would enhance our driver loyalty and potentially provide us with a competitive edge other than the incentives we need to pay to retain the same amount of drivers.

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In addition, we plan to consolidate our resources from local governments, industry regulatory authorities and business partners and gradually commence operations of the city transportation and tourism comprehensive service platforms. We aim to provide the public with transportation services such as ride-hailing, car rentals, charter services, and other aggregated mobility services as well as other comprehensive services covering dining, accommodation, travel, shopping, and entertainment. Moreover, to further enhance our competitiveness, we plan to seek strategic alliances, investment, and acquisition opportunities that are of significant strategic importance and complementary to our business development and operations. Please see “Future Plans and [REDACTED] — [REDACTED].”

### Continually Improve Gross Profit Margin

During the Track Record Period, we achieved overall gross profit and our passenger transportation services business and digitalization and business solutions business had higher gross margin compared to our ride-hailing services as illustrated by the table below:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	<i>(Unaudited)</i>									
	<i>(RMB in thousands, except percentages)</i>									
Passenger transportation services . . . . .	27,958	51.9	21,406	44.3	37,027	53.7	19,947	57.3	20,358	57.0
Ride-hailing services . . . . .	10,793	2.3	20,534	2.9	12,158	1.2	5,218	1.1	(3,112)	(0.5)
Digitalization and business solutions . . . . .	8,426	27.8	11,635	18.2	36,479	33.8	20,669	37.0	8,127	17.2
Others . . . . .	295	99.7	495	99.0	229	32.7	35	89.7	86	11.3
<b>Total . . . . .</b>	<u>47,472</u>	<u>8.6</u>	<u>54,070</u>	<u>6.6</u>	<u>85,893</u>	<u>7.1</u>	<u>45,869</u>	<u>7.9</u>	<u>25,459</u>	<u>3.5</u>

Our overall gross profit margin fluctuated during the Track Record Period. In particular, the decrease in our overall gross profit margin from 7.9% for the six months ended June 30, 2023 to 3.5% for the six months ended June 30, 2024 was mainly due to (i) an increase in the proportion of revenue from ride-hailing services business coupled with a decrease in the gross profit margin of our ride-hailing services business and (ii) a decline in gross profit margin of our digitalization and business solutions business from 37.0% for the six months ended June 30, 2023 to 17.2% for the six months ended June 30, 2024. Please see “— Description of Principal Consolidated Statements of Profit or Loss Items — Gross Profit and Gross Profit Margin” for more details.

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During the Track Record Period, our ride-hailing services business contributed to the majority of our overall revenue, which accounted for 84.7%, 86.2%, 85.3%, 84.3% and 88.5% in 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively. We recognize revenue from our ride-hailing services on a gross basis as we consider ourselves the ride-hailing services provider in accordance with the service agreements and relevant regulations in China. Please see “— Material Accounting Policy Information and Estimates — Revenue and Other Income” for details. We expect our ride-hailing services business to continue contributing the majority to our overall revenue in the near future. Meanwhile, revenue from passenger transportation services business and digitalization and business solutions business is expected to increase in absolute amount.

In our passenger transportation services segment, we plan to maintain and further increase our gross profit margin by increasing the proportion of sales through our own platforms, which typically yield higher gross profit margins compared to those distributed through third-party channels such as OTAs. Please see “Business — Passenger Transportation Services — Pricing and revenue model” for more information. By strategically enhancing collaborations with passenger transportation stations and passenger transportation companies, we aim to secure more favourable and sufficient ticket supplies while maintaining control over the customer experience and operational efficiencies. Please see “— Strengthen the collaboration with external channels and explore our self-owned sales channels”.

In our ride-hailing services segment, the growth of our ride-hailing services business may require significant drivers’ service fee and aggregation platform fee to maintain our competitiveness, which may exert pressure on our gross profit and gross profit margin from our ride-hailing services sector. In the early stages of our ride-hailing business, we offered incentives to drivers and passengers to expand geographical coverage, thereby achieving a growth in revenue. Moving forward, we plan to (i) deepen our operations in cities where we already obtained Online Ride-Hailing Operating Permits by enhancing service quality and optimizing the payment structure to drivers and (ii) obtain the Online Ride-Hailing Operating Permits in more cities, in order to achieve gross profit growth while reducing our dependence on driver incentives to attract and retain drivers. Moreover, we plan to enhance our service capabilities in cities we operate in by engaging in transportation capacity management, which will enhance our driver stickiness and reduce the incentives we need to pay to retain the same amount of drivers. We also plan to leverage the aggregated services of city transportation and tourism comprehensive service platforms to achieve a higher GTV and thereby increase revenue and gross profit. Please see “— Path to Profitability — Driving Sustainable and Efficient Revenue Growth — Enhance our service capabilities.”

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In our digitalization and business solutions segment, we plan to lower procurement costs by carefully selecting suppliers and enter into long-term agreements to secure more favorable pricing. Additionally, we intend to select projects with higher profit margins, supported by enhanced market research and increased delivery efficiency. We expect the gross profit margin from our digitalization and business solutions business to continue to fluctuate as the cost structure varies with different projects. However, we expect our digitalization and business solutions sector to continue to realize gross profit.

### **Further Improve Operational Efficiency**

During the Track Record Period, we incurred operating expenses, including selling and marketing expenses and general and administrative expenses, to enhance our customer loyalty and our brand recognition. In the near to medium term, we will continue to invest in market expansion, branding and marketing activities as well as new technology development. Along with the enhancement of our brand awareness and implementation of more advanced technologies, we expect our ability to manage operating expenses will continue to strengthen.

Our selling and marketing expenses accounted for 8.3%, 5.5%, 4.0%, 3.6% and 2.8% of our total revenue for the years ended 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively. We aim to continue to enhance the effectiveness of our selling and marketing efforts. In particular, we plan to optimize our channel selection to target travel-relevant channels, thereby achieving greater specificity in our promotion efforts. We intend to diversify our promotion methods, particularly through video and short-video formats, to ensure more precise audience engagement. During the Track Record Period, we published contents on our public accounts, engaged in offline promotion, such as placing roll-up marketing banners at bus stations. We aim to build our own marketing matrix and utilize a combination of cross-marketing and rewards program to share and convert passenger traffic across business segments. We believe this integrated approach will enable us to maximize customer reach and engagement and ultimately enhance overall marketing effectiveness and efficiency.

Our general and administrative expenses accounted for 5.0%, 3.2%, 2.0%, 2.0% and 1.5% of our total revenue for the years ended 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively. We plan to strengthen the collaboration and complementary nature of our passenger transportation and ride-hailing businesses by the reusing of our management and operational teams across these two business sectors. By cross-training our workforce and creating flexible roles that span both services, we can maximize manpower efficiency and reduce overheads associated with maintaining separate teams. This approach will allow us to scale operations based on demand fluctuations without the need for extensive hiring or layoffs, thereby maintaining a lean organizational structure. Additionally, cross-functional teams foster knowledge sharing and innovation and assist our teams gain insights from both domains. These strategic initiatives will enable us to maintain high service quality while enhancing profitability and competitive positioning in the market. Through disciplined execution and continuous improvement, we are committed to building a more sustainable and cost-efficient business model.

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In addition, we plan to integrate technologies such as AI and cloud technology to enhance our operational efficiency. We intend to (i) enhance our customer service systems through the implementation of AI technology. By integrating AI into our customer service infrastructure, we aim to automate repetitive and routine tasks, such as responding to frequently asked queries via chatbots and personalizing customer interactions. These technological upgrades are expected to streamline operational workflows, allowing human customer service representatives to focus on more complex and higher-value interactions. We believe that these improvements will enable us to handle a larger volume of customer interactions with greater efficiency and precision, thereby reducing overall operational costs, and (ii) invest in cloud technology to optimize our operational efficiency and cost structure. Utilizing cloud-based solutions will allow us to dynamically scale our infrastructure in response to fluctuating demand, particularly during peak periods. The migration to a cloud-based system is anticipated to reduce the need for substantial investments in physical infrastructure, and lower ongoing maintenance and operational costs.

### MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

We prepare our financial statements in conformity with IFRS Accounting Standards, which require our management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that our management believes to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Our management reviews the estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There has not been any material deviation from our management's estimates or assumptions and actual results during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

Set forth below are accounting policies, judgments and estimates which we believe are of critical importance to us in the preparation of our financial statements. Our material accounting policy information, judgments and estimates, which are important for understanding our financial condition and results of operations, are set forth in further details in Notes 2 and 3 to the Accountants' Report as set out in Appendix I to this Document.



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### Revenue and Other Income

Income is classified by our Group as revenue when it arises from the provision of services or the sale of goods in the ordinary course of our Group's business.

Revenue is recognized when control over the service or good is transferred to the customer, at the amount of promised consideration to which our Group is expected to be entitled, excluding those amounts collected on behalf of third parties. In particular, revenue excludes value added tax and is after deduction of any trade discounts and sales rebates.

When another party is involved in providing services or goods to a customer, our Group determines whether the nature of our promise is a performance obligation to provide the specified services or goods itself (for example, our Group is a principal) or to arrange for those services or goods to be provided by the other party (for example, our Group is an agent). This determination is made by identifying each specified service or good promised to the customer in the contract and evaluating whether the entity obtains control of the specified service or good before it is transferred to the customer.

Our Group is a principal if it controls the right to the specified service that will be performed by another party, which gives our Group the ability to direct that party to provide the service on our Group's behalf, or obtains control of a good from another party that it then transfers to the customer.

Our Group is an agent if our performance obligation is to arrange for the provision of the specified service or good by another party. In this case, our Group does not control the specified service or good provided by another party before that service or good is transferred to the customer. When our Group acts as an agent, it recognizes revenue on a net basis in the amount of any fee or commission to which it expects to be entitled, which is the net amount of consideration that our Group retains after paying other parties.

Further details of our Group's income recognition policies are as follows:

#### *Internet Ticketing Services and Customized Transportation Services*

Internet ticketing services and customized transportation services revenues mainly represent revenues from tickets reservations and other related services. Our Group receives commissions from passenger transportation stations and passenger transportation companies for ticketing services through our Group's transaction and service platform and OTAs under various services agreements. Commissions from ticketing services rendered are recognized after tickets are issued as this is when our Group's performance obligation is satisfied. Our Group presents revenues from such transactions on a net basis in the consolidated statements of profit or loss and other comprehensive income as our Group, generally, does not control the service provided by the passenger transportation stations and passenger transportation companies to the passenger and has no obligations for cancelled ticket reservations.

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Our Group also provides operation and management systems to passenger transportation stations and passenger transportation companies and charge platform usage fee. Our Group recognizes revenue at a straight-line basis.

### *Ride-hailing Services*

Our Group provides ride-hailing services to riders by engaging our registered drivers via a third-party SaaS platform and connecting to aggregation platforms, as well as our own platform. Our Group has determined that we are the principal and view the riders as our customers in these ride-hailing services because it controls the services provided to riders. Among other things, our Group has control over the promised services before they are provided to the riders as we have the discretion to accept and reject orders from riders; our Group has the ability to assign and direct the registered drivers to deliver services on behalf of our Group; our Group sets the service standards and rules with which the registered drivers are obligated to comply when providing the services; and our Group evaluates the performance of the registered drivers regularly against such standards and rules; our Group has the discretion in establishing the prices for the services and the fees to the registered drivers separately; and our Group is the party primarily responsible for fulfilling the services in accordance with the relevant regulations in the PRC and the service agreements.

Our Group recognizes revenue on a gross basis at the amount of ride service fees to which our Group is expected to be entitled upon the completion of the ride services. Service costs of both the SaaS platform and the aggregation platforms, through which the riders placed orders to our Group, are recognized as cost of revenue.

Our Group has other forms of ride-hailing services, including providing passengers with carpooling service through its own platforms, receiving orders from other ride-hailing operators and assigning drivers to complete transportation services, etc. Our Group presents revenues from such transactions on a net basis in the consolidated statements of profit or loss and other comprehensive income as our Group has no control over the services and acts as an agent.

### *Digitalization and Business Solutions*

Our Group develops a software to fulfil specific needs for function and applications of its customer, for which the revenue was recognized at the point in time when the software is accepted by the customers.

Hardware sales revenue is recognized at a point in time when the hardware is accepted by the customers. Hardware sales revenue is recognized on a gross basis when our Group assumes the inventory risk. Otherwise, the hardware sales revenue is recognized on a net basis.

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System integration services represent the development of system including both hardware and software for its customers, such as the internet ticketing system and central monitoring system. System integration services revenue is primarily recognized at a point in time when the services are completed and acknowledged by customers.

### ***Government Grants***

Government grants are recognized in the statement of financial position initially when there is reasonable assurance that they will be received and that our Group will comply with the conditions attaching to them. Grants that compensate our Group for expenses incurred are recognized as other income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate our Group for the cost of an asset are recognized as deferred income in the statement of financial position and are subsequently recognized in profit or loss over the useful life of the asset.

### **Inventories**

Inventories are carried at the lower of cost and net realizable value. Cost is calculated on first in first out method as appropriate and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized.

The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

### **Redemption Rights Issued to Investors**

Our Company entered into a series of investment agreements with certain investors, pursuant to which, the Company agreed to issue its registered capital to these investors who were granted the right to require our Company to redeem their paid-in capital for cash upon specified events, which are not all within the control of our Group.

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## FINANCIAL INFORMATION

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A contract that contains an obligation to purchase the Company's equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Therefore, the redemption rights issued to investors are initially recognized as financial liabilities measured at the present value of the redemption amount. Subsequent to initial recognition, the financial liabilities are stated at amortized cost. Any changes in the carrying amounts of the financial liabilities resulting from the revision of estimated contractual cash flows were recognized in profit or loss as changes in the carrying amounts of redemption rights issued to investors.

### **Employee Benefits**

#### ***Short Term Employee Benefits and Contributions to Defined Contribution Retirement Plans***

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

#### ***Share-based Payments***

The share-based payment arrangement of our Group refers to share awards as set out in Note 29 to the Accountants' Report as set out in Appendix I to this Document.

The fair value of the share awards granted to the employees is measured at the grant date, which represents the difference between the subscription price paid by the employees and the fair value of the paid-in capital of our Company at grant date. The amount is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service conditions at the vesting date.

Where the terms and conditions of share awards are modified before they vest, the increase in the fair value of the share awards, measured immediately before and after the modification, is also recognized in profit or loss over the remaining vesting period.

#### ***Termination Benefits***

Termination benefits are recognized at the earlier of when our Group can no longer withdraw the offer of those benefits and when it recognizes restructuring costs involving the payment of termination benefits.

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## FINANCIAL INFORMATION

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### Trade and Other Receivables

A receivable is recognized when our Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortized cost using the effective interest method less allowance for credit losses (see Note 2(m) to the Accountants' Report as set out in Appendix I to this Document.)

### Trade and Other Payables

Trade and other payables are initially recognized at fair value. Subsequent to initial recognition, trade and other payables are stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

### Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in Note 2(j) and Note 2(i) to the Accountants' Report as set out in Appendix I to this Document.

### NON-IFRS MEASURE

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use adjusted net loss (non-IFRS measure) and adjusted loss margin (non-IFRS measure, please see "— Key Financial Ratios") as additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe the non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impacts of items which our management considers non-indicative of our operating performance.

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

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We define adjusted net loss as loss for the year/period adjusted by adding back items including (i) changes in the carrying amounts of redemption rights issued to investors and (ii) equity-settled share-based payments. The following table reconciles our adjusted net loss for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRS Accounting Standards, which is loss for the year/period.

	For the Year Ended December 31,			For the Six Months Ended June 30,	
	2021	2022	2023	2023	2024
	<i>(RMB in thousands, except percentages)</i>				
<b>Loss and total comprehensive</b>					
<b>income for the year/period . . .</b>	(586,613)	(499,447)	(482,260)	(234,564)	(284,523)
Add:					
– Changes in the carrying amounts of redemption rights issued to investors <sup>(1)</sup> . . . . .	512,482	442,037	464,054	230,004	267,568
– Equity-settled share-based payments . . . . .	18,523	6,878	450	225	225
Adjusted net loss (non-IFRS measure). . . . .	(55,608)	(50,532)	(17,756)	(4,335)	(16,730)

*Note:*

- (1) Changes in the carrying amounts of redemption rights issued to investors were related to the private placements with certain investors in 2021 and the years before 2021, pursuant to which, the Company agreed to issue its registered capital to these investors who were granted the right to require the Company to redeem their paid-in capital for cash upon specified events.

## FINANCIAL INFORMATION

### SELECTED FINANCIAL INFORMATION

The selected financial information set out below has been extracted from our financial information set out in the Accountants’ Report in Appendix I to this Document.

### Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>(Unaudited)</i>		<i>RMB</i>	%
	<i>(RMB in thousands, except percentages)</i>									
Revenue . . . . .	553,530	100.0	815,974	100.0	1,206,493	100.0	577,762	100.0	726,176	100.0
Cost of sales . . . . .	(506,058)	(91.4)	(761,904)	(93.4)	(1,120,600)	(92.9)	(531,893)	(92.1)	(700,717)	(96.5)
<b>Gross profit</b> . . . . .	47,472	8.6	54,070	6.6	85,893	7.1	45,869	7.9	25,459	3.5
Other income, net . . . . .	3,440	0.6	7,123	0.9	3,272	0.3	620	0.1	5,726	0.8
Selling and marketing expenses . . . . .	(45,731)	(8.3)	(45,087)	(5.5)	(47,902)	(4.0)	(20,767)	(3.6)	(20,391)	(2.8)
General and administrative expenses . . . . .	(27,878)	(5.0)	(26,037)	(3.2)	(23,943)	(2.0)	(11,583)	(2.0)	(10,737)	(1.5)
Research and development expenses . . . . .	(42,898)	(7.7)	(44,793)	(5.5)	(32,730)	(2.7)	(15,059)	(2.6)	(16,002)	(2.2)
Impairment loss on trade receivables, other receivables and contract assets . . . . .	(5,072)	(0.9)	(572)	(0.1)	(4,755)	(0.4)	(3,938)	(0.7)	(1,583)	(0.2)
<b>Loss from operations</b> . . . . .	(70,667)	(12.8)	(55,296)	(6.8)	(20,165)	(1.7)	(4,858)	(0.8)	(17,528)	(2.4)
Finance costs . . . . .	(189)	(0.0)	(154)	(0.0)	(201)	(0.0)	(73)	(0.0)	(157)	(0.0)
Share of (loss)/profits of associates . . . . .	(3,547)	(0.6)	(2,644)	(0.3)	1,438	0.1	(1)	(0.0)	382	0.1
Changes in the carrying amounts of redemption rights issued to investors . . . . .	(512,482)	(92.6)	(442,037)	(54.2)	(464,054)	(38.5)	(230,004)	(39.8)	(267,568)	(36.8)
<b>Loss before taxation</b> . . . . .	(586,885)	(106.0)	(500,131)	(61.3)	(482,982)	(40.1)	(234,936)	(40.7)	(284,871)	(39.2)
Income tax . . . . .	272	0.0	684	0.1	722	0.1	372	0.1	348	0.0
<b>Loss and total comprehensive income for the year/period</b> . . . . .	<u>(586,613)</u>	<u>(106.0)</u>	<u>(499,447)</u>	<u>(61.2)</u>	<u>(482,260)</u>	<u>(40.0)</u>	<u>(234,564)</u>	<u>(40.6)</u>	<u>(284,523)</u>	<u>(39.2)</u>
<i>Attributable to:</i>										
Equity shareholders of the Company . . . . .	(588,361)	(106.3)	(497,168)	(60.9)	(483,075)	(40.1)	(235,479)	(40.8)	(285,451)	(39.3)
Non-controlling interests . . . . .	1,748	0.3	(2,279)	(0.3)	815	0.1	915	0.2	928	0.1
<b>Loss and total comprehensive income for the year/period</b> . . . . .	<u>(586,613)</u>	<u>(106.0)</u>	<u>(499,447)</u>	<u>(61.2)</u>	<u>(482,260)</u>	<u>(40.0)</u>	<u>(234,564)</u>	<u>(40.6)</u>	<u>(284,523)</u>	<u>(39.2)</u>

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### DESCRIPTION OF PRINCIPAL CONSOLIDATED STATEMENTS OF PROFIT OR LOSS ITEMS

#### Revenue

During the Track Record Period, we generated revenue mainly from (i) passenger transportation services, (ii) ride-hailing services and (iii) digitalization and business solutions. We generated all of our revenue from China during the Track Record Period.

The following table sets forth a breakdown of our revenue by business segments in amounts and as percentages of our total revenue for the periods indicated:

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>(Unaudited)</i>		<i>RMB</i>	%
	<i>(RMB in thousands, except percentages)</i>									
<b>Passenger transportation services</b>										
services . . . . .	53,894	9.7	48,268	5.9	68,999	5.7	34,839	6.0	35,743	4.9
– Internet ticketing services . . . . .	52,680	9.5	46,564	5.7	64,218	5.3	33,141	5.7	33,549	4.6
– Customized transportation services . . . . .	1,214	0.2	1,704	0.2	4,781	0.4	1,698	0.3	2,194	0.3
<b>Ride-hailing services</b> . . . . .	469,058	84.7	703,174	86.2	1,028,791	85.3	487,063	84.3	642,543	88.5
<b>Digitalization and business solutions</b> . . . . .	30,282	5.5	64,032	7.8	108,003	9.0	55,821	9.7	47,130	6.5
<b>Revenue from other sources<sup>(1)</sup></b> . . . . .	296	0.1	500	0.1	700	0.1	39	0.0	760	0.1
– Leasing of vehicles . . . . .	–	–	–	–	440	0.1	–	–	661	0.1
– Others . . . . .	296	0.1	500	0.1	260	0.0	39	0.0	99	0.0
<b>Total</b> . . . . .	<u>553,530</u>	<u>100.0</u>	<u>815,974</u>	<u>100.0</u>	<u>1,206,493</u>	<u>100.0</u>	<u>577,762</u>	<u>100.0</u>	<u>726,176</u>	<u>100.0</u>

*Note:*

- (1) Mainly included revenue from leasing of vehicles, please see “Business — Ride-hailing Services — Vehicle management”, and revenue from advertising activities.

#### ***Passenger Transportation Services***

Our passenger transportation services segment primarily comprises internet ticketing services, which contributed the majority to our revenue from passenger transportation services during the Track Record Period. Under our internet ticketing services business, we empower passenger transportation stations through CloudStation (雲站務) and connect the vast passenger base with passenger transportation stations through our Chuxing 365 (出行365) system and major OTAs. For our pricing and revenue model of our internet ticketing services business, please see “Business — Passenger Transportation Services — Internet Ticketing Services — Pricing and revenue model” for more information.



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Our revenue from internet ticketing services decreased by 11.6% from RMB52.7 million in 2021 to RMB46.6 million in 2022. The decline in passenger traffic due to the COVID-19 pandemic led to a decrease in the number of tickets sold under our internet ticketing services business in 2022, which was partially compensated by (i) the consolidation of the full year ticket sales revenue of Hengsheng Changyun (an internet ticketing services provider acquired by our Group in August 2021, please see “History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers” for more details) and (ii) an increase in revenue as we began collaboration with 12306 in 2022. From 2022 to 2023, our revenue for internet ticketing services increased by 37.9% from RMB46.6 million in 2022 to RMB64.2 million in 2023 as the travel activities resumed in China as the pandemic gradually wended down and our number of tickets sold increased significantly. During the six months ended June 30, 2024, our revenue for internet ticketing services remained relatively stable at RMB33.1 million for the six months ended June 30, 2023, as compared to RMB33.5 million for the six months ended June 30, 2024.

We also generated revenue through our customized transportation services business during the Track Record Period. We provide tailored solutions for the digitization of operations for passenger transportation companies through our Keyunda system as well as various collaborative channel options to connect them with passenger traffic. For our pricing and revenue model of our customized transportation services business, please see “Business — Passenger Transportation Services — Customized Transportation Services — Pricing and revenue model”.

Our revenue from customized transportation services business increased by 40.4% from RMB1.2 million in 2021 to RMB1.7 million in 2022 primarily because we increased promotion efforts for our customized passenger transportation services in certain provinces and customer recognition and acceptance with our Keyunda system improved as a result. From 2022 to 2023, our revenue from customized transportation services business surged by 180.6% from RMB1.7 million in 2022 to RMB4.8 million in 2023, mainly due to a significant increase in the number of tickets sold as a result of (i) the resurgence of public travel, especially after the pandemic, customized passenger transportation met the demand of passengers for vehicles with fewer seats with the intention to reduce the risk of infectious disease transmission and (ii) we increased promotion efforts for our customized passenger transportation services in certain provinces. Our revenue from customized transportation services increased by 29.2% from RMB1.7 million for the six months ended June 30, 2023 to RMB2.2 million for the six months ended June 30, 2024 mainly as we increased promotion efforts for our customized passenger transportation services in certain provinces and achieved improved customer recognition and acceptance with our Keyunda system.

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### *Ride-hailing Services*

We provide ride-hailing services through major aggregation platforms such as Gaode and charge passengers who use our ride-hailing services ride fees. We recognize revenue from ride-hailing services business on a gross basis based on the ride fares received as we consider ourselves a ride-hailing services provider in accordance with the service agreements and relevant regulations in China. Please see “— Material Accounting Policy Information and Estimates — Revenue and Other Income” for details.

Our revenue derived from ride-hailing services business increased by 49.9% from RMB469.1 million in 2021 to RMB703.2 million in 2022, and increased further by 46.3% to RMB1,028.8 million in 2023. Our revenue derived from ride-hailing services business increased by 31.9% from RMB487.1 million for the six months ended June 30, 2023 to RMB642.5 million for the six months ended June 30, 2024. The continuous increase in the revenue of our ride-hailing services during the Track Record Period was primarily due to the significant increases in the GTV of our ride-hailing services, which was mainly driven by our expanding passenger base and the increased order volume. During the Track Record Period, the GTV of our ride-hailing services increased rapidly mainly because (i) we enhanced our regional operation capabilities in key cities by setting up localized team and the number of our registered drivers and completed orders improved as a result, (ii) we increased the aggregate amount of incentives paid to our drivers and passengers in lower-tier cities to enhance our competitiveness and (iii) we enhanced our geographical coverage.

### *Digitalization and Business Solutions*

Our digitalization and business solutions mainly focus on providing information systems to corporate and government customers, and collect fees for software development services, hardware procurement, sales and ancillary services, and system integration. Please see “Business — Digitalization and Business Solutions” for more details.

From 2021 to 2022, our revenue from digitalization and business solutions increased by 111.5% from RMB30.3 million to RMB64.0 million mainly due to the completion of several projects for new customers and the recognition of revenue accordingly. From 2022 to 2023, our revenue from digitalization and business solutions further increased by 68.7% to RMB108.0 million mainly due to the completion of several projects and the recognition of revenue accordingly. Our revenue from digitalization and business solutions business decreased by 15.6% from RMB55.8 million for the six months ended June 30, 2023 to RMB47.1 million for the six months ended June 30, 2024 mainly due to intensified competition, our average revenue per project declined during the six months ended June 30, 2024.

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### Cost of Sales

Our cost of sales primarily consists of (i) drivers’ service fee, which mainly includes driver earnings and incentives provided to drivers for completing orders under our ride-hailing services business, (ii) aggregation platform fee, representing the fee paid to aggregation platforms for providing passenger traffic and to SaaS technical service provider under our ride-hailing services business, (iii) car partner fee, representing the fee paid to our car partners for assisting in driver recruitment and management under our ride-hailing services business, (iv) hardware product costs, which are mainly the hardware procurement costs of digitalization and business solution projects, (v) labor costs, representing compensations paid to our employees, (vi) operational implementation and maintenance costs, which consist primarily of equipment and maintenance expenses under our passenger transportation services business, (vii) technology service costs, representing the fees paid to our technology partners under our passenger transportation services business, (viii) transaction costs, which primarily consist of costs paid to electronic payment platforms under our passenger transportation services business and our ride-hailing services business, as well as call center service fee under our ride-hailing services business, (ix) project service fees, which are mainly services fees associated with system integration projects under our digitalization and business solutions business, and (x) software product costs, which are mainly the software procurement costs of digitalization and business solutions projects.

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

	For the Year Ended December 31,						For the 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>(RMB in thousands, except percentages)</i>									
<b>Cost of sales:</b>										
Drivers’ service fee . . . . .	387,653	76.6	583,950	76.6	877,975	78.4	410,892	77.3	567,444	81.0
Aggregation platform fee . . . . .	47,666	9.4	78,596	10.3	112,148	10.0	59,484	11.2	62,143	8.9
Car partner fee . . . . .	17,903	3.5	11,369	1.5	14,906	1.3	7,219	1.4	8,212	1.2
Hardware product costs . . . . .	16,771	3.3	43,010	5.6	54,928	4.9	24,951	4.7	26,046	3.7
Labor costs . . . . .	10,600	2.1	16,498	2.2	16,159	1.4	6,794	1.3	8,361	1.2
Operational implementation and maintenance costs . . . . .	6,672	1.3	5,974	0.8	5,723	0.5	2,108	0.4	1,997	0.3
Technology service costs . . . . .	4,308	0.9	2,016	0.3	2,360	0.2	2,269	0.4	1,651	0.2
Transaction costs . . . . .	4,161	0.8	3,319	0.4	6,241	0.6	2,473	0.5	4,013	0.6
Project service fees . . . . .	4,033	0.8	2,181	0.3	7,207	0.6	3,425	0.6	5,614	0.8
Software product costs . . . . .	875	0.2	5,287	0.7	6,559	0.6	5,222	1.0	5,914	0.8
Others . . . . .	5,416	1.1	9,704	1.3	16,394	1.5	7,056	1.3	9,322	1.3
<b>Total . . . . .</b>	<b>506,058</b>	<b>100.0</b>	<b>761,904</b>	<b>100.0</b>	<b>1,120,600</b>	<b>100.0</b>	<b>531,893</b>	<b>100.0</b>	<b>700,717</b>	<b>100.0</b>

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The largest component of our cost of sales throughout the Track Record Period was drivers' service fee. Drivers' service fee increased from RMB387.7 million in 2021 to RMB878.0 million in 2023, and increased from RMB410.9 million in the six months ended June 30, 2023 to RMB567.4 million in the six months ended June 30, 2024, which was in line with the expansion of our ride-hailing business scale.

Our aggregation platform fee increased from RMB47.7 million in 2021 to RMB112.1 million in 2023, and increased from RMB59.5 million in the six months ended June 30, 2023 to RMB62.1 million in the six months ended June 30, 2024, which was in line with the expansion of our ride-hailing business scale.

### Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit in absolute amounts and as a percentage of revenue, or gross margins, for the periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>(Unaudited)</i>									
	<i>(RMB in thousands, except percentages)</i>									
	<i>Gross profit/(Loss)</i>	<i>Gross profit margin (%)</i>	<i>Gross profit/(Loss)</i>	<i>Gross profit margin (%)</i>	<i>Gross profit/(Loss)</i>	<i>Gross profit margin (%)</i>	<i>Gross profit/(Loss)</i>	<i>Gross profit margin (%)</i>	<i>Gross profit/(Loss)</i>	<i>Gross profit margin (%)</i>
Passenger transportation services . . . . .	27,958	51.9	21,406	44.3	37,027	53.7	19,947	57.3	20,358	57.0
Ride-hailing services . . . . .	10,793	2.3	20,534	2.9	12,158	1.2	5,218	1.1	(3,112)	(0.5)
Digitalization and business solutions . . . . .	8,426	27.8	11,635	18.2	36,479	33.8	20,669	37.0	8,127	17.2
Others . . . . .	295	99.7	495	99.0	229	32.7	35	89.7	86	11.3
<b>Total . . . . .</b>	<u>47,472</u>	<u>8.6</u>	<u>54,070</u>	<u>6.6</u>	<u>85,893</u>	<u>7.1</u>	<u>45,869</u>	<u>7.9</u>	<u>25,459</u>	<u>3.5</u>

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. The level of our overall gross margin is largely affected by our services mix.

Our passenger transportation services business had relatively high gross profit margin because revenue is recognized on a net basis during the Track Record Period. The gross profit margin of our passenger transportation services business decreased from 51.9% in 2021 to 44.3% in 2022 primarily because certain passenger transportation stations adjusted their pricing policies in 2022 which resulted in reduced fee income per ticket while the overall cost associated with ticket sales remained largely unchanged. The gross profit margin of our passenger transportation services business increased to 53.7% in 2023 primarily because (i) we achieved and increase in the volume of tickets sold as the effects of COVID-19 gradually

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winded down while the overall cost associated with ticket sales remained largely unchanged in 2023 and (ii) the proportion of revenue from customized passenger services business increased and the gross profit margin of our customized passenger services business was relatively higher. The gross profit margin of our passenger transportation services business remained relatively stable at 57.3% for the six months ended June 30, 2023, as compared to 57.0% for the six months ended June 30, 2024.

Our ride-hailing services business has relatively low gross margins during the Track Record Period, mainly because we established competitive pricing policy and provided incentive to drivers to compete in the ride-hailing market. The gross profit margin of our ride-hailing services business increased from 2.3% in 2021 to 2.9% in 2022 primarily because VAT for our ride-hailing services business was waived by the relevant tax authorities in 2022 in response to COVID-19. As part of the PRC government's effort to alleviate the burden of business affected by the COVID-19 pandemic, the MOT and the State Taxation Administration temporarily reduced or exempted VAT on revenue derived from the provision of certain transportation services from January 2020 to March 2021 and throughout 2022. As we recognize our revenue from ride-hailing services business exclusive of VAT, our revenue experienced an increase in 2022 while our costs remained largely unchanged. The increase in gross profit margin of our ride-hailing services business in 2022 was partially offset by an increase in incentives paid to our drivers and passengers. The gross profit margin of our ride-hailing services business decreased to 1.2% in 2023 primarily because we increased the aggregate amount of incentives paid to our drivers and passengers in lower-tier cities to enhance our competitiveness. The gross profit margin of our ride-hailing services business decreased from 1.1% for the six months ended June 30, 2023 to -0.5% for the six months ended June 30, 2024 primarily because we increased the aggregate amount of incentives paid to our drivers and passengers to enhance our competitiveness. In the early stages of our ride-hailing business, we offered incentives to drivers and passengers to expand geographical coverage, with an aim to achieve a revenue growth.

Our digitalization and business solutions business experienced fluctuations in gross profit margins throughout the Track Record Period, primarily due to project-specific demands varied significantly on a per-project basis. As hardware and software product costs represented major components of our cost of sales of digitalization and business solutions, these costs may affect gross profit margins of different projects, and accordingly, the overall gross profit margin of our digitalization and business solution business. The gross profit margin of our digitalization and business solutions business decreased from 27.8% in 2021 to 18.2% in 2022 primarily due to an increase in the proportion of hardware and outsourced software and services of the total costs of our digitalization and business solutions business, leading to a decline in gross profit margin. The gross profit margin of our digitalization and business solutions segment increased to 33.8% in 2023 primarily due to a decrease in the proportion of hardware and outsourced software and services of the total costs of our digitalization and business solutions business, leading to an increase in gross profit margin. The gross profit margin of our and digitalization and business solutions business decreased from 37.0% for the six months ended June 30, 2023 to 17.2% for the six months ended June 30, 2024 primarily because we recognized revenue from certain projects in the first half of 2024, the gross profit margin of which were relatively low.

## FINANCIAL INFORMATION

### Other Income, net

Our other income primarily consists of government grants, interest income, penalty, investment income, changes in fair values of the wealth management products and acquisition of a subsidiary. The following table sets forth a breakdown of other income both in absolute amount and as a percentage of our total other income for the periods indicated.

	For the Year Ended December 31,						For the Six Months Ended June 30,			
	2021		2022		2023		2023		2024	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>(Unaudited)</i>		<i>RMB</i>	%
	<i>(RMB in thousands, except percentages)</i>									
Government grants . . . . .	1,017	29.6	5,912	83.0	2,663	81.4	391	63.1	5,270	92.0
Interest income . . . . .	882	25.6	1,629	22.9	2,188	66.9	736	118.7	966	16.9
Penalty . . . . .	(873)	(25.4)	(1,578)	(22.2)	(2,433)	(74.4)	(811)	(130.8)	(1,081)	(18.9)
Investment income . . . . .	2,005	58.3	2,847	40.0	1,043	31.9	573	92.4	278	4.9
Changes in fair values of the wealth management products .	2,052	59.7	99	1.4	-	-	54	8.7	217	3.8
Acquisition of a subsidiary . . .	(1,710)	(49.7)	-	-	-	-	-	-	-	-
Others . . . . .	67	1.9	(1,786)	(25.1)	(189)	(5.8)	(323)	(52.1)	76	1.3
<b>Total . . . . .</b>	<b><u>3,440</u></b>	<b><u>100.0</u></b>	<b><u>7,123</u></b>	<b><u>100.0</u></b>	<b><u>3,272</u></b>	<b><u>100.0</u></b>	<b><u>620</u></b>	<b><u>100.0</u></b>	<b><u>5,726</u></b>	<b><u>100.0</u></b>

Our other income experienced fluctuations throughout the Track Record Period, primarily due to the variation of government grants comprising primarily of (i) government subsidies based on the VAT payment of our Group in the previous year or earlier months. As part of the PRC government’s effort to alleviate the burden of business affected by the COVID-19 pandemic, the Ministry of Finance and the State Taxation Administration temporarily reduced or exempted VAT on revenue derived from the provision of certain transportation services from January 2020 to March 2021 and throughout 2022. During periods when VAT were exempted, we didn’t receive any government subsidies, (ii) subsidies for high-tech enterprises, (iii) job stabilization subsidies and (iv) development incentives for small and medium-sized for certain subsidiaries. Our interest income comprised primarily interest on deposits. We incurred penalty throughout the Track Record Period as we paid fines in relation to our ride-hailing services business. Please see “Business — Legal Proceedings and Compliance — Compliance Matters — Transportation Permits and Online Ride Hailing Driver’s Licenses” for more details. Our investment income was associated with income and losses realized during the holding period of wealth management products. The changes in fair values of the wealth management products were primarily because the fair value of wealth management products we purchased fluctuated during the Track Record Period. The acquisition of a subsidiary represented the difference between fair value and book value of 8.33% equity interest in Hengsheng Changyun.

## FINANCIAL INFORMATION

### Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of employee expenses, depreciation and amortization, business entertainment expenses, travel expenses, promotion expenses, lease expenses and share-based payment. The following table sets forth a breakdown of our selling and marketing expenses both in absolute amount and as a percentage of our total selling and marketing expenses for the periods indicated.

	For the Year Ended December 31,						For the 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>(RMB in thousands, except percentages)</i>									
Employee expenses . . . . .	22,222	48.6	25,869	57.4	26,281	54.9	11,757	56.7	11,720	57.5
Depreciation and amortization . . .	132	0.3	104	0.2	233	0.5	114	0.5	120	0.6
Business entertainment expenses . . . . .	1,499	3.3	1,558	3.5	2,394	5.0	1,089	5.2	756	3.7
Travel expenses . . . . .	2,823	6.2	1,972	4.4	3,613	7.5	1,661	8.0	1,416	6.9
Promotion expenses . . . . .	6,695	14.6	8,773	19.5	12,509	26.1	4,878	23.5	4,545	22.3
Lease expenses . . . . .	1,477	3.2	1,831	4.1	1,774	3.7	813	3.9	1,155	5.7
Share-based payment . . . . .	9,145	20.0	4,013	8.9	-	-	-	-	-	-
Others . . . . .	1,738	3.8	967	2.1	1,098	2.3	455	2.2	679	3.3
<b>Total . . . . .</b>	<u>45,731</u>	<u>100.0</u>	<u>45,087</u>	<u>100.0</u>	<u>47,902</u>	<u>100.0</u>	<u>20,767</u>	<u>100.0</u>	<u>20,391</u>	<u>100.0</u>

Our selling and marketing expenses decreased as a percentage of our revenue from 8.3% in 2021 to 5.5% in 2022 and further decreased to 4.0% in 2023. Our selling and marketing expenses decreased as a percentage of our revenue from 3.6% during the six months ended June 30, 2023 to 2.8% during the six months ended June 30, 2024. The decline during the Track Record Period was primarily attributable to (i) the increase in our total revenue during the Track Record Period and (ii) the decrease of share-based payment, primarily because of the replacement of the previous option incentive plan to remove the condition in relation to [REDACTED] performance in 2021. For more details, please see Note 27 to the Accountants’ Report as set out in Appendix I to this Document.

### General and Administrative Expenses

Our general and administrative expenses primarily consist of employee expenses, depreciation and amortization, professional service fee, travel expenses, lease expenses, share-based payment and others. The following table sets forth a breakdown of our general and administrative expenses both in absolute amount and as a percentage of our total general and administrative expenses for the periods indicated.

## FINANCIAL INFORMATION

	For the Year Ended December 31,						For the 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>(RMB in thousands, except percentages)</i>									
Employee expenses . . . . .	11,781	42.3	15,795	60.7	17,356	72.5	7,354	63.5	7,564	70.4
Depreciation and amortization . .	503	1.8	1,072	4.1	1,088	4.5	544	4.7	555	5.2
Professional service fee . . . . .	5,803	20.8	3,809	14.6	618	2.6	436	3.8	290	2.7
Travel expenses . . . . .	311	1.1	159	0.6	600	2.5	278	2.4	254	2.4
Lease expenses . . . . .	2,785	10.0	1,894	7.3	2,606	10.9	1,880	16.2	1,153	10.7
Share-based payment . . . . .	5,100	18.3	1,917	7.4	450	1.9	225	1.9	225	2.1
Others . . . . .	1,595	5.7	1,391	5.3	1,225	5.1	866	7.5	696	6.5
Total . . . . .	<u>27,878</u>	<u>100.0</u>	<u>26,037</u>	<u>100.0</u>	<u>23,943</u>	<u>100.0</u>	<u>11,583</u>	<u>100.0</u>	<u>10,737</u>	<u>100.0</u>

Our general and administrative expenses decreased as a percentage of our revenue from 5.0% in 2021 to 3.2% in 2022 and further decreased to 2.0% in 2023. Our general and administrative expenses decreased as a percentage of our revenue from 2.0% during the six months ended June 30, 2023 to 1.5% during the six months ended June 30, 2024. The decline during the Track Record Period was primarily attributable to (i) the increase in our total revenue during the Track Record Period, (ii) the decrease of share-based payment mainly because of the replacement of the previous option incentive plan to remove the condition in relation to [REDACTED] performance in 2021 and (iii) the decrease in professional service fee mainly because we incurred substantial professional service fee in 2021 for our series C financing and as we converted into a joint stock limited company in 2022. For more details, please see Note 27 to the Accountants’ Report as set out in Appendix I to this Document.

### Research and Development Expenses

Our research and development expenses primarily consist of employee expenses, depreciation and amortization, cloud service fees, leasing expenses, outsourced R&D expenses, share-based payment, travel expenses and others. The following table sets forth a breakdown of our research and development both in absolute amount and as a percentage of our total research and development expenses for the periods indicated.

	For the Year Ended December 31,						For the 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>(RMB in thousands, except percentages)</i>									
Employee expenses . . . . .	32,772	76.3	36,384	81.2	29,330	89.6	13,174	87.5	14,527	90.8
Depreciation and amortization . .	2,647	6.2	2,540	5.7	848	2.6	844	5.6	28	0.2
Cloud service fees . . . . .	1,312	3.1	1,259	2.8	430	1.3	299	2.0	274	1.7



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	For the Year Ended December 31,						For the 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>(RMB in thousands, except percentages)</i>									
Leasing expenses . . . . .	809	1.9	1,105	2.5	1,480	4.5	634	4.2	976	6.1
Outsourced R&D expenses . . . . .	499	1.2	1,885	4.2	327	1.0	25	0.2	-	0.0
Share-based payment . . . . .	4,083	9.5	948	2.1	-	0.0	-	0.0	-	0.0
Others . . . . .	776	1.8	672	1.5	315	1.0	83	0.5	197	1.2
Total . . . . .	<u>42,898</u>	<u>100.0</u>	<u>44,793</u>	<u>100.0</u>	<u>32,730</u>	<u>100.0</u>	<u>15,059</u>	<u>100.0</u>	<u>16,002</u>	<u>100.0</u>

Our research and development expenses decreased as a percentage of our revenue from 7.7% in 2021 to 5.5% in 2022 and further decreased to 2.7% in 2023. Our research and development expenses decreased as a percentage of our revenue from 2.6% during the six months ended June 30, 2023 to 2.2% during the six months ended June 30, 2024. The decline during the Track Record Period was primarily attributable to (i) the increase in our total revenue during the Track Record Period and (ii) the decrease of share-based payment, mainly because of the replacement of the previous option incentive plan to remove the condition in relation to [REDACTED] performance in 2021. For more details, please see Note 27 to the Accountants’ Report as set out in Appendix I to this Document.

### Impairment Loss on Trade Receivables, Other Receivables and Contract Assets

Impairment loss on trade receivables, other receivables and contract assets mainly represents provisions of impairment of trade receivables, other receivables and contract assets. Our impairment loss on trade receivables, other receivables and contract assets decreased by 88.7% from RMB5.1 million in 2021 to RMB0.6 million in 2022, which was we received payments from customers with long-aged trade receivables. The impairment loss on trade receivables, other receivables and contract assets increased by 731.3% to RMB4.8 million in 2023, which was primarily because we made provisions for certain trade receivables as they aged. Our impairment loss on trade receivables, other receivables and contract assets decreased by 59.8% from RMB3.9 million for the six months ended June 30, 2023 to RMB1.6 million for the six months ended June 30, 2024, primarily because we reversed provisions of impairment of trade receivables as we received payment from our customers.

### Finance Costs

Our finance costs were RMB0.2 million, RMB0.2 million, RMB0.2 million, RMB0.1 million and RMB0.2 million in 2021, 2022, 2023 and the six months ended June 30, 2023 and 2024, respectively, which consisted of interest on lease liabilities relating to our office space and interest on loans and other borrowings.

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## FINANCIAL INFORMATION

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### Share of (Loss)/Profits of Associates

Share of (loss)/profits of associates mainly reflects our gains or losses from our investment in associate entities. We recorded a share of loss of associates amounting to RMB3.5 million in 2021, which decreased by 25.7% to RMB2.6 million in 2022, which was primarily due to the improvements of the performance of our equity investees. In 2023, we recorded a share of profits of associates amounting to RMB1.4 million, primarily due to (i) the improvements of the performance of our equity investees and (ii) the investment income derived from Hengsheng Changyun’s shareholding in Anhui Wanmei. Please see “History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers” for details. We recorded a share of loss of associates amounting to RMB1 thousand for the six months ended June 30, 2023 and a share of profits of associates amounting to RMB0.4 million for the six months ended June 30, 2024, primarily due to the investment income derived from Hengsheng Changyun’s shareholding in Anhui Wanmei.

### Changes in the Carrying Amounts of Redemption Rights Issued to Investors

Changes in the carrying amounts of redemption rights issued to investors mainly related to the private placements with certain investors in 2021 and the years before 2021. Our changes in the carrying amounts of redemption rights issued to investors decreased by 13.7% from RMB512.5 million in 2021 to RMB442.0 million in 2022, and then increased by 5.0% to RMB464.1 million in 2023. Our changes in the carrying amounts of redemption rights issued to investors increased by 16.3% from RMB230.0 million for the six months ended June 30, 2023 to RMB267.6 million for the six months ended June 30, 2024. Please see Note 27 to the Accountants’ Report in Appendix I to this Document for more information.

### Income Tax

Our Company and subsidiaries established and operated in mainland China are subject to the EIT on the taxable income adjusted in accordance with the Enterprise Income Tax Law (the “**EIT Law**”). Pursuant to the EIT Law, our Company and subsidiaries established in Mainland China are generally subject to EIT at the statutory rate of 25%. Our Company and certain subsidiaries obtained the High and New Technology Enterprises (“**HNTE**”) status and therefore are entitled to a preferential EIT rate of 15% during the Track Record Period. Please see Note 7 to the Accountants’ Report in Appendix I to this Document.

## RESULTS OF OPERATIONS

### Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

#### *Revenue*

Our revenue increased by 25.7% from RMB577.8 million in the six months ended June 30, 2023 to RMB726.2 million in the six months ended June 30, 2024, primarily because revenue from our ride-hailing business increased by 31.9% from RMB487.1 million for the six months ended June 30, 2023 to RMB642.5 million for the six months ended June 30, 2024.

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## FINANCIAL INFORMATION

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Our revenue from passenger transportation services business remained relatively stable at RMB34.8 million for the six months ended June 30, 2023, as compared to RMB35.7 million for the six months ended June 30, 2024.

Our revenue from ride-hailing services business increased by RMB155.4 million, or 31.9%, from RMB487.1 million for the six months ended June 30, 2023 to RMB642.5 million for the six months ended June 30, 2024, mainly because (i) we enhanced our regional operation capabilities in key cities by setting up localized team and the number of our registered drivers and completed orders improved as a result and (ii) we increased the aggregate amount of incentives paid to our drivers and passengers in lower-tier cities to enhance our competitiveness.

Our revenue from digitalization and business solutions business decreased by RMB8.7 million, or 15.6%, from RMB55.8 million for the six months ended June 30, 2023 to RMB47.1 million for the six months ended June 30, 2024, primarily due to intensified competition, our average revenue per project declined during the six months ended June 30, 2024.

### *Cost of sales*

Our cost of sales increased by 31.7% from RMB531.9 million in the six months ended June 30, 2023 to RMB700.7 million in the six months ended June 30, 2024, primarily due to a 38.1% increase in driver’s service fee from RMB410.9 million in the six months ended June 30, 2023 to RMB567.4 million in the six months ended June 30, 2024, which was generally in line with the growth of our ride-hailing business.

### *Gross profit and gross profit margin*

As a result of the foregoing, our gross profit decreased by 44.5% from RMB45.9 million in the six months ended June 30, 2023 to RMB25.5 million in the six months ended June 30, 2024. Our gross profit margin decreased from 7.9% in the six months ended June 30, 2023 to 3.5% in the six months ended June 30, 2024, mainly due to (i) an increase in the proportion of revenue from ride-hailing services business coupled with a decrease in the gross profit margin of our ride-hailing services business, mainly because we offered incentives to drivers and passengers to expand geographical coverage to achieve a growth in revenue, and (ii) a decline in gross profit margin of our digitalization and business solutions business, primarily because we recognized revenue from certain projects in the first half of 2024, the gross profit margin of which were relatively low.

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## FINANCIAL INFORMATION

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### *Other income, net*

Our other income, net increased from RMB0.6 million in the six months ended June 30, 2023 to RMB5.7 million in the six months ended June 30, 2024, mainly due to an increase in government grants in relation to the VAT we paid under our ride-hailing services business. VAT was exempted in 2022 in response to COVID-19, and therefore we did not receive any government grants in this regard in 2023. In 2024, we received government grants in relation to the VAT we paid under our ride-hailing services business in 2023.

### *Selling and marketing expenses*

Our selling and marketing expenses remained relatively stable at RMB20.8 million for the six months ended June 30, 2023, as compared to RMB20.4 million for the six months ended June 30, 2024.

### *General and administrative expenses*

Our general and administrative expenses decreased by 7.3% from RMB11.6 million in the six months ended June 30, 2023 to RMB10.7 million in the six months ended June 30, 2024, primarily due to the decrease in our lease expenses as a result of our relocation of our headquarters to a more economical location.

### *Research and development expenses*

Our research and development increased by 6.3% from RMB15.1 million in the six months ended June 30, 2023 to RMB16.0 million in the six months ended June 30, 2024, primarily due to the increase in employee expenses as we enhanced the compensation to our research and development team.

### *Impairment loss on trade receivables, other receivables and contract assets*

Our impairment loss on trade receivables, other receivables and contract assets decreased from RMB3.9 million for the six months ended June 30, 2023 to RMB1.6 million for the six months ended June 30, 2024, respectively. The decrease was primarily due to the reversal of provisions of impairment of trade receivables in the six months ended June 30, 2024 as we received payment from our customers in the same period.

### *Finance costs*

Our finance costs increased from RMB0.1 million in the six months ended June 30, 2023 to RMB0.2 million in the six months ended June 30, 2024, primarily because we entered into additional leases in 2024, resulting in higher lease liability interest.

### *Share of (loss)/profits of associates*

We recorded share of loss of associates of RMB1 thousand in the six months ended June 30, 2023, primarily because we incurred losses from our investment in associate entities. We recorded share of profits of associates RMB382 thousand in the six months ended June 30, 2024, primarily due to the investment income derived from Hengsheng Changyun’s shareholding in Anhui Wanmei.

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## FINANCIAL INFORMATION

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### *Changes in the carrying amounts of redemption rights issued to investors*

Our changes in the carrying amounts of redemption rights issued to investors increased by RMB37.6 million, or 16.3%, from RMB230.0 million for the six months ended June 30, 2023 to RMB267.6 million for the six months ended June 30, 2024. The increase was primarily due to changes in the value of redemption rights issued to investors.

### *Income tax*

Our income tax remained relatively stable at RMB0.4 million for the six months ended June 30, 2023, as compared to RMB0.3 million for the six months ended June 30, 2024. The effective income tax rate was 0.2% and 0.1%, in the six months ended June 30, 2023 and 2024, respectively, remaining relatively stable.

### *Loss for the period*

As a result of the foregoing, our loss for the period increased by 21.3% from RMB234.6 million in the six months ended June 30, 2023 to RMB284.5 million in the six months ended June 30, 2024.

## **Year Ended December 31, 2023 Compared to Year Ended December 31, 2022**

### *Revenue*

Our revenue increased by RMB390.5 million, or 47.9%, from RMB816.0 million in 2022 to RMB1,206.5 million in 2023, primarily because revenue from our ride-hailing business increased by RMB325.6 million, or 46.3% from RMB703.2 million in 2022 to RMB1,028.8 million in 2023.

Our revenue from passenger transportation services business increased by RMB20.7 million, or 42.9%, from RMB48.3 million in 2022 to RMB69.0 million in 2023. The revenue from our internet ticketing services and customized transportation services both witnessed growth as travel activities resumed in China as the pandemic gradually winded down and our number of tickets sold increased significantly. In addition, after the pandemic, our customized passenger transportation business experienced growth as it met the demand of passengers for vehicles with fewer seats with the intention to reduce the risk of infectious disease transmission and we increased promotion efforts for our customized passenger transportation services in certain provinces.

Our revenue from ride-hailing services business increased by RMB325.6 million, or 46.3%, from RMB703.2 million in 2022 to RMB1,028.8 million in 2023, mainly because (i) we increased the aggregate amount of incentives paid to our drivers and passengers in lower-tier cities to enhance our competitiveness, (ii) we began to enhance our regional operation capabilities in key cities by setting up localized team and the number of our registered drivers and completed orders improved as a result and (iii) travel activities resumed in China as the pandemic gradually winded down.

Our revenue from digitalization and business solutions business increased by RMB44.0 million, or 68.7%, from RMB64.0 million in 2022 to RMB108.0 million in 2023, primarily due to the completion of several projects and the recognition of revenue accordingly.

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## FINANCIAL INFORMATION

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### *Cost of sales*

Our cost of sales increased by RMB358.7 million, or 47.1% from RMB761.9 million in 2022 to RMB1,120.6 million in 2023, primarily due to a RMB294.0 million, or 50.4% increase in drivers’ service fee from RMB584.0 million in 2022 to RMB878.0 million in 2023, and to a lesser extent, a RMB33.6 million, or 42.7% increase in aggregation platform fee, from RMB78.6 million in 2022 to RMB112.1 million in 2023. Such increases were generally in line with our business expansion, particularly the growth of our ride-hailing services business.

### *Gross profit and gross profit margin*

As a result of the foregoing, we recorded gross profit of RMB85.9 million in 2023, compared to gross profit of RMB54.1 million in 2022. Our gross profit margin was 7.1% in 2023, compared to gross profit margin of 6.6% in 2022. The increase of our profit margin was primarily due to the revenue of our digitalization and business solutions business as a percentage of our total revenue increased in 2023 and the gross profit margin of our digitalization and business solutions business increased from 18.2% in 2022 to 33.8% in 2023.

### *Other income, net*

Our other income, net decreased by RMB3.9 million, or 54.1%, from RMB7.1 million in 2022 to RMB3.3 million in 2023, mainly due to (i) a decrease in government grants in relation to the VAT we paid under our ride-hailing services business. VAT was exempted for the full year of 2022 in response to COVID-19, and therefore we did not receive any government grants in this regard in 2023. However, as VAT was only exempted during the first quarter of 2021, we received government grants in this regard in 2022, and (ii) a decrease in investment income which were related to income and losses realized during the holding period of wealth management products.

### *Selling and marketing expenses*

Our selling and marketing expenses increased by RMB2.8 million, or 6.2% from RMB45.1 million in 2022 to RMB47.9 million in 2023, primarily due to (i) an increase in promotion expenses as we increased offline marketing activities for our passenger transportation services business and (ii) an increase in travel expenses as we resumed business travel as the impact of COVID-19 gradually wended down, the increases were partially compensated by a decrease in share-based payment as we did not make payment in this regard in 2023.

### *General and administrative expenses*

Our general and administrative expenses decreased by RMB2.1 million, or 8.0%, from RMB26.0 million in 2022 to RMB23.9 million in 2023, primarily due to (i) a decrease in professional service fee which was paid to professional parties. We converted into a joint stock limited company in 2022, which led to an increase in the professional service fee and (ii) a decrease in share-based payment.

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## FINANCIAL INFORMATION

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### *Research and development expenses*

Our research and development expenses decreased by RMB12.1 million, or 27.0%, from RMB44.8 million in 2022 to RMB32.7 million in 2023, primarily because we downsized our research and development team to optimize the team structure.

### *Impairment loss on trade receivables, other receivables and contract assets*

Our impairment loss on trade receivables, other receivables and contract assets increased from RMB0.6 million in 2022 to RMB4.8 million in 2023 mainly because of the increase in the balance of trade receivables and the aging of trade receivables, which resulted in an increase in the provision for impairment of trade receivables.

### *Finance costs*

Our finance costs remained relatively stable at RMB0.2 million from 2022 to 2023.

### *Share of (loss)/profits of associates*

Our share of loss of associates was RMB2.6 million in 2022. Our share of profits of associates was RMB1.4 million in 2023. Such change was primarily due to (i) the improvements of the performance of our equity investees and (ii) the investment income derived from Hengsheng Changyun’s shareholding in Anhui Wanmei. Please see “History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers”.

### *Changes in the carrying amounts of redemption rights issued to investors*

Our changes in the carrying amounts of redemption rights issued to investors increased by RMB22.0 million, or 5.0%, from RMB442.0 million in 2022 to RMB464.1 million in 2023, respectively. The increase was primarily due to changes in the value of redemption rights issued to investors.

### *Income tax*

Our income tax remained relatively stable at RMB684 thousand in 2022, as compared to RMB722 thousand in 2023. The effective income tax rate was 0.1% and 0.1%, in 2022 and 2023, respectively, remaining relatively stable.

### *Loss for the year*

As a result of the foregoing, our loss for the year decreased by RMB17.2 million, or 3.4%, from RMB499.4 million in 2022 to RMB482.3 million in 2023.

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### Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

#### *Revenue*

Our revenue increased by RMB262.4 million, or 47.4%, from RMB553.5 million in 2021 to RMB816.0 million in 2022, primarily because our revenue from ride-hailing services business increased by RMB234.1 million, or 49.9%, from RMB469.1 million in 2021 to RMB703.2 million in 2022.

Our revenue from passenger transportation services business decreased by RMB5.6 million, or 10.4%, from RMB53.9 million in 2021 to RMB48.3 million in 2022, primarily due to a decrease in the revenue from internet ticketing services business as the decline in passenger traffic due to the COVID-19 pandemic led to a decrease in the number of tickets sold under our internet ticketing services business in 2022, which was partially offset by an increase in the revenue from customized passenger transportation services business due to our increased marketing activities for our Keyunda system and the corresponding increase in the number of tickets sold.

Our revenue from ride-hailing services business increased by RMB234.1 million, or 49.9%, from RMB469.1 million in 2021 to RMB703.2 million in 2022, primarily as we increased the aggregate amount of incentives paid to our drivers and passengers in lower-tier cities to enhance our competitiveness.

Our revenue from digitalization and business solutions increased by RMB33.8 million, or 111.5%, from RMB30.3 million in 2021 to RMB64.0 million in 2022, primarily due to the completion of several projects and the recognition of revenue accordingly.

#### *Cost of sales*

Our cost of sales increased by RMB255.8 million, or 50.6%, from RMB506.1 million in 2021 to RMB761.9 million in 2022, primarily due to a RMB196.3 million, or 50.6% increase in drivers' service fee from RMB387.7 million in 2021 to RMB584.0 million in 2022, and to a less extent, a RMB30.9 million, or 64.9% increase in aggregation platform fee, from RMB47.7 million in 2021 to RMB78.6 million in 2022. Such increases were generally in line with our business expansion, particularly the growth of our ride-hailing services business.

#### *Gross profit and gross profit margin*

As a result of the foregoing, our gross profit increased by RMB6.6 million, or 13.9%, from RMB47.5 million in 2021 to RMB54.1 million in 2022. Our gross profit margin was 8.6% and 6.6% in 2021 and 2022, respectively. The decrease of our profit margin was primarily due to the increase in the proportion of revenue from our ride-hailing services business, which would require significant drivers' service fee and aggregation platform fee to maintain our competitiveness and thus exhibited lower gross profit margin as compared to our other business segments.



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### *Other income, net*

We recorded other income of RMB3.4 million in 2021 and RMB7.1 million in 2022 mainly because of an increase in government grants which were related to government subsidies in relation to VAT we paid in the previous year, which was partially offset by changes in fair value of the wealth management products.

### *Selling and marketing expenses*

Our selling and marketing expenses remained relatively stable at RMB45.7 million in 2021, as compared to RMB45.1 million in 2022.

### *General and administrative expenses*

Our general and administrative expenses decreased by RMB1.9 million, or 6.8%, from RMB27.9 million in 2021 to RMB26.0 million in 2022, primarily due to (i) the decrease in share-based payment because of the replacement of the previous option incentive plan to remove the condition in relation to [REDACTED] performance in 2021 and (ii) the decrease in professional service fee as we incurred professional service fees in relation to our series C financing in 2021 and we converted into a joint stock limited company in 2022. The decreases were partially offset by an increase in employee expenses as we enhanced the compensation to our general and administrative staff.

### *Research and development expenses*

Our research and development expenses remained relatively stable at RMB42.9 million in 2021, as compared to RMB44.8 million in 2022.

### *Impairment loss on trade receivables, other receivables and contract assets*

Our impairment loss on trade receivables, other receivables and contract assets decreased from RMB5.1 million in 2021 to RMB0.6 million in 2022, respectively, mainly because we received payments from customers with long-aged trade receivables.

### *Finance costs*

Our finance costs remained relatively stable at RMB0.2 million from 2021 to 2022.

### *Share of (loss)/profits of associates*

Our share of losses of associates decreased from RMB3.5 million in 2021 to RMB2.6 million in 2022. Such decrease was primarily due to the improvements of the performance of our equity investees.

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## FINANCIAL INFORMATION

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### *Changes in the carrying amounts of redemption rights issued to investors*

Our changes in the carrying amounts of redemption rights issued to investors decreased by RMB70.4 million, or 13.7%, from RMB512.5 million in 2021 to RMB442.0 million in 2022, respectively. The decrease was primarily due to changes in the value of redemption rights issued to investors.

### *Income tax*

Our income tax increased from RMB0.3 million in 2021 to RMB0.7 million in 2022. The effective income tax rate was 0.05% and 0.14%, in 2021 and 2022, respectively, remaining relatively stable.

### *Loss for the year*

As a result of the foregoing, our loss for the year decreased by RMB87.2 million, or 14.9%, from RMB586.6 million in 2021 to RMB499.4 million in 2022.

## LIQUIDITY AND CAPITAL RESOURCES

### **Working Capital**

As of December 31, 2021, 2022, and 2023, and June 30, 2024, we had cash and cash equivalents of RMB112.1 million, RMB96.6 million, RMB171.5 million, and RMB107.3 million, respectively. Our primary use of cash is to fund our working capital requirements and other recurring expenses. During the Track Record Period, we financed our operations primarily through cash generated from our operating activities and financing activities. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flow generated from our operating activities, bank borrowings, [REDACTED] 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.

### **Working Capital Confirmation**

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, the expected cash generated from operating activities, available banking facilities and the estimated [REDACTED] from the [REDACTED], our Directors are of the view, and the Sole Sponsor concurs, that we have sufficient working capital to meet our present needs and for the next twelve months from the date of this Document. Our Directors confirm that we had no material defaults in payment of trade and non-trade payables during the Track Record Period.

## FINANCIAL INFORMATION

### Cash Flows

The following table sets forth our cash flows for the periods indicated.

	For the Year ended December 31,			For the Six Months ended June 30,	
	2021	2022	2023	2023	2024
				<i>(Unaudited)</i>	
				<i>(RMB in thousands)</i>	
Net cash (used in)/generated from operating activities . . . . .	(12,633)	(112,898)	40,606	54,432	4,856
Net cash (used in)/generated from investing activities . . . . .	(164,967)	100,383	38,159	16,675	(64,760)
Net cash generated from/(used in) financing activities. . . . .	174,258	(2,974)	(3,848)	7,196	(4,317)
Net (decrease)/increase in cash and cash equivalents . . . . .	(3,342)	(15,489)	74,917	78,303	(64,221)
Cash and cash equivalents at the beginning of the year/period . . . . .	115,411	112,069	96,580	96,580	171,497
Cash and cash equivalents at the end of the year/period . . . . .	112,069	96,580	171,497	174,883	107,276

#### *Net Cash (Used in)/Generated from Operating Activities*

In the six months ended June 30, 2024, net cash generated from operating activities was RMB4.9 million. Our net cash generated from operating activities is attributable to our loss before taxation of RMB284.9 million, as adjusted by non-cash and non-operating items of RMB275.1 million, and further adjusted by working capital changes mainly comprising (i) an increase in accruals and other payables of RMB13.9 million, and (ii) a decrease in inventories of RMB7.1 million, partially offset by a decrease in contract liabilities of RMB8.3 million.

In 2023, net cash generated from operating activities was RMB40.6 million. Our net cash generated from operating activities is attributable to our loss before taxation of RMB483.0 million, as adjusted by non-cash and non-operating items of RMB482.7 million, and further adjusted by working capital changes mainly comprising (i) an increase in accruals and other payables of RMB49.4 million, and (ii) an increase in trade payables of RMB12.0 million, partially offset by an increase in trade receivables of RMB19.5 million.

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In 2022, net cash used in operating activities was RMB112.9 million. Our net cash used in operating activities is attributable to our loss before taxation of RMB500.1 million, as adjusted by non-cash and non-operating items of RMB467.0 million, and further adjusted by working capital changes mainly comprising (i) a decrease in accruals and other payables of RMB33.5 million, (ii) an increase in prepayments, deposits and other receivables of RMB16.3 million and (iii) an increase in trade receivables of RMB25.1 million, partially offset by an increase in trade payables of RMB7.2 million.

In 2021, net cash used in operating activities was RMB12.6 million. Our net cash used in operating activities is attributable to our loss before taxation of RMB586.9 million, as adjusted by non-cash and non-operating items of RMB549.2 million, and further adjusted by working capital changes mainly comprising (i) an increase in inventories of RMB20.7 million and (ii) a decrease in accruals and other payables of RMB14.3 million, partially offset by (iii) an increase in contract liabilities of RMB23.8 million, (iv) an increase in trade payables of RMB15.2 million, (v) a decrease in trade receivables of RMB13.1 million, and (vi) a decrease in prepayments, deposits, and other receivables of RMB10.2 million.

See “— Our Financial Position — Description of Selected Statement of Financial Position Items” for primary reasons relating to the underlying causes for our operating cash flow changes.

### *Net Cash (Used in)/Generated from Investing Activities*

In the six months ended June 30, 2024, net cash used in investing activities was RMB64.8 million, primarily due to payment of acquisition of wealth management products in relation to short-term structured product we purchased. Please see Note 21 to the Accountants’ Report included in Appendix I to this Document.

In 2023, net cash generated from investing activities was RMB38.2 million, primarily due to proceeds from the redemption of wealth management products upon their maturity.

In 2022, net cash generated from investing activities was RMB100.4 million, primarily due to proceeds from the redemption of wealth management products upon their maturity, which was partially offset by payment of acquisition of wealth management products in relation to short-term structured product we purchased.

In 2021, net cash used in investing activities was RMB165.0 million, primarily due to payment of acquisition of wealth management products in relation to short-term structured product we purchased and payment attributable to the acquisition of Hengsheng Changyun in 2021.

### *Net Cash Generated from/(Used in) Financing Activities*

In the six months ended June 30, 2024, net cash used in financing activities was RMB4.3 million, primarily consisting of capital element of rental paid and distribution to non-controlling interests.

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In 2023, net cash used in financing activities was RMB3.8 million, primarily consisting of capital element of rental paid and distribution to non-controlling interests.

In 2022, net cash used in financing activities was RMB3.0 million, primarily consisting of capital element of rental paid.

In 2021, net cash generated from financing activities was RMB174.3 million, primarily attributable to proceeds received from series C and series C+ financing.

### NET CURRENT LIABILITIES

The following table sets forth our current assets, current liabilities and net current liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of September 30,
	2021	2022	2023	2024	2024
					<i>(Unaudited)</i>
					<i>(RMB in thousands)</i>
<b>Current assets</b>					
Inventories . . . . .	24,602	31,111	29,773	22,575	34,965
Contract assets . . . . .	4,769	3,174	407	405	382
Trade and bills receivables . . . . .	27,551	52,061	66,953	64,007	63,320
Prepayments, deposits and other receivables . . . . .	29,225	45,298	52,980	53,988	80,284
Other current assets . .	145,352	47,464	3,204	55,952	67,758
Restricted cash . . . . .	60	2,779	60	2,060	2,060
Cash and cash equivalents . . . . .	112,069	96,580	171,497	107,276	116,452
<b>Total current assets .</b>	<b>343,628</b>	<b>278,467</b>	<b>324,874</b>	<b>306,263</b>	<b>365,221</b>
<b>Current liabilities</b>					
Borrowings . . . . .	–	–	–	–	10,000
Trade payable . . . . .	37,486	44,672	56,713	60,091	67,020
Accrued expenses and other payables . . . . .	130,157	96,611	146,029	159,919	179,482
Contract liabilities . . .	24,116	23,978	22,649	14,354	43,944
Lease liabilities . . . . .	3,044	1,044	3,238	3,808	2,948
Redemption rights issued to investors .	1,203,244	1,645,281	2,109,335	2,376,903	2,473,990
<b>Total current liabilities . . . . .</b>	<b>1,398,047</b>	<b>1,811,586</b>	<b>2,337,964</b>	<b>2,615,075</b>	<b>2,777,384</b>
<b>Net current liabilities . . . . .</b>	<b>1,054,419</b>	<b>1,533,119</b>	<b>2,013,090</b>	<b>2,308,812</b>	<b>2,412,163</b>

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Our net current liabilities increased from RMB2,308.8 million as of June 30, 2024 to RMB2,412.2 million as of September 30, 2024, primarily because of an increase in redemption rights issued to investors in the amount of RMB97.1 million in relation to the grant of redemption right to certain [REDACTED] in 2021 and the years before 2021 and changes in the carrying amounts of redemption rights issued to investors.

Our net current liabilities increased from RMB2,013.1 million as of December 31, 2023 to RMB2,308.8 million as of June 30, 2024, primarily because of (i) an increase in redemption rights issued to investors in the amount of RMB267.6 million in relation to the grant of redemption right to certain [REDACTED] in 2021 and the years before 2021 and changes in the carrying amounts of redemption rights issued to investors and (ii) a decrease in cash and cash equivalents in the amount of RMB64.2 million which was due to an increase in our investment in Anhui Wanmei, which was partially offset by an increase in other current assets in the amount of RMB52.7 million which was due to our purchase of wealth management products.

Our net current liabilities increased from RMB1,533.1 million as of December 31, 2022 to RMB2,013.1 million as of December 31, 2023, primarily because of (i) an increase in redemption rights issued to investors in the amount of RMB464.1 million in relation to the grant of redemption right to certain [REDACTED] in 2021 and the years before 2021 and changes in the carrying amounts of redemption rights issued to investors, (ii) an increase in accrued expenses and other payables in the amount of RMB49.4 million primarily due to (A) increase in ticket price collected on behalf of passenger transportation stations and passenger transportation companies, caused by recovery of passenger traffic after COVID-19 pandemic; (B) increase in accrued payroll and benefits in relation to provision for the shortfall in our social insurance and housing provident fund contribution. Please see “Business — Legal Proceedings and Compliance — Compliance Matters — Housing Provident Funds and Social Insurance”, and (iii) a decrease in other current assets in the amount of RMB44.3 million primarily as a result of the decrease in our purchase of wealth management products in 2023, which was partially offset by an increase in cash and cash equivalents in the amount of RMB74.9 million which was primarily due to (A) redemption of our wealth management products upon their maturity and (B) our business expansion.

Our net current liabilities increased from RMB1,054.4 million as of December 31, 2021 to RMB1,533.1 million as of December 31, 2022, primarily because of (i) an increase in redemption rights issued to investors in the amount of RMB442.0 million in relation to the grant of redemption right to certain [REDACTED] in 2021 and the years before 2021 and changes in the carrying amounts of redemption rights issued to investors and (ii) a decrease in other current assets in the amount of RMB97.9 million primarily as a result of the decrease in our purchase of wealth management products in 2022, which was partially offset by a decrease in accrued expenses and other payables in the amount of RMB33.5 million, primarily due to a decrease in ticket price collected on behalf of passenger transportation stations and passenger transportation companies, caused by the significant drop in passenger traffic affected by COVID-19 pandemic, which was partially offset by the increase in accrued payroll and benefits

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in relation to provision for the shortfall in our social insurance and housing provident fund contribution. Please see “Business — Legal Proceedings and Compliance — Compliance Matters — Housing Provident Funds and Social Insurance”.

### DESCRIPTION OF SELECTED STATEMENT OF FINANCIAL POSITION ITEMS

#### Property and Equipment

Our property and equipment primarily consisted of leasehold improvements, office equipment and furniture, operating equipment and vehicles. Leasehold improvements mainly related to internal interior decoration, space planning, facility upgrades and installation of air conditioning. Office equipment and furniture mainly related to computers, large screens, projectors and printers. Operating equipment is mainly related to self-service ticketing machines and turnstiles. Vehicles mainly related to vehicles purchased for daily use and transportation of goods and vehicles purchased for rental purpose. The following table sets forth the breakdown of our property and equipment as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			
<b>Property and equipment</b>				
Leasehold improvements . . . .	130	68	20	360
Office equipment and furniture . . . . .	876	852	699	596
Operating equipment . . . . .	7,511	4,658	2,317	1,819
Vehicles . . . . .	225	299	4,665	4,097
Total . . . . .	<u>8,742</u>	<u>5,877</u>	<u>7,701</u>	<u>6,872</u>

Our property and equipment decreased by 32.8% from RMB8.7 million as of December 31, 2021 to RMB5.9 million as of December 31, 2022, primarily due to the acquisition of certain operating equipment, such as self-service ticket vending machines in previous years before 2021. Such operating equipment depreciated over the Track Record Period pursuant to our accounting policies.

Our property and equipment increased by 31.0% from RMB5.9 million as of December 31, 2022 to RMB7.7 million as of December 31, 2023, mainly due to the additional vehicles we purchased which were used as rental vehicles for the drivers for our ride-hailing business, partially offset by the decrease of operating equipment due to the depreciation of the operating equipment.

Our property and equipment decreased by 10.8% from RMB7.7 million as of December 31, 2023 to RMB6.9 million as of June 30, 2024, primarily due to a depreciation of vehicles and operating equipment.

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### Right-of-use Assets

Our right-of-use assets mainly reflects our right to use offices space through tenancy agreements. Our tenancy agreements are generally entered into for fixed terms of two years to four years. Tenancy agreements are negotiated on an individual basis and contain different payment terms and conditions.

Our right-of-use assets decreased by 56.6% from RMB4.0 million as of December 31, 2021 to RMB1.8 million as of December 31, 2022, as we terminated certain leases due to the COVID-19.

Our right-of-use assets increased by 103.9% from RMB1.8 million as of December 31, 2022 to RMB3.6 million as of December 31, 2023, mainly due to as COVID-19 winded down we rented additional properties for business expansion.

Our right-of-use assets increased by 106.9% from RMB3.6 million as of December 31, 2023 to RMB7.4 million as of June 30, 2024, primarily in relation to the relocation of our headquarters.

### Goodwill

Our goodwill is mainly attributed to significant synergies we expect to arise after our acquisition of 55.0% equity interests in Shanxi Changjie in April 2019 and 58.17% equity interests in Hengsheng Changyun upon the acquisition’s completion in August 2021.

Our goodwill remained stable at RMB38.3 million as of December 31, 2021, 2022 and 2023, and June 30, 2024, respectively.

### Inventories

Our inventories mainly consisted of merchandise inventories and work in progress. Our inventories generally were related to our digitalization and business solutions, particularly, the equipment we purchased to implement the specific digitalization project for the customers. Merchandise inventories primarily consist of inventories procured but have not been assigned to any particular project and work-in-progress inventory primarily consist of inventories assigned to our ongoing projects. The following table sets forth the breakdown of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			
Merchandise inventories . . . .	1,324	10,869	12,133	6,590
Work in progress . . . . .	23,278	20,765	18,803	17,277
Less: Write-down of inventories . . . . .	—	(523)	(1,163)	(1,292)
Total . . . . .	24,602	31,111	29,773	22,575



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Our inventories increased by 26.4% from RMB24.6 million as of December 31, 2021 to RMB31.1 million as of December 31, 2022, primarily due to new digitalization projects we undertook in 2022, which led to an increase in the equipment we purchased in preparation for such projects.

Our inventories remained relatively stable at RMB31.1 million as of December 31, 2022, as compared to RMB29.8 million as of December 31, 2023.

Our inventories decreased by 24.2% from RMB29.8 million as of December 31, 2023 to RMB22.6 million as of June 30, 2024, primarily because we utilized existing inventories and actively reduced the merchandise inventories for future projects.

The following table sets forth the inventory turnover days of our digitalization and business solutions business for the periods indicated:

	Year Ended December 31,			Six Months Ended June 30,
	2021	2022	2023	2024
Inventories turnover days <sup>(1)</sup> . .	237.9	194.0	155.4	120.8

*Note:*

- (1) The inventory turnover days of our digitalization and business solutions business were calculated based on the average of opening and closing balance of inventories of our digitalization and business solutions business of the relevant period, divided by the cost of sales of our digitalization and business solutions business for that period and multiplied by the number of days in that period (i.e., 365 days for one fiscal year and 180 days for half a fiscal year).

Our inventories turnover days decreased during the Track Record Period, primarily as we strengthened our control over inventories.

As of September 30, 2024, RMB8.4 million, or 37.2% of our inventories as of June 30, 2024, had been subsequently settled.

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### Contract Assets

Our contract assets primarily consisted of quality assurance fee which was deducted by certain customers from their payment for our digitalization and business solutions and held for a period of time. Such quality assurance fee is used to ensure the quality of certain projects and it would be returned after a period of time under certain conditions such as the quality of the project we delivered is acceptable to such customers.

Our contract assets decreased by 33.3% from RMB4.8 million as of December 31, 2021 to RMB3.2 million as of December 31, 2022, and further decreased by 87.5% to RMB0.4 million as of December 31, 2023, primarily because we received quality assurance fee over time and we actively reduced the quality assurance fee arrangement with our customers.

Our contract assets remained relatively stable at RMB0.4 million as of December 31, 2023 and June 30, 2024.

### Trade and Bills Receivables

Our trade and bills receivables were primarily amounts due from our customers of our passenger transportation services and digitalization and business solutions businesses. The following table sets forth the breakdown of our trade and bills receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			
Bills receivables . . . . .	–	6,160	8,399	3,959
Trade receivables . . . . .				
– related parties . . . . .	5,040	21,513	22,323	21,916
– third parties . . . . .	32,084	34,310	47,899	51,409
Less: Provision for doubtful debts . . . . .	<u>(9,573)</u>	<u>(9,922)</u>	<u>(11,668)</u>	<u>(13,277)</u>
Total . . . . .	<u>27,551</u>	<u>52,061</u>	<u>66,953</u>	<u>64,007</u>

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Our trade and bills receivables increased by 88.8% from RMB27.6 million as of December 31, 2021 to RMB52.1 million as of December 31, 2022, and further increased by 28.6% to RMB67.0 million as of December 31, 2023, primarily due to increases in trade receivables, generally in line with our business expansion. Particularly, this trend was in line with the growth of our digitalization and business solutions business for which we are able to collect payments after the completion of the project.

Our trade and bills receivables remained relatively stable at RMB67.0 million as of December 31, 2023, as compared to RMB64.0 million as of June 30, 2024.

Trade receivables from related parties accounted for 18.3%, 41.3%, 33.3% and 34.2% of our trade and bills receivables as of December 31, 2021, 2022, 2023 and June 30, 2023 and 2024, respectively. This was primarily due to certain transactions with Beijing Kaibao. Please see “Connected Transactions — Non-exempt Continuing Connected Transactions”.

The following table sets for the aging analysis of our trade and bills receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			
Not overdue. . . . .	20,739	45,254	57,458	50,719
Overdue within 365 days. . . . .	2,828	4,560	5,445	7,838
Overdue for 366 days to				
730 days . . . . .	3,853	1,325	2,332	2,429
Overdue for more than				
730 days . . . . .	131	922	1,718	3,021
	27,551	52,061	66,953	64,007

During the Track Record Period, our trade and bills receivables aged more than 365 days were primarily due to trade and bills receivables in relation to our digitalization and business solutions business.

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The following table sets forth a summary of our Group's trade and bills receivables turnover days for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2021	2022	2023	2024
Trade and bills receivables turnover days <sup>(1)</sup> . . . . .	23.0	17.8	18.0	16.2

*Note:*

- (1) Our Group's trade and bills receivables turnover days were calculated based on the average balance of trade and bills receivables of our Group during the relevant period, divided by our total revenue for that period and multiplied by the number of days in that period (i.e., 365 days for one fiscal year and 180 days for half a fiscal year).

Due to the nature of our different business segments, the trade and bills receivables turnover days of each segment varied significantly. The trade and bills receivables of our digitalization and business solutions business accounted for 83.2%, 67.2%, 82.7% and 85.8% of our total trade and bills receivables as of December 31, 2021, 2022 and 2023 and June 30, 2024, respectively. The following table sets forth the trade and bills receivables turnover days of our digitalization and business solutions business for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2021	2022	2023	2024
Trade and bills receivables turnover days <sup>(1)</sup> . . . . .	299.8	165.1	152.7	210.6

*Note:*

- (1) The trade and bills receivables turnover days of our digitalization and business solutions business were calculated based on the average balance of trade and bills receivables of our digitalization and business solutions business during the relevant period, divided by the revenue of our digitalization and business solutions business for that period and multiplied by the number of days in that period (i.e., 365 days for one fiscal year and 180 days for half a fiscal year).

## FINANCIAL INFORMATION

The trade and bills receivables turnover days of our digitalization and business solutions business decreased during 2021 and 2023, primarily due to our enhanced collection effort. The trade and bills receivables turnover days of our digitalization and business solutions business increased for the six months ended June 30, 2024, mainly because payments from certain customers were delayed.

As of September 30, 2024, RMB22.2 million, or 34.7% of our trade and bills receivables as of June 30, 2024, had been subsequently settled.

### Prepayments, Deposits and Other Receivables

Our prepayments, deposits and other receivables mainly comprised receivables for online ride-hailing business from the aggregation platforms, project bidding and other deposits, receivables for ticket price (please see “Business — Passenger Transport Services — Internet Ticketing Services — Pricing and revenue model” for more details), prepayments for purchase of services/goods and interests free advance to a management employee of a subsidiary. The following table sets forth the breakdown of our prepayments, deposits 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>			
Receivables for online ride-hailing business from the aggregation platforms . . . .	11,840	14,693	18,815	25,934
Project bidding and other deposits . . . . .	8,161	8,133	5,819	5,477
Receivables for ticket price . . . . .	3,880	7,776	21,943	12,497
Prepayments for purchase of services/goods . . . . .	871	8,605	819	4,407
Interests free advance to a management employee of a subsidiary <sup>(1)</sup> . . . . .	2,955	2,721	1,944	1,808
Others . . . . .	1,777	3,440	4,142	4,369
Less: allowance for other receivables . . . . .	(259)	(70)	(502)	(504)
Total . . . . .	29,225	45,298	52,980	53,988

*Note:*

- (1) As of the Latest Practicable Date, the interest free advance to a management employee of a subsidiary has been fully repaid.

## FINANCIAL INFORMATION

Our prepayments, deposits and other receivables increased by 55.1% from RMB29.2 million as of December 31, 2021 to RMB45.3 million as of December 31, 2022, primarily due to (i) increase in prepayment for purchase of services/goods to be used in digitalization and business solutions projects, (ii) increase in receivables for ticket price as we made advance payments to passenger transportation stations. However, settlement of ticket prices was relatively slow due to the impact of the pandemic and the ticket sales volume was lower than expected and (iii) increase in receivables for online ride-hailing business from the aggregation platforms, in line with our expansion in ride-hailing services business.

Our prepayments, deposits and other receivables increased by 17.0% from RMB45.3 million as of December 31, 2022 to RMB53.0 million as of December 31, 2023, primarily due to (i) increase in receivables for ticket price caused by factors including recovery of passenger traffic, increased demand of bus tickets during holiday seasons after COVID-19 pandemic and the adoption of prepayment mechanism by certain new passenger transportation stations; (ii) increase in receivables for our ride-hailing services business from the aggregation platforms, in line with expansion of our ride-hailing services business. The increases were partially offset by the decrease in prepayment for purchase of services/goods to be used in digitalization and business solutions projects for a customer in 2022.

Our prepayments, deposits and other receivables remained relatively stable at RMB53.0 million as of December 31, 2023, as compared to RMB54.0 million as of June 30, 2024.

As of September 30, 2024, RMB44.7 million, or 82.4% of our prepayments, deposits and other receivables as of June 30, 2024, had been subsequently settled.

### Trade Payables

Our trade payables primarily consisted of trade payables to related parties and third parties in relation to (i) drivers’ service fee and car partner fees in connection with our ride-hailing services business and (ii) procurement of the equipment in connection with our digitalization and business solutions business. The following table sets forth the breakdown 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>			
Trade payables due to:				
– related parties . . . . .	235	353	455	384
– third parties . . . . .	<u>37,251</u>	<u>44,319</u>	<u>56,258</u>	<u>59,707</u>
	<u>37,486</u>	<u>44,672</u>	<u>56,713</u>	<u>60,091</u>

## FINANCIAL INFORMATION

Our trade payable increased by 19.2% from RMB37.5 million as of December 31, 2021 to RMB44.7 million as of December 31, 2022, and further increased by 27.0% to RMB56.7 million as of December 31, 2023, which was generally in line with the growth of our ride-hailing services business.

Our trade payable increased by 6.0% from RMB56.7 million as of December 31, 2023 to RMB60.1 million as of June 30, 2024, which was generally in line with the growth of our ride-hailing services business.

As of September 30, 2024, RMB44.7 million, or 74.4% of our trade payables as of June 30, 2024, had been subsequently settled.

The following table sets for the aging analysis of our trade payable as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			
Within one year . . . . .	<u>37,486</u>	<u>44,672</u>	<u>56,713</u>	<u>60,091</u>
	<u>37,486</u>	<u>44,672</u>	<u>56,713</u>	<u>60,091</u>

The table below sets forth, for the periods indicated, the average trade payables turnover days.

	Year ended December 31,			Six months ended June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			
Trade payables turnover days <sup>(1)</sup> . . . . .	<u>21.6</u>	<u>19.7</u>	<u>16.5</u>	<u>15.0</u>

*Note:*

- (1) Trade payables turnover days were calculated based on the average balance of trade payables of the relevant period, divided by our cost of sales for that period and multiplied by the number of days in that period (i.e., 365 days for one fiscal year and 180 days for half a fiscal year).

## FINANCIAL INFORMATION

Our trade payable turnover days decreased mainly as we made timely payments to our suppliers to maintain our relationships with them.

### Accrued Expenses and Other Payables

Our accrued expenses and other payables primarily consisted of ticket price collected on behalf of passenger transportation stations and passenger transportation companies, advance from certain OTAs for ticket fares under our internet ticketing services business (please see “Business — Passenger Transport Services — Internet Ticketing Services — Pricing and revenue model” for more details), accrued payroll and benefits, other taxes payable and others. The following table sets forth the breakdown of our accrued expenses and other payables as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			
Ticket price collected on behalf of passenger transportation stations and passenger transportation companies . . . . .	82,339	48,172	81,370	99,501
Advance from OTAs . . . . .	15,958	8,001	7,050	3,261
Accrued payroll and benefits . . . . .	23,416	34,160	46,447	43,173
Other taxes payable . . . . .	2,594	1,957	5,326	6,363
Others . . . . .	5,850	4,321	5,836	7,621
Total . . . . .	130,157	96,611	146,029	159,919

Our accrued expenses and other payables decreased by 25.8% from RMB130.2 million as of December 31, 2021 to RMB96.6 million as of December 31, 2022, primarily due to decrease in ticket price collected on behalf of passenger transportation stations and passenger transportation companies, caused by the significant drop in passenger traffic affected by COVID-19 pandemic. The decreases were partially offset by the increase in accrued payroll and benefits in relation to provision for the shortfall in our social insurance and housing provident fund contribution. Please see “Business — Legal Proceedings and Compliance — Compliance Matters — Housing Provident Funds and Social Insurance”.



## FINANCIAL INFORMATION

Our accrued expenses and other payables increased by 51.2% from RMB96.6 million as of December 31, 2022 to RMB146.0 million as of December 31, 2023, primarily due to (i) increase in ticket price collected on behalf of passenger transportation stations and passenger transportation companies, caused by recovery of passenger traffic after COVID-19 pandemic; (ii) increase in accrued payroll and benefits in relation to provision for the shortfall in our social insurance and housing provident fund contribution. Please see “Business — Legal Proceedings and Compliance — Compliance Matters — Housing Provident Funds and Social Insurance”.

Our accrued expenses and other payables increased by 9.5% from RMB146.0 million as of December 31, 2023 to RMB159.9 million as of June 30, 2024, primarily due to an increase in ticket price collected on behalf of passenger transportation stations and passenger transportation companies, which was in line with the increase in our number of tickets sold as compared to the first half of 2023. The increase was partially offset by (i) decrease in advance from OTAs because a certain OTA adjusted its payment mechanism and reduced prepayments and (ii) decrease in accrued payroll and benefits due to the disbursement of the 2023 year-end bonuses in the first six months of 2024.

### Contract Liabilities

Our contract liabilities mainly represented advance payments made by our customers under our digitalization and business solutions business. The following table sets forth the breakdown of our contract liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			
Advance payments received				
from customers . . . . .	24,116	23,978	22,649	14,354

Our contract liabilities were RMB24.1 million as of December 31, 2021 and RMB24.0 million as of December 31, 2022, remaining relatively stable.

Our contract liabilities decreased by 5.5% from RMB24.0 million as of December 31, 2022 to RMB22.6 million as of December 31, 2023, and further decreased by 36.6% to RMB14.4 million as of June 30, 2024, primarily due to the completion of a certain digitalization and business solutions project and the subsequent recognition of revenue.

As of September 30, 2024, 19.6% of our contract liabilities as of June 30, 2024, or RMB2.8 million, were recognized as revenue.

## FINANCIAL INFORMATION

### Redemption Rights Issued to Investors

Our redemption rights issued to investors primarily consisted of financial liabilities in relation to the grant of redemption right to our [REDACTED]. Please see “History, Development and Corporate Structure — [REDACTED]” and Note 27 to the Accountant’s Report in Appendix I to this Document for more information.

Our redemption rights issued to investors increased by 36.7% from RMB1,203.2 million as of December 31, 2021 to RMB1,645.3 million as of December 31, 2022, further increased by 28.2% to RMB2,109.3 million as of December 31, 2023 and then increased by 12.7% to RMB2,376.9 million as of June 30, 2024, primarily due to the grant of redemption right to certain [REDACTED] in 2021 and the years before 2021 and changes in the carrying amounts of redemption rights issued to investors.

### INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated.

	As of December 31,			As of June 30,	As of September 30,
	2021	2022	2023	2024	2024
					<i>(Unaudited)</i>
					<i>(RMB in thousands)</i>
<b>Current</b>					
<b>portion:</b>					
Borrowings . . .	–	–	–	–	10,000
Lease liabilities.	3,044	1,044	3,238	3,808	2,948
Redemption rights issued to investors .	1,203,244	1,645,281	2,109,335	2,376,903	2,473,990
<b>Non-current</b>					
<b>portion:</b>					
Borrowings . . .	–	–	–	–	–
Lease liabilities.	738	428	732	3,868	3,440
Total . . . . .	<u>1,207,026</u>	<u>1,646,753</u>	<u>2,113,305</u>	<u>2,384,579</u>	<u>2,490,378</u>

## FINANCIAL INFORMATION

### Borrowings

As of December 31, 2021, 2022, and 2023, June 30, 2024, and September 30, 2024, our borrowings were repayable as follows:

	As of December 31,			As of June 30,	As of September 30,
	2021	2022	2023	2024	2024
					<i>(Unaudited)</i>
					<i>(RMB in thousands)</i>
Within 1 year . . .	-	-	-	-	10,000
Total . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>

As of September 30, 2024, we had one one-year unsecured bank borrowing of RMB10.0 million, with a fixed interest rate of 3.8% per annum. As of September 30, 2024, we did not have any unutilized bank facilities. Our Directors confirm that we had not been in material violation of any of the covenants nor had we been subject to material financial covenants pursuant to the applicable borrowing agreements that we entered into with the respective lenders for the years ended December 31, 2021, 2022, and 2023, the six months ended June 30, 2024 and up to September 30, 2024.

### Lease Liabilities

Our lease liabilities are in relation to properties that we lease for our offices.

The following table sets forth present value of our lease liabilities as of the dates indicated:

	As of December 31,			As of June 30,	As of September 30,
	2021	2022	2023	2024	2024
					<i>(Unaudited)</i>
					<i>(RMB in thousands)</i>
<b>Lease liabilities:</b>					
Current . . . . .	3,044	1,044	3,238	3,808	2,948
Non-current . . . . .	<u>738</u>	<u>428</u>	<u>732</u>	<u>3,868</u>	<u>3,440</u>
Total . . . . .	<u>3,782</u>	<u>1,472</u>	<u>3,970</u>	<u>7,676</u>	<u>6,388</u>

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## FINANCIAL INFORMATION

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Our lease liabilities decreased from RMB3.8 million as of December 31, 2021 to RMB1.5 million as of December 31, 2022 primarily because we terminated certain leases due to the COVID-19. Our lease liabilities increased from RMB1.5 million as of December 31, 2022 to RMB4.0 million as of December 31, 2023 primarily due to COVID-19 winded down and we rented additional properties for business expansion. Our lease liabilities increased from RMB4.0 million as of December 31, 2023 to RMB7.7 million as of June 30, 2024 primarily as we moved our headquarters in 2024. Our lease liabilities decreased from RMB7.7 million as of June 30, 2024 to RMB6.4 million as of September 30, 2024 primarily due to as we made lease payments during the third quarter of 2024.

### **Indebtedness Statement**

As of the close of business on September 30, 2024, being the latest practicable date for the purpose of this indebtedness statement, we did not have any bank overdraft and we had not experienced any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

As of September 30, 2024, other than as disclosed above, we did not have any other borrowings, charges, mortgages, debentures or debt securities issued or outstanding, or authorized or otherwise created but unissued, or other similar indebtedness, hire purchase and finance lease commitments, liabilities under acceptance, acceptance credits, any guarantees or other material contingent liabilities.

Since June 30, 2024 and up to the date of the Document, the Directors confirm that, there had not been any material adverse change in our indebtedness and contingent liabilities.

### **RELATED PARTY TRANSACTIONS**

During the Track Record Period, we entered into various related party transactions. Our Directors believe that our related party transactions set out in Note 34 to the Accountants' Report in Appendix I were conducted on an arm's-length basis, and they would not distort our results of operations or cause our historical results to become not reflective of our future performance.

As of the Latest Practicable Date, all of our balances with related parties that were non-trade in nature had been settled.

## FINANCIAL INFORMATION

### CAPITAL EXPENDITURES

Our capital expenditures during the Track Record Period included payment for purchase of property and equipment and payment for purchase of intangible assets. The following table sets forth our capital expenditures for the periods indicated.

	As of December 31,			As of June 30,
	2021	2022	2023	2024
	<i>(RMB in thousands)</i>			
Payment for purchase of property and equipment . . .	(623)	(3,255)	(5,119)	(527)
Payment for purchase of intangible assets . . . . .	<u>—</u>	<u>(90)</u>	<u>—</u>	<u>—</u>
Total . . . . .	<u>(623)</u>	<u>(3,345)</u>	<u>(5,119)</u>	<u>(527)</u>

Our capital expenditures were RMB0.6 million, RMB3.3 million, RMB5.1 million and RMB0.5 million in 2021, 2022 and 2023, and the six months ended June 30, 2024, respectively. Our capital expenditures in 2021 primarily reflected the acquisition of Hengsheng Changyun.

We expect that our capital expenditures in 2024 will primarily consist of acquisition of equity interest in Anhui Wanmei and purchase of office equipment and software. We intend to fund our future capital expenditures with our existing cash balance, cash generated from our operating activities and financing activities, and [REDACTED] from the [REDACTED]. See the section headed “Future Plans and [REDACTED]” for more details. We may reallocate the fund to be utilized on capital expenditure and long-term investments based on our ongoing business needs.

### CAPITAL COMMITMENTS

As of December 31, 2021, 2022, 2023 and June 30, 2024, we did not have any significant contractual and capital commitments. As of the Latest Practicable Date, there had been no material change to our capital commitments.

### CONTINGENT LIABILITIES

As of the Latest Practicable Date there had been no material changes to our contingent liabilities.

### OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

## FINANCIAL INFORMATION

### KEY FINANCIAL RATIOS

	For the year ended December 31,			For the six months ended June 30,
	2021	2022	2023	2024
Revenue growth rate . . . . .	N.A.	47.4%	47.9%	25.7%
Gross profit margin <sup>(1)</sup> . . . . .	8.6%	6.6%	7.1%	3.5%
Adjusted loss margin (non-IFRS measure) <sup>(2)</sup> . . . . .	10.0%	6.2%	1.5%	2.3%

*Notes:*

- (1) Gross profit margin represents the gross profit for the year/period as percentages of the revenue for such year/period.
- (2) Adjusted loss margin (non-IFRS measure) represents the adjusted loss (non-IFRS measure) for the period as percentages of the revenue for such period. For details of the adjusted loss (non-IFRS measure), see “— Non-IFRS Measure.”

See “— Results of Operations” and “— Non-IFRS Measure” in this section for a discussion of the factors affecting our results of operations during the respective periods.

### QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISK

We are exposed to credit, liquidity and interest rate risks arises in the normal course of our business. We manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner. See Note 32 to the Accountants’ Report in Appendix I to this Document for a detailed description of our financial risk management.

#### Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to our Group. Our credit risk is primarily attributable to trade receivables, deposits and other receivables. Our exposure to credit risk arising from cash and cash equivalents and restricted cash is limited because the counterparties are banks and financial institutions with high credit ratings, for which our Group considers have low credit risk.

For details, see Note 32(a) to the Accountants’ Report included in Appendix I to this Document.

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## FINANCIAL INFORMATION

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### Liquidity Risk

Our objective when managing liquidity is to maintain sufficient cash and cash equivalents to meet its liabilities when they are due. Our policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash, adequate committed lines of funding from major financial institutions, or to retain adequate financing arrangements to meet its liquidity requirements in the short and longer term. Individual operating entities within our Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority.

See Note 32(b) to the Accountants' Report included in Appendix I to this Document for more details about the contractual maturities of our financial liabilities.

### Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our interest rate risk arises primarily from lease liabilities. We currently do not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise. Our Directors consider that the exposure of cash flow interest rate risk is insignificant because the current market interest rates are relatively low and stable. Hence, no sensitivity analysis is presented.

See Note 32(c) to the Accountants' Report included in Appendix I to this Document.

### Fair Value Measurement

The fair value of other current assets is related to the expected rate of return of the wealth management products which is calculated by discounting the expected future cash flows according to the contracts signed with the banks.

### DIVIDEND POLICY

No dividend has been proposed, paid or declared by our Company since its incorporation. We do not have any dividend policy to declare or pay any dividends in the foreseeable future.

After completion of the [REDACTED], we may distribute dividends in the form of cash or Shares or a mixture of both as permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

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## FINANCIAL INFORMATION

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There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the [REDACTED].

PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdiction, including the IFRS Accounting Standards. Taking into account the aforesaid, we may not have sufficient or any distributable profits to make dividend distributions to our Shareholders in a given year, in view of our net liabilities. According to our Articles of Association, if we reduce our registered capital to make up for our losses, we are not permitted to pay dividends until the cumulative amount of statutory reserve and discretionary reserve reaches 50% of our registered capital. As confirmed by our PRC Legal Advisor, according to the PRC laws, any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

### DISTRIBUTABLE RESERVES

As of June 30, 2024, we did not have any distributable reserves available for distribution to our shareholders.

### [REDACTED] EXPENSES

Assuming the [REDACTED] is not exercised, an [REDACTED] of [REDACTED] per [REDACTED] (which is the mid-point of the [REDACTED]), we expect to incur approximately [REDACTED] million of [REDACTED] (including the aggregate [REDACTED] and fees, the [REDACTED] fees, the transaction levies and the [REDACTED] trading fee, legal and other professional fees and printing and all other expenses relating to the [REDACTED]), including (i) [REDACTED] expenses (including [REDACTED] and other expenses are approximately [REDACTED] million) and (ii) non [REDACTED] expenses are approximately [REDACTED] million, comprising (a) fees and expenses of legal advisors and reporting accountants of approximately [REDACTED] million and (b) other fees and expenses of approximately [REDACTED] million, accounting for approximately [REDACTED]% of the [REDACTED] from the [REDACTED]. Approximately [REDACTED] million of our [REDACTED] is expected to be charged to our consolidated statements of profit or loss and approximately [REDACTED] million is expected to be capitalized and deducted from equity upon [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.



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## FINANCIAL INFORMATION

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### DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this Document, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

### UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited [REDACTED] statement of adjusted net tangible assets of our Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the [REDACTED] on the consolidated net tangible liabilities attributable to equity shareholders of the Company as of June 30, 2024, as if the [REDACTED] had taken place on June 30, 2024.

This unaudited [REDACTED] statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of our Group as of June 30, 2024, or at any future dates following the [REDACTED].

Please refer to Appendix II to this Document for details.

### NO MATERIAL ADVERSE CHANGE

After performing sufficient due diligence work which our Directors consider appropriate and after due and careful consideration, the Directors confirm that, up to the date of this Document, there have been no material adverse changes in our financial, operational, or trading position or prospects since June 30, 2024, being the date of the latest reporting period ended of our consolidated financial statements as set out in the Accountants' Report in Appendix I to this Document, and there is no event since June 30, 2024, that would materially affect the information as set out in the Accountants' Report included in Appendix I to this Document.

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## FUTURE PLANS AND [REDACTED]

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### FUTURE PLANS

See “Business — Our Strategies” in this document for a detailed description of our future plans.

[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the stated range of the [REDACTED] between HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED]) and the [REDACTED] is not exercised, we estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] (after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED]).

We currently intend to apply the [REDACTED] from the [REDACTED] as follows:

1. approximately [REDACTED]%, or HK\$[REDACTED], will be used for strengthening of our business operation capabilities through expanding our product and services offerings and optimizing our team structure, among which:
  - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our team structure. We plan to hire project managers, sales personnel and qualified technical maintenance personnel and improve the compensation structure for core personnel to enhance overall operational capabilities.
  - (ii) approximately [REDACTED], or HK\$[REDACTED], will be used to develop our offline service capabilities. In particular, we expect to establish a number of 365 Homes (365之家) to serve our ride-hailing services business and customized transportation services business. For our ride-hailing services business, 365 Homes could provide recruiting services, knowledge and skill trainings for drivers and we plan to gradually implement other tailored-made services to elevate driver’s cooperation experience with us. For our customized transportation services business, we plan to use 365 Homes to provide ticket-checking and waiting-area services for passengers, as well as various services for drivers. We plan to prioritize the focus of each 365 Home towards one specific business segment based on the business development status and the specific needs of various regions in the early development stage. As our operations expand, we intend that 365 Homes will be utilized for other business segments. We intend to establish 13 365 Homes specifically for ride-hailing services business, five 365 Homes specifically for customized transportation services business and six 365 Homes to serve both businesses by 2027. For details, please see “Business — Our Strategies”. We expect to incur costs in association with the rent, staff and marketing activities.

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## FUTURE PLANS AND [REDACTED]

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- (iii) approximately [REDACTED]%, or HK\$[REDACTED], will be used for our passenger transportation services business through the expansion of new service routes and the deployment of software, hardware and equipment such as self-service ticket vending machines in airports and train stations.
  - (iv) approximately [REDACTED]%, or HK\$[REDACTED], will be invested in technology to enhance our operational efficiency. Specifically, we intend to enhance our customer service systems through the application of AI technology. We also plan to purchase more cloud computing services based on business development needs.
  - (v) approximately [REDACTED]%, or HK\$[REDACTED], will be used for the development of autonomous driving business. We intend to strengthen cooperation with our Robotaxi partners including car manufacturers and autonomous technology providers and gradually increase the volume of the advertisement activities for our Robotaxi business. In the future, we plan to monitor the development of the autonomous driving industry in China and consider investing in the research and development of the relevant platforms.
  - (vi) approximately [REDACTED]%, or HK\$[REDACTED], will be used to obtain specialized qualifications and competency certifications for our digitalization and business solutions business.
  - (vii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance the geographical coverage of our city transportation and tourism comprehensive service platforms by establishing collaboration in more regions.
2. approximately [REDACTED]%, or HK\$[REDACTED], will be used for acquisitions, investment and strategic alliance opportunities, among which:
- (i) to further enhance our competitiveness, we plan to seek strategic alliances, investment, and acquisition opportunities that are of significant strategic importance and complementary to our business development and operations. In particular, we plan to expand our business in Anhui, Yunnan, Shandong, Liaoning, Henan, Fujian, Hunan, Sichuan and Chongqing. We will evaluate and execute investment and acquisition opportunities to supplement and expand our business landscape, such as expanding our geographic coverage and increase our profitability. We evaluate potential acquisition targets based on a number of criteria, including:
    - *Industry*: for our passenger transportation services business, we will primarily target companies involved in provincial-level platform operations or companies with large-scale business operations such as companies that have established business operations across multiple cities. For our ride-hailing services business, we will primarily target companies with operations in key cities we designated.

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## FUTURE PLANS AND [REDACTED]

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- *Financial performance:* We will primarily target companies that have achieved profitability or within a small range of fluctuation around the break-even point. We would be interested in companies operating under an asset-light model. In addition, we will conduct necessary due diligence to avoid potential hidden debts and therefore ensure good financial standing of the target.
- *Regional Impact:* We will primarily target companies with a leading position in their respective regional market.
- *Organizational Structure:* We will primarily target companies with a streamlined and efficient workforce.

As advised by Frost & Sullivan, there are sufficient number of suitable targets available in the market that fit our acquisition plan. As of the Latest Practicable Date, we had not entered into any letters of intent or agreements with respect to acquisitions and had not identified any definite acquisition targets.

3. approximately [REDACTED]%, or HK\$[REDACTED], will be used for promoting our brand awareness, among which:
  - (i) approximately [REDACTED], or HK\$[REDACTED], will be used in the promotion for our ride-hailing services business. Specifically,
    - we plan to collaborate with industry associations for brand promotion, aiming to enhance our brand image among industry partners and drivers.
    - we plan to increase our subscriptions for traditional advertisements, including (1) online advertisements on WeChat official accounts, lifestyle apps and online communities with a focus on providing information tailored to the preferences of passengers in certain locations and have significant influence therein; (2) online advertisements on travel-related WeChat official accounts with nation-wide influence; and (3) offline advertisements in transportation hubs, buildings and vehicles.
    - we plan to increase advertising on aggregation platforms and distribute coupons to passengers to retain more passengers.
    - we plan to strengthen cooperation with our Robotaxi partners including car manufacturers and autonomous technology providers and gradually increase the volume of the advertisement activities for our Robotaxi business.

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## FUTURE PLANS AND [REDACTED]

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- (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used in the promotion and marketing activities of our passenger transportation services business. Specifically,
- we anticipate to launch a series of collaborations with leading OTAs to place advertisements on the platforms of the leading OTAs to gain wider exposure. We aim to (1) strengthen the stickiness of our existing enterprise customers and passengers; (2) solicit potential enterprise customers and passengers; and (3) increase our market share;
  - we plan to increase our advertisement placements in various other channels, including (1) information and content platforms, search engines, social media platforms and traditional media such as newspapers; and (2) offline advertisements on vehicles and vehicle seat covers;
  - we expect to increase our operating expenses for our self-operated social media accounts and regional road transportation platforms; and
  - we intend to distribute more coupons to passengers with an aim to retain existing passengers and attract new passengers.
- (iii) approximately [REDACTED]%, or HK\$[REDACTED], will be used in the preparation of our city transportation and tourism comprehensive service platforms (城市出行綜合旅遊服務平台). Leveraging our existing business network relationships with local governments, industry regulatory authorities and business partners, we intend to:
- gradually commence operations of the city transportation and tourism comprehensive service platforms to the general public. As of June 30, 2024, we had over 20 city transportation and tourism comprehensive service platforms in an early-development stage covering cities including Harbin, Lanzhou, Wuhan, Changchun, Dali, Shangqiu and Tianshui. We were in the process of consolidating our resources from local governments, industry regulatory authorities and business partners and formulating feasible operational plans. Our city transportation and tourism comprehensive service platforms are intended to leverage governmental support, our expertise in the PRC transportation industry and provide the general public with transportation services such as ride-hailing, car rentals, charter services, and other aggregated mobility services as well as other services covering dining, entertainment, shopping and other tourism comprehensive services.

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## FUTURE PLANS AND [REDACTED]

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- produce short videos introducing our business and collaborate with KOLs to promote our services via their live stream or social media.
  - distribute coupons on our city transportation and tourism comprehensive service platforms and carry out other membership activities.
4. approximately [REDACTED], or HK\$[REDACTED], will be used for enhancing our R&D capabilities, among which:
- (i) approximately [REDACTED], or HK\$[REDACTED], will be used in the recruitment of additional R&D personnel to further strengthen our R&D capabilities. We believe that talent is key to the sustainable development of our business. To effectively advance and achieve our R&D goals, we target to:
    - increase the compensation for core R&D personnel to maintain team stability.
    - increase the number of R&D personnel for key and new technology applications such as AI and big data.
    - increase the number of R&D personnel for business initiatives in development stage.
  - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used for strengthening our R&D infrastructure, including the rent third-party cloud servers and the purchases of software and hardware. We plan to make continuous investments in R&D to advance our capabilities in big data analytics, cloud technology, and AI solutions, and expect to incur related software and hardware costs, primarily associated with (1) virtual host, virtual data storage and bandwidth; and (2) electronic map services and AI computing power.
5. approximately [REDACTED]%, or HK\$[REDACTED], will be used for upgrades of our internal systems and office environments, such as the upgrade of our financial system and OA system, renew our office software and hardware, increase the number of our offices and associated office equipment to accommodate our business expansion as well as the additional personnel we plan to recruit.
6. approximately [REDACTED], or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

If the [REDACTED] is set at the high-end of the [REDACTED] or the low-end of the [REDACTED], the [REDACTED] of the [REDACTED] will increase or decrease to approximately HK\$[REDACTED] and HK\$[REDACTED], respectively. To the extent that the [REDACTED] from the [REDACTED] are either more or less than expected, we will adjust our allocation of the [REDACTED] for the above purposes on a pro rata basis.

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## FUTURE PLANS AND [REDACTED]

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In the event that the [REDACTED] is exercised in full, we will receive [REDACTED] of HK\$[REDACTED] (after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED]), assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the stated range of the [REDACTED]). We intend to apply the additional [REDACTED] to the above purposes on a pro rata basis.

To the extent that the [REDACTED] from the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only deposit such [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). We will make an appropriate announcement in compliance with the Listing Rules if there is any material change to the above [REDACTED].

**[REDACTED]**

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**[REDACTED]**



**[REDACTED]**

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**[REDACTED]**

## STRUCTURE OF THE [REDACTED]

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[REDACTED]

## STRUCTURE OF THE [REDACTED]

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[REDACTED]



## STRUCTURE OF THE [REDACTED]

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[REDACTED]

## STRUCTURE OF THE [REDACTED]

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**STRUCTURE OF THE [REDACTED]**

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## STRUCTURE OF THE [REDACTED]

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[REDACTED]

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## HOW TO APPLY FOR [REDACTED] SHARES

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## HOW TO APPLY FOR [REDACTED] SHARES

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## HOW TO APPLY FOR [REDACTED] SHARES

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[REDACTED]

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## HOW TO APPLY FOR [REDACTED] SHARES

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[REDACTED]

## APPENDIX I

## ACCOUNTANTS’ REPORT

*The following is the text of a report set out on pages I-1 to I-77, received from the Company’s reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.*



### **ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHENGWEI TIMES TECHNOLOGY CO., LTD., AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED**

#### **Introduction**

We report on the historical financial information of Shengwei Times Technology Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4 to I-77, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2021, 2022 and 2023 and 30 June 2024, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 (the “Track Record Period”), and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4 to I-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 H 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 the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

#### **Reporting accountants’ 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 I

## ACCOUNTANTS’ 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 accountants’ 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 accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 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 purpose of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at 31 December 2021, 2022 and 2023 and 30 June 2024, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

### Review of Stub Period Corresponding Financial Information

We have reviewed the stub period corresponding financial information of the Group which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2023 and other explanatory information (the “Stub Period Corresponding Financial Information”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Corresponding Financial Information in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Corresponding 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 enquiries, 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 Corresponding Financial Information, for the purpose of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

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**APPENDIX I**

**ACCOUNTANTS' REPORT**

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**Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance**

*Adjustments*

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

*Dividends*

We refer to Note 31(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

**KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

[Date]



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**APPENDIX I****ACCOUNTANTS’ REPORT**

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**HISTORICAL FINANCIAL INFORMATION**

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by 畢馬威華振會計師事務所(特殊普通合夥) KPMG Huazhen LLP in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “Underlying Financial Statements”).

**APPENDIX I**

**ACCOUNTANTS' REPORT**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*(Expressed in Renminbi)*

	Note	Years ended 31 December			Six months ended 30 June	
		2021	2022	2023	2023	2024
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
						<i>(Unaudited)</i>
Revenue . . . . .	4	553,530	815,974	1,206,493	577,762	726,176
Cost of sales . . . . .		(506,058)	(761,904)	(1,120,600)	(531,893)	(700,717)
<b>Gross profit . . . . .</b>		<b>47,472</b>	<b>54,070</b>	<b>85,893</b>	<b>45,869</b>	<b>25,459</b>
Other income, net . . . . .	5	3,440	7,123	3,272	620	5,726
Selling and marketing expenses . . .		(45,731)	(45,087)	(47,902)	(20,767)	(20,391)
General and administrative expenses . . . . .		(27,878)	(26,037)	(23,943)	(11,583)	(10,737)
Research and development expenses . . . . .		(42,898)	(44,793)	(32,730)	(15,059)	(16,002)
Impairment loss on trade receivables, other receivables and contract assets . . . . .		(5,072)	(572)	(4,755)	(3,938)	(1,583)
<b>Loss from operations . . . . .</b>		<b>(70,667)</b>	<b>(55,296)</b>	<b>(20,165)</b>	<b>(4,858)</b>	<b>(17,528)</b>
Finance costs . . . . .	6(a)	(189)	(154)	(201)	(73)	(157)
Share of (loss)/profits of associates .		(3,547)	(2,644)	1,438	(1)	382
Changes in the carrying amounts of redemption rights issued to investors . . . . .	27	(512,482)	(442,037)	(464,054)	(230,004)	(267,568)
<b>Loss before taxation . . . . .</b>	6	<b>(586,885)</b>	<b>(500,131)</b>	<b>(482,982)</b>	<b>(234,936)</b>	<b>(284,871)</b>
Income tax . . . . .	7	272	684	722	372	348
<b>Loss and total comprehensive income for the year/period . . . .</b>		<b>(586,613)</b>	<b>(499,447)</b>	<b>(482,260)</b>	<b>(234,564)</b>	<b>(284,523)</b>
<b>Attributable to:</b>						
Equity shareholders of the Company . . . . .		(588,361)	(497,168)	(483,075)	(235,479)	(285,451)
Non-controlling interests . . . . .		1,748	(2,279)	815	915	928
<b>Loss and total comprehensive income for the year/period . . . .</b>		<b>(586,613)</b>	<b>(499,447)</b>	<b>(482,260)</b>	<b>(234,564)</b>	<b>(284,523)</b>
<b>Loss per share</b>						
- Basic and diluted (RMB) . . . . .	10	(8.69)	(7.18)	(6.98)	(3.40)	(4.12)

The accompanying notes form part of the Historical Financial Information.

**APPENDIX I**

**ACCOUNTANTS' REPORT**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Renminbi)

	Note	As at 31 December			As at
		2021	2022	2023	30 June
		RMB'000	RMB'000	RMB'000	2024
					RMB'000
<b>Non-current assets</b>					
Property and equipment . . . .	11	8,742	5,877	7,701	6,872
Right-of-use assets . . . . .	12	4,043	1,753	3,574	7,394
Intangible assets . . . . .	13	25,486	17,561	11,173	8,381
Interests in associates . . . . .	15	10,834	9,030	8,285	20,245
Goodwill . . . . .	16	38,323	38,323	38,323	38,323
		<u>87,428</u>	<u>72,544</u>	<u>69,056</u>	<u>81,215</u>
<b>Current assets</b>					
Inventories . . . . .	17	24,602	31,111	29,773	22,575
Contract assets . . . . .	18	4,769	3,174	407	405
Trade and bills receivables . .	19	27,551	52,061	66,953	64,007
Prepayments, deposits and other receivables . . . . .	20	29,225	45,298	52,980	53,988
Other current assets . . . . .	21	145,352	47,464	3,204	55,952
Restricted cash . . . . .	22	60	2,779	60	2,060
Cash and cash equivalents . .	22	112,069	96,580	171,497	107,276
		<u>343,628</u>	<u>278,467</u>	<u>324,874</u>	<u>306,263</u>
<b>Current liabilities</b>					
Trade payable . . . . .	23	37,486	44,672	56,713	60,091
Accrued expenses and other payables . . . . .	24	130,157	96,611	146,029	159,919
Contract liabilities . . . . .	25	24,116	23,978	22,649	14,354
Lease liabilities . . . . .	26	3,044	1,044	3,238	3,808
Redemption rights issued to investors . . . . .	27	1,203,244	1,645,281	2,109,335	2,376,903
		<u>1,398,047</u>	<u>1,811,586</u>	<u>2,337,964</u>	<u>2,615,075</u>
<b>Net current liabilities . . . . .</b>		<u>(1,054,419)</u>	<u>(1,533,119)</u>	<u>(2,013,090)</u>	<u>(2,308,812)</u>
<b>Total assets less current liabilities . . . . .</b>		<u>(966,991)</u>	<u>(1,460,575)</u>	<u>(1,944,034)</u>	<u>(2,227,597)</u>
<b>Non-current liabilities</b>					
Lease liabilities . . . . .	26	738	428	732	3,868
Deferred tax liabilities . . . . .	28	2,505	1,821	1,099	751
		<u>3,243</u>	<u>2,249</u>	<u>1,831</u>	<u>4,619</u>
<b>NET LIABILITIES . . . . .</b>		<u>(970,234)</u>	<u>(1,462,824)</u>	<u>(1,945,865)</u>	<u>(2,232,216)</u>

The accompanying notes form part of the Historical Financial Information.

**APPENDIX I**

**ACCOUNTANTS’ REPORT**

	<i>Note</i>	As at 31 December			As at
		2021	2022	2023	30 June
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>CAPITAL AND RESERVES</b> . . . . .	<i>31</i>				
Paid-in capital/share capital . . . . .		69,205	69,205	69,205	69,205
Reserves . . . . .		(1,065,834)	(1,556,545)	(2,039,170)	(2,324,396)
<b>Total deficit attributable to equity shareholders of the Company</b> . . . . .		(996,629)	(1,487,340)	(1,969,965)	(2,255,191)
<b>Non-controlling interests</b> . . . . .		26,395	24,516	24,100	22,975
<b>TOTAL DEFICITS</b> . . . . .		<b>(970,234)</b>	<b>(1,462,824)</b>	<b>(1,945,865)</b>	<b>(2,232,216)</b>

The accompanying notes form part of the Historical Financial Information.

**APPENDIX I**

**ACCOUNTANTS’ REPORT**

**STATEMENTS OF FINANCIAL POSITION OF THE COMPANY**

*(Expressed in Renminbi)*

	Note	As at 31 December			As at
		2021	2022	2023	30 June
		RMB'000	RMB'000	RMB'000	2024
				RMB'000	
<b>Non-current assets</b>					
Property and equipment . . . . .	11	8,501	5,395	2,827	2,602
Right-of-use assets . . . . .	12	3,796	941	2,550	6,559
Intangible assets . . . . .	13	3,229	885	76	71
Investments in subsidiaries . .	14	96,635	101,370	104,285	111,505
Interests in associates . . . . .	15	10,015	7,877	5,904	16,937
		<u>122,176</u>	<u>116,468</u>	<u>115,642</u>	<u>137,674</u>
<b>Current assets</b>					
Inventories . . . . .	17	24,746	29,503	23,266	13,946
Contract assets . . . . .	18	4,769	3,138	380	368
Trade and bills receivables . .	19	24,479	42,331	57,361	42,914
Prepayments, deposits and other receivables . . . . .	20	14,071	38,843	32,973	40,858
Other current assets . . . . .	21	99,078	5,671	2,678	1,578
Cash and cash equivalents . . .	22	79,407	54,720	58,197	64,254
		<u>246,550</u>	<u>174,206</u>	<u>174,855</u>	<u>163,918</u>
<b>Current liabilities</b>					
Trade payables . . . . .	23	25,464	18,162	18,754	19,480
Accrued expenses and other payables . . . . .	24	97,258	73,059	89,023	103,022
Contract liabilities . . . . .	25	22,679	21,746	17,140	11,369
Lease liabilities . . . . .	26	2,931	697	2,440	3,255
Redemption rights issued to investors . . . . .	27	1,203,244	1,645,281	2,109,335	2,376,903
		<u>1,351,576</u>	<u>1,758,945</u>	<u>2,236,692</u>	<u>2,514,029</u>
<b>Net current liabilities . . . . .</b>		<b>(1,105,026)</b>	<b>(1,584,739)</b>	<b>(2,061,837)</b>	<b>(2,350,111)</b>
<b>Total assets less current liabilities . . . . .</b>		<b>(982,850)</b>	<b>(1,468,271)</b>	<b>(1,946,195)</b>	<b>(2,212,437)</b>
<b>Non-current liabilities</b>					
Lease liabilities . . . . .	26	697	108	634	3,743
Deferred tax liabilities . . . . .		25	20	–	–
		<u>722</u>	<u>128</u>	<u>634</u>	<u>3,743</u>
<b>NET LIABILITIES . . . . .</b>		<b>(983,572)</b>	<b>(1,468,399)</b>	<b>(1,946,829)</b>	<b>(2,216,180)</b>
<b>CAPITAL AND RESERVES</b>					
Share capital . . . . .	31	69,205	69,205	69,205	69,205
Reserves . . . . .		(1,052,777)	(1,537,604)	(2,016,034)	(2,285,385)
<b>TOTAL DEFICITS . . . . .</b>		<b>(983,572)</b>	<b>(1,468,399)</b>	<b>(1,946,829)</b>	<b>(2,216,180)</b>

The accompanying notes form part of the Historical Financial Information.

**APPENDIX I**

**ACCOUNTANTS’ REPORT**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

*(Expressed in Renminbi)*

	Attributable to equity shareholders of the Company					Non-controlling interests	Total deficit
	Paid-in capital	Share premium	Other reserves	Accumulated losses	Total		
	<i>RMB'000</i> <i>Note 31(a)</i>	<i>RMB'000</i> <i>Note 31(d)</i>	<i>RMB'000</i> <i>Note 31(a)</i>	<i>RMB'000</i>	<i>RMB'000</i>		
<b>Balance at 1 January 2021 . . .</b>	62,300	–	(23,789)	(465,302)	(426,791)	2,829	(423,962)
<b>Changes in equity for the year ended 31 December 2021</b>							
Loss and total comprehensive income for the year . . . . .	–	–	–	(588,361)	(588,361)	1,748	(586,613)
Recognition of share-based payment . . . . . 29	–	–	18,523	–	18,523	–	18,523
Issuance of redemption rights to investors . . . . . 27	–	–	(177,336)	–	(177,336)	–	(177,336)
Capital contributions . . . . . 31(c)	6,905	–	170,431	–	177,336	–	177,336
Dissolve of a subsidiary . . . . .	–	–	–	–	–	1,050	1,050
Acquisition of a subsidiary . . . 30	–	–	–	–	–	20,768	20,768
<b>Balance at 31 December 2021 . . .</b>	<u>69,205</u>	<u>–</u>	<u>(12,171)</u>	<u>(1,053,663)</u>	<u>(996,629)</u>	<u>26,395</u>	<u>(970,234)</u>

	Attributable to equity shareholders of the Company					Non-controlling interests	Total deficit
	Paid-in capital/share capital	Share premium	Other reserves	Accumulated losses	Total		
	<i>RMB'000</i> <i>Note 31(a)</i>	<i>RMB'000</i> <i>Note 31(d)</i>	<i>RMB'000</i> <i>Note 31(a)</i>	<i>RMB'000</i>	<i>RMB'000</i>		
<b>Balance at 1 January 2022 . . .</b>	69,205	–	(12,171)	(1,053,663)	(996,629)	26,395	(970,234)
<b>Changes in equity for the year ended 31 December 2022</b>							
Loss and total comprehensive income for the year . . . . .	–	–	–	(497,168)	(497,168)	(2,279)	(499,447)
Conversion into a joint stock company with limited liability . . . . .	–	171,415	(606,965)	435,550	–	–	–
Recognition of share-based payment . . . . . 29	–	–	6,878	–	6,878	–	6,878
Acquisition from non-controlling shareholders . . . . .	–	–	(421)	–	(421)	400	(21)
<b>Balance at 31 December 2022 . . .</b>	<u>69,205</u>	<u>171,415</u>	<u>(612,679)</u>	<u>(1,115,281)</u>	<u>(1,487,340)</u>	<u>24,516</u>	<u>(1,462,824)</u>

The accompanying notes form part of the Historical Financial Information.

**APPENDIX I**

**ACCOUNTANTS’ REPORT**

	Attributable to equity shareholders of the Company						
	Share capital	Share premium	Other reserves	Accumulated losses	Total	Non-controlling interests	Total deficit
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>Note 31(a)</i>	<i>Note 31(d)</i>	<i>Note 31(a)</i>				
<b>Balance at 1 January 2023 . . .</b>	69,205	171,415	(612,679)	(1,115,281)	(1,487,340)	24,516	(1,462,824)
<b>Changes in equity for the year ended 31 December 2023</b>							
(Loss)/profit and total comprehensive income for the year . . . . .	-	-	-	(483,075)	(483,075)	815	(482,260)
Recognition of share-based payment . . . . . 29	-	-	450	-	450	-	450
Distribution to non-controlling interests . . . . .	-	-	-	-	-	(1,231)	(1,231)
<b>Balance at 31 December 2023 . . .</b>	<u>69,205</u>	<u>171,415</u>	<u>(612,229)</u>	<u>(1,598,356)</u>	<u>(1,969,965)</u>	<u>24,100</u>	<u>(1,945,865)</u>

	Attributable to equity shareholders of the Company						
	Share capital	Share premium	Other reserves	Accumulated losses	Total	Non-controlling interests	Total deficit
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>Note 31(a)</i>	<i>Note 31(d)</i>	<i>Note 31(a)</i>				
<b>Balance at 1 January 2024 . . .</b>	69,205	171,415	(612,229)	(1,598,356)	(1,969,965)	24,100	(1,945,865)
<b>Changes in equity for the six months ended 30 June 2024</b>							
(Loss)/profit and total comprehensive income for the period . . . . .	-	-	-	(285,451)	(285,451)	928	(284,523)
Recognition of share-based payment . . . . . 29	-	-	225	-	225	-	225
Distribution to non-controlling interests . . . . .	-	-	-	-	-	(2,053)	(2,053)
<b>Balance at 30 June 2024 . . . . .</b>	<u>69,205</u>	<u>171,415</u>	<u>(612,004)</u>	<u>(1,883,807)</u>	<u>(2,255,191)</u>	<u>22,975</u>	<u>(2,232,216)</u>

The accompanying notes form part of the Historical Financial Information.

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**ACCOUNTANTS’ REPORT**

	Attributable to equity shareholders of the Company						
	Share capital	Share premium	Other reserves	Accumulated losses	Total	Non-controlling interests	Total deficit
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>Note 31(a)</i>	<i>Note 31(d)</i>	<i>Note 31(a)</i>				
(Unaudited)							
<b>Balance at 1 January 2023 . . .</b>	69,205	171,415	(612,679)	(1,115,281)	(1,487,340)	24,516	(1,462,824)
<b>Changes in equity for the six months ended 30 June 2023</b>							
(Loss)/profit and total comprehensive income for the period . . . . .	-	-	-	(235,478)	(235,478)	915	(234,563)
Recognition of share-based payment . . . . . 29	-	-	225	-	225	-	225
Distribution to non-controlling interests . . . . .	-	-	-	-	-	(1,231)	(1,231)
<b>Balance at 30 June 2023 . . . .</b>	<u>69,205</u>	<u>171,415</u>	<u>(612,454)</u>	<u>(1,350,759)</u>	<u>(1,722,593)</u>	<u>24,200</u>	<u>(1,698,393)</u>

The accompanying notes form part of the Historical Financial Information.



**APPENDIX I**

**ACCOUNTANTS’ REPORT**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(Expressed in Renminbi)*

	Note	Years ended 31 December			Six months ended 30 June	
		2021	2022	2023	2023	2024
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Operating activities</b>						
Cash (used in)/generated from operations . . . . .	22(b)	(12,633)	(112,898)	40,606	54,432	4,856
<b>Net cash (used in)/generated from operating activities . . . . .</b>		<b>(12,633)</b>	<b>(112,898)</b>	<b>40,606</b>	<b>54,432</b>	<b>4,856</b>
<b>Investing activities</b>						
Proceeds from matured wealth management products . . . . .		134,700	185,540	63,828	38,412	14,766
Payment of acquisition of wealth management products . . . . .		(241,406)	(80,972)	(21,200)	(21,200)	(67,421)
Payment for purchase of property and equipment . . . . .		(623)	(3,255)	(5,119)	(537)	(527)
Payment for purchase of intangible assets . . . . .		–	(90)	–	–	–
Payment for acquisition of a subsidiary, net of cash acquired . .	30	(52,902)	–	–	–	–
Net cash flow for investment of associates . . . . .		(4,736)	(840)	650	–	(11,578)
<b>Net cash (used in)/generated from investing activities . . . . .</b>		<b>(164,967)</b>	<b>100,383</b>	<b>38,159</b>	<b>16,675</b>	<b>(64,760)</b>
<b>Financing activities</b>						
Proceeds from bank loans . . . . .	22(c)	–	–	10,000	10,000	10,000
Repayment of bank loans . . . . .	22(c)	–	–	(10,000)	–	(10,000)
Collection of interests free advance to a management employee of a subsidiary . . . . .	22(c)	–	234	777	81	136
Capital element of rental paid . . . .	22(c)	(2,924)	(3,080)	(3,231)	(1,601)	(2,255)
Interest element of rental paid . . . .	22(c)	(154)	(107)	(151)	(53)	(140)
Distribution to non-controlling interests . . . . .	22(c)	–	–	(1,231)	(1,231)	(2,053)
Capital contribution received . . . . .	22(c)	177,336	–	–	–	–
Payment to acquire non-controlling interests (“NCI”) . . . . .	31(a)	–	(21)	–	–	–
Interest paid . . . . .	22(c)	–	–	(12)	–	(5)
<b>Net cash generated from/(used in) financing activities . . . . .</b>		<b>174,258</b>	<b>(2,974)</b>	<b>(3,848)</b>	<b>7,196</b>	<b>(4,317)</b>
<b>Net (decrease)/increase in cash and cash equivalents . . . . .</b>		<b>(3,342)</b>	<b>(15,489)</b>	<b>74,917</b>	<b>78,303</b>	<b>(64,221)</b>
<b>Cash and cash equivalents at the beginning of the year/period . . .</b>	22(a)	<b>115,411</b>	<b>112,069</b>	<b>96,580</b>	<b>96,580</b>	<b>171,497</b>
<b>Cash and cash equivalents at the end of the year/period . . . . .</b>	22(a)	<b>112,069</b>	<b>96,580</b>	<b>171,497</b>	<b>174,883</b>	<b>107,276</b>

The accompanying notes form part of the Historical Financial Information.

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## ACCOUNTANTS’ REPORT

### NOTES TO THE HISTORICAL FINANCIAL INFORMATION

#### 1 BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

##### 1.1 General information

Shengwei Times Technology Co., Ltd. (盛威時代科技股份有限公司) (the “Company”), formerly known as Shengwei Times Technology Group Limited (盛威時代科技集團有限公司) (“Shengwei Limited”) was established on 28 September 2012 in the People’s Republic of China (the “PRC”) and was converted from a limited liability company into a joint stock limited liability company on 31 August 2022. The Company is controlled by Mr. Jiang Shengxi.

The Company and its subsidiaries (together, the “Group”) are principally engaged in intercity road passenger transportation services and intra-city ride-hailing services in the PRC.

The statutory financial statements of the Company for the year ended 31 December 2021, 2022 and 2023 were prepared in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC and were audited by Beijing Zhongrun Certified Public Accountants Co., Ltd. (北京中潤會計師事務所有限責任公司).

As of the date of this report, the Company regards the following private companies as principal subsidiaries, which contributed relatively significant to the Group’s financial performance:

Company name	Place and date of incorporation/ establishment	Registered/ paid-in capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Zhejiang Hengsheng Changyun Network Technology Co., Ltd (“Hengsheng Changyun”) 浙江恒生長運網路科技有限公司 (Notes (i) and (ii)) . . . . .	PRC 06 September 2015	RMB32,727,273/ RMB32,727,273	58.17%	–	Internet ticketing services
Kunming Shengzhiyilian Technology Co., Ltd 昆明盛智易聯科技有限公司 (Notes (i) and (iii)) . . . . .	PRC 16 April 2018	RMB10,000,000/ RMB10,000,000	100%	–	Ride-hailing services

*Notes:*

- i These entities are limited liability companies established in the PRC. The official names of these entities are in Chinese. The English names are for identification purpose only.
- ii The financial statements of this subsidiary have been audited by Zhejiang Zhejing Tiance Certified Public Accountants Co., Ltd (浙江浙經天策會計師事務所有限公司) for the years ended 31 December 2021, 2022 and 2023.
- iii The financial statements of this subsidiary have been audited by Beijing Zhongrun Certified Public Accountants Co., Ltd. (北京中潤會計師事務所有限責任公司) for the year ended 31 December 2023. No audited statutory financial statements for the years ended 31 December 2021 and 2022 have been issued.

All companies comprising the Group have adopted 31 December as their financial year end date.

The Historical Financial Information has been prepared in accordance with all applicable IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). Further details of the material accounting policy information adopted are set out in Note 2.

## APPENDIX I

## ACCOUNTANTS’ REPORT

The IASB has issued a number of new and revised IFRS Accounting Standards. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRS Accounting Standards to the Track Record Period, except for any new standards or interpretations that are not yet effective for the accounting period beginning on 1 January 2024. The revised and new accounting standards and interpretations issued but not yet effective for the accounting period beginning on 1 January 2024 are set out in Note 35.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Stub Period Corresponding Financial Information has been prepared in accordance with the same basis of preparation and presentation adopted in respect of the Historical Financial Information.

As at 30 June 2024, the Group had net liabilities of RMB2,232 million and net current liabilities of RMB2,309 million, including financial liabilities arising from redemption rights issued to investors amounted to RMB2,377 million. The directors of the Company are of the opinion that no payment is expected for the settlement of the financial liabilities arising from redemption rights issued to investors as the rights would be terminated upon the [REDACTED] of the Company’s H shares. Taken the above into consideration, and together with cashflow forecast for the next twelve months from the date of this report prepared by management of the Company, the directors of the Company are of the opinion that the Group has sufficient financial resources to continue as a going concern for the next twelve months. Therefore, the directors of the Company are satisfied that it is appropriate to prepare the Historical Financial Information on a going concern basis.

### 2 MATERIAL ACCOUNTING POLICY INFORMATION

#### (a) Basis of measurement

The functional currency of the Company and the Group are Renminbi (“RMB”). The Historical Financial Information and the Stub Period Corresponding Financial Information are presented in RMB and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated. The measurement basis used in the preparation of the Historical Financial Information is the historical cost basis except that other investments in debt and equity securities are stated at fair value as explained in Note 2(f).

#### (b) Use of estimates and judgements

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS Accounting Standards that have significant effect on the Historical Financial Information and major sources of estimation uncertainty are discussed in Note 3.

#### (c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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Intra-group balances and transactions, and any recognised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as recognised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the company. NCI in the results of the group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. When the Group loses control of a subsidiary, it derecognised the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)).

### **(d) Associates**

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of those investees, until the date on which significant influence ceases.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

### **(e) Goodwill**

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(j)(ii)).

### **(f) Other investments in securities**

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below.

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the group determines fair value of financial instruments, see Note 32(d) These investments are subsequently accounted for as follows, depending on their classification.

#### **(i) Non-equity investments**

Non-equity investments are classified into one of the following measurement categories:

- Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses and interest income calculated using the effective interest method are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses and interest income (calculated using the effective interest method) are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is recognised, the amount accumulated in OCI is recycled from equity to profit or loss.
- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

### (ii) *Equity investments*

An investment in equity securities is classified as FVPL, unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

### (g) **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)).

Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost or valuation of items of property and equipment using the straight-line method over their estimated useful lives as follows:

Leasehold improvements . . . . .	the shorter of lease term and 3 years
Office equipment and furniture . . . . .	3 – 5 years
Operating equipment . . . . .	3 – 5 years
Vehicles . . . . .	4 – 10 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

### (h) **Intangible assets**

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 2(j)(ii)).

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Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The useful lives of intangible assets are determined based on factors such as historical usage pattern, the technological obsolescence, and the expiry of related rights. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Software copyright . . . . .	7 to 10 years
Patented and non-patented technologies . . . . .	10 years
Franchise rights . . . . .	Duration of franchise rights

Both the period and method of amortisation are reviewed annually.

### (i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### (i) *As a lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalize the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(j)(ii)). Depreciation is calculated to write off the cost of items of right-of-use assets, using the straight-line method over the depreciation period, which is the earlier of the estimated useful lives or lease terms.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

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In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the principal portion of contractual payments that are due to be settled within twelve months after the reporting period.

### *(ii) As a lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with Note 2(t)(v).

When the Group is an intermediate lessor, if the head lease is a short-term lease to which the Group applies the exemption described in Note 2(i)(i), the Group classifies the sub-lease as an operating lease.

### **(j) Credit losses and impairment of assets**

#### *(i) Credit losses from financial instruments*

The Group recognises a loss allowance for expected credit losses (ECLs) on the financial assets measured at amortised cost (including cash and cash equivalents, trade and other receivables, contract assets (see Note 2(l)), and lease receivables).

Other financial assets measured at fair value are not subject to the ECL assessment.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets, trade and other receivables and contract assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- lease receivables: discount rate used in the measurement of the lease receivable;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

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Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

### *Significant increases in credit risk*

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or (ii) the financial asset is 30 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

### *Basis of calculation of interest income*

Interest income recognised in accordance with Note 2(t)(v) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;



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- it becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

### *Write-off policy*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

### **(ii) Impairment of other non-current assets**

At each reporting date, the group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **(k) Inventories and other contract costs**

#### **(i) Inventories**

Inventories are assets which are held for sale in the ordinary course of business or in the form of materials or supplies to be consumed in the rendering of services.

Inventories are carried at the lower of cost and net realizable value.

Cost is calculated on first in first out method as appropriate and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

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The amount of any write-down of inventories to net realizable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### **(ii) Other contract costs**

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventories.

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property and equipment or intangible assets, are expensed as incurred. Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised.

### **(l) Contract assets and liabilities**

A contract asset is recognised when the Group recognised revenue (see Note 2(t)) before being unconditionally entitled to the consideration under the terms in the contract. Contract assets are assessed for ECLs (see Note 2(j)(i)) and are reclassified to receivables when the right to the consideration becomes unconditional (see Note 2(m)).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see Note 2(t)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see Note 2(m)).

### **(m) Trade and other receivables**

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortised cost using the effective interest method less allowance for credit losses (see Note 2(j)(i)).

### **(n) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in Note 2(j)(i).

### **(o) Trade and other payables**

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

### **(p) Redemption rights issued to investors**

The Company entered into a series of investment agreements with certain investors, pursuant to which, the Company agreed to issue its registered capital to these investors who were granted the right to require the Company to redeem their paid-in capital for cash upon specified events, which are not all within the control of the Group.

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A contract that contains an obligation to purchase the Company's equity instruments for cash or another financial asset gives rise to a financial liability for the present value of the redemption amount. Therefore, the redemption rights issued to investors are initially recognised as financial liabilities measured at the present value of the redemption amount. Subsequent to initial recognition, the financial liabilities are stated at amortised cost. Any changes in the carrying amount of the financial liabilities resulting from the revision of estimated contractual cash flows were recognised in profit or loss as changes in the carrying amounts of redemption rights issued to investors.

### (q) **Interest-bearing borrowings**

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see Note 2(u)).

### (r) **Employee benefits**

#### (i) *Short term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

#### (ii) *Share-based payments*

The share-based payment arrangement of the Group includes share awards as set out in Note 29 to the Historical Financial Information.

##### *Share awards*

The fair value of the share awards granted to the employees is measured at the grant date, which represents the difference between the subscription price paid by the employees and the fair value of the paid-in capital of the Company at grant date. The amount is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service conditions at the vesting date.

Where the terms and conditions of share awards are modified before they vest, the increase in the fair value of the share awards, measured immediately before and after the modification, is also recognized in profit or loss over the remaining vesting period.

#### (iii) *Termination benefits*

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

### (s) **Income tax**

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

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Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

The amount of deferred tax recognised is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each Track Record Period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group or the Company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group or the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the current tax assets and settle the current tax liabilities on a net basis or realize and settle simultaneously.

### **(t) Revenue and other income**

Income is classified by the Group as revenue when it arises from the provision of services or the sale of goods in the ordinary course of the Group's business.

Revenue is recognised when control over the service or good is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. In particular, revenue excludes value added tax and is after deduction of any trade discounts and sales rebates.

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When another party is involved in providing services or goods to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified services or goods itself (i.e., the Group is a principal) or to arrange for those services or goods to be provided by the other party (i.e., the Group is an agent). This determination is made by identifying each specified service or good promised to the customer in the contract and evaluating whether the entity obtains control of the specified service or good before it is transferred to the customer.

The Group is a principal if it controls the right to the specified service that will be performed by another party, which gives the Group the ability to direct that party to provide the service on the Group’s behalf, or obtains control of a good from another party that it then transfers to the customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified service or good by another party. In this case, the Group does not control the specified service or good provided by another party before that service or good is transferred to the customer. When the Group acts as an agent, it recognises revenue on a net basis in the amount of any fee or commission to which it expects to be entitled, which is the net amount of consideration that the Group retains after paying other parties.

Further details of the Group’s income recognition policies are as follows:

*(i) Ride-hailing services*

The Group provides ride-hailing services to riders by engaging its registered drivers via a third-party software-as-a-service (“SaaS”) platform and connecting to aggregation platforms, as well as its own platform. The Group has determined that it is the principal and views the riders as its customers in these ride-hailing services because it controls the services provided to riders. Among other things, the Group has control over the promised services before they are provided to the riders as it has the discretion to accept and reject orders from riders; it has the ability to assign and direct its registered drivers to deliver services on behalf of the Group; it sets the service standards and rules with which the registered drivers are obligated to comply when providing the services; and it evaluates the performance of its registered drivers regularly against such standards and rules; it has the discretion in establishing the prices for the services and the fees to its registered drivers separately; and it is the party primarily responsible for fulfilling the services in accordance with the relevant regulations in the PRC and the service agreements.

The Group recognises revenue on a gross basis at the amount of ride service fees to which the Group is expected to be entitled upon the completion of the ride services. Service costs of both the SaaS platform and the aggregation platforms, through which the riders placed orders to the Group, are recognised as cost of revenue.

The Group has other forms of ride-hailing services, including providing passengers with carpooling service through its own platforms, receiving orders from other ride-hailing operators and assigning drivers to complete transportation services, etc. The Group presents revenues from such transactions on a net basis in the consolidated statements of profit or loss and other comprehensive income as the Group has no control over the services and acts as an agent.

*(ii) Internet ticketing services and customised transportation services*

*(a) Ticketing services*

Internet ticketing services and customised transportation services revenues mainly represent revenues from tickets reservations and other related services. The Group receives commissions from travel suppliers for ticketing services through the Group’s transaction and service platform and other online traveling agencies under various services agreements. Commissions from ticketing services rendered are recognised after tickets are issued as this is when the Group’s performance obligation is satisfied. The Group presents revenues from such transactions on a net basis in the consolidated statements of profit or loss and other comprehensive income as the Group, generally, does not control the service provided by the travel supplier to the traveller and has no obligations for cancelled ticket reservations.

*(b) Cloud-based solutions*

The Group also provides operation and management systems to road passenger stations and charge platform usage fee. The Group recognises revenue at a straight-line basis.

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### *(iii) Digitalization and business solutions*

#### *(a) Software development*

The Group develops a software to fulfil specific needs for function and applications of its customer, for which the revenue was recognised at the point in time when the software is accepted by the customers.

#### *(b) Hardware sales*

Hardware sales revenue are recognised at a point in time when the hardware is accepted by the customers. Hardware sales revenue are recognised on a gross basis when the Group assumes the inventory risk. Otherwise, the hardware sales revenue are recognised on a net basis.

#### *(c) System integration*

System integration services represent the development of system including both hardware and software for its customers, such as the internet ticketing system and central monitoring system. System integration services revenue are primarily recognised at a point in time when the services are completed and acknowledged by customers.

### *(iv) Interest income*

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

### *(v) Practical expedients*

The Group has taken advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component as the period of financing is 12 months or less.

The Group has also applied the practical expedient of not disclosing the information related to the aggregated amount of the transaction price allocated to the remaining performance obligations for contracts that had an original expected duration of one year or less in accordance with paragraph 121(a) of IFRS 15.

The Group has also applied the practical expedient in accordance with paragraph 94 of IFRS 15 and expenses customer acquisition costs as incurred because the amortisation period would be one year or less.

### *(vi) Rental income from operating leases*

Rental income under operating leases is recognised in profit or loss on a straight-line basis over the lease term. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable.

### *(vii) Government Grants*

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as other income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised as deferred income in the statement of financial position and are subsequently recognised in profit or loss over the useful life of the asset.

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### (u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

### (v) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group 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 or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) 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).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### (w) Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of services and goods, the type or class of customers, the methods used to provide the services or distribute the products, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

## 3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 2(t) contains information about judgements made in respect of determination of whether the Group is principal or agent in provision of various mobility services.

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Other key judgements and sources of estimation uncertainty in the process of applying the Group’s accounting policy is as follow:

### (a) Provision for expected credit losses on trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision matrix is initially based on the Group’s historical observed default rates. At the end of each of the reporting periods, the historical observed default rates had been checked to determine whether they need to be updated and the changes on the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECLs on the Group’s trade and other receivables are disclosed in Note 32(a) to the Historical Financial Information.

### (b) Share-based payments

The Group measures the cost of share-based payments with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. The determination of the fair value of the share-based payments is affected by the significant assumptions such as the underlying equity value, the expected volatility of share price and risk free interest rate. Details of share-based payments are contained in Note 29.

## 4 REVENUE AND SEGMENT REPORTING

### (a) Revenue

The principal activities of the Group are provision of ride-hailing services, digitalization and business solutions and provision of passenger transportation solutions in the PRC during the Track Record Period.

Disaggregation of revenue is as follows:

	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
				(Unaudited)	
<b>Disaggregated by business lines</b>					
Ride-hailing services . . . . .	469,058	703,174	1,028,791	487,063	642,543
Digitalization and business solutions . . . . .	30,282	64,032	108,003	55,821	47,130
Passenger transportation solutions . . . . .	53,894	48,268	68,999	34,839	35,743
– Internet ticketing services . . . . .	52,680	46,564	64,218	33,141	33,549
– Customised transport solutions . . . . .	1,214	1,704	4,781	1,698	2,194
Revenue from other sources . . . . .	296	500	700	39	760
– Leasing of vehicles . . . . .	–	–	440	–	661
– Others . . . . .	296	500	260	39	99
Total . . . . .	<u>553,530</u>	<u>815,974</u>	<u>1,206,493</u>	<u>577,762</u>	<u>726,176</u>

The Group’s customer base is diversified and decentralised. No revenue from individual customer contributed over 10% of total revenue of the Group during the Track Record Period.

The aggregated amount of the transaction price allocated to the remaining performance obligations under the Group’s existing contract were RMB4,584,000, RMB16,523,000, RMB20,941,000 and RMB21,546,000 as at 31 December 2021, 2022, 2023 and 30 June 2024, respectively. These amounts represented revenue expected to be recognised in the future from unsatisfied contracts of digitalization and business solutions revenue and were expected to be recognised within 1 year.



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### (b) Segment reporting

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group’s most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments during the Track Record Period:

Reportable segments	Operations
Ride-hailing services . . . . .	Provision of ride-hailing services
Digitalization and business solutions . . . . .	Provision of digitalization and business solutions and other related services
Passenger transportation solutions . . . . .	Provision of internet ticketing services and customised transport solutions
Others . . . . .	Other services

### (i) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group’s most senior executive management monitors the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is gross profit. No inter-segment sales have occurred during the Track Record Period.

The Group’s other operating income and expenses, such as other income, net and selling and marketing expenses, general and administrative expenses, research and development expenses, assets and liabilities are not measured under individual segments and no assistance provided by one segment to another, including sharing of assets. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group’s reportable segments as provided to the Group’s most senior executive management for the purposes of resource allocation and assessment of segment performance during the Track Record Period is set out below.

#### Year ended 31 December 2021

Disaggregated by timing of revenue recognition	Ride-hailing services	Digitalization and business solutions	Passenger transportation solutions	Others	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Point in time . . . . .	469,058	30,282	53,864	296	553,500
Overtime . . . . .	—	—	30	—	30
External revenue . . . . .	469,058	30,282	53,894	296	553,530
<b>Segment revenue . . . . .</b>	<b>469,058</b>	<b>30,282</b>	<b>53,894</b>	<b>296</b>	<b>553,530</b>
<b>Segment gross profit/ (loss) . . . . .</b>	<b>10,793</b>	<b>8,426</b>	<b>27,958</b>	<b>295</b>	<b>47,472</b>

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### Year ended 31 December 2022

Disaggregated by timing of revenue recognition	Ride-hailing services	Digitalization and business solutions	Passenger transportation solutions	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Point in time . . . . .	703,174	64,032	47,470	500	815,176
Overtime . . . . .	—	—	798	—	798
External revenue . . . . .	703,174	64,032	48,268	500	815,974
<b>Segment revenue . . . . .</b>	<b>703,174</b>	<b>64,032</b>	<b>48,268</b>	<b>500</b>	<b>815,974</b>
<b>Segment gross profit . . . . .</b>	<b>20,534</b>	<b>11,635</b>	<b>21,406</b>	<b>495</b>	<b>54,070</b>

### Year ended 31 December 2023

Disaggregated by timing of revenue recognition	Ride-hailing services	Digitalization and business solutions	Passenger transportation solutions	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Point in time . . . . .	1,028,791	108,003	67,699	260	1,204,753
Overtime . . . . .	—	—	1,300	440	1,740
External revenue . . . . .	1,028,791	108,003	68,999	700	1,206,493
<b>Segment revenue . . . . .</b>	<b>1,028,791</b>	<b>108,003</b>	<b>68,999</b>	<b>700</b>	<b>1,206,493</b>
<b>Segment gross profit . . . . .</b>	<b>12,158</b>	<b>36,479</b>	<b>37,027</b>	<b>229</b>	<b>85,893</b>

### Six months ended 30 June 2023 (unaudited)

Disaggregated by timing of revenue recognition	Ride-hailing services	Digitalization and business solutions	Passenger transportation solutions	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Point in time . . . . .	487,063	55,821	34,632	39	577,555
Overtime . . . . .	—	—	207	—	207
External revenue . . . . .	487,063	55,821	34,839	39	577,762
<b>Segment revenue . . . . .</b>	<b>487,063</b>	<b>55,821</b>	<b>34,839</b>	<b>39</b>	<b>577,762</b>
<b>Segment gross profit/(loss) . . . . .</b>	<b>5,218</b>	<b>20,669</b>	<b>19,947</b>	<b>35</b>	<b>45,869</b>

### Six months ended 30 June 2024

Disaggregated by timing of revenue recognition	Ride-hailing services	Digitalization and business solutions	Passenger transportation solutions	Others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Point in time . . . . .	642,543	47,130	35,247	99	725,019
Overtime . . . . .	—	—	496	661	1,157
External revenue . . . . .	642,543	47,130	35,743	760	726,176
<b>Segment revenue . . . . .</b>	<b>642,543</b>	<b>47,130</b>	<b>35,743</b>	<b>760</b>	<b>726,176</b>
<b>Segment gross profit/(loss) . . . . .</b>	<b>(3,112)</b>	<b>8,127</b>	<b>20,358</b>	<b>86</b>	<b>25,459</b>

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	Years ended 31 December			Six months ended 30 June	
	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>	
<b>Disaggregated by sources of revenue</b>					
Revenue from contracts with customers within the scope of IFRS15 . . .	553,530	815,974	1,206,053	577,762	725,515
Revenue from other sources					
– Leasing of vehicles . . . . .	–	–	440	–	661
	<u>553,530</u>	<u>815,974</u>	<u>1,206,493</u>	<u>577,762</u>	<u>726,176</u>

**(ii) Geographic information**

All of the non-current assets of the Group are physically located in the PRC, and the revenue of the Group is all derived from operations in the PRC during the Track Record Period.

**5 OTHER INCOME, NET**

	Years ended 31 December			Six months ended 30 June	
	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>	
Government grants (i) . . . . .	1,017	5,912	2,663	391	5,270
Interest income . . . . .	882	1,629	2,188	736	966
Penalty . . . . .	(873)	(1,578)	(2,433)	(811)	(1,081)
Investment income . . . . .	2,005	2,847	1,043	573	278
Changes in fair values of the wealth management products . . . . .	2,052	99	–	54	217
Acquisition of a subsidiary (ii) . . . . .	(1,710)	–	–	–	–
Others . . . . .	67	(1,786)	(189)	(323)	76
	<u>3,440</u>	<u>7,123</u>	<u>3,272</u>	<u>620</u>	<u>5,726</u>

*Notes:*

- (i) Government grants represent cash awards granted to certain subsidiaries of the Group by the local government authorities in the PRC, without condition or further obligations attached to them. Government grants mainly include tax refund, subsidies for high-tech enterprises, job stabilization, relief and development of the stipulated small scale operations.
- (ii) The Group previously held 8.33% equity interests in Hengsheng Changyun and the Group used to account for the Group’s equity interests in Hengsheng Changyun as an equity method investment. The Group acquired 49.84% equity interests of Hengsheng Changyun in 2021, as a result of which the Group obtained control in Hengsheng Changyun (see Note 30). Upon the acquisition date, amount difference between fair value and book value of 8.33% equity interest in Hengsheng Changyun amounting to RMB1,710,000 were recognised as other loss as included in the consolidated statements of profit or loss and other comprehensive income.

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**6 LOSS BEFORE TAXATION**

Loss before taxation is arrived at after charging/(crediting):

**(a) Finance costs**

	Years ended 31 December			Six months ended 30 June	
	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>	
Interest on loans and other borrowings . . . . .	–	–	12	–	5
Interest on lease liabilities . . . . .	154	107	151	53	140
Others . . . . .	35	47	38	20	12
	<u>189</u>	<u>154</u>	<u>201</u>	<u>73</u>	<u>157</u>

**(b) Staff costs (including directors’ emoluments)**

	Years ended 31 December			Six months ended 30 June	
	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>	
Salaries, wages and other benefits . . . . .	59,934	71,588	64,602	28,233	28,874
Contributions to defined contribution retirement plan (i) . . . . .	6,841	8,015	7,406	4,009	4,318
Equity-settled share-based payments (Note 29) . . . . .	18,523	6,878	450	225	225
Total . . . . .	<u>85,298</u>	<u>86,481</u>	<u>72,458</u>	<u>32,467</u>	<u>33,417</u>

*Note:*

- (i) Employees of the Group are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group contributes funds which are calculated based on certain percentages of the employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has no other material obligations for payments of retirement benefits associated with the scheme beyond the annual contributions described above.

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**(c) Other items**

	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Amortisation of intangible assets (Note 13) . . . . .	4,969	8,015	6,388	3,594	2,792
Depreciation . . . . .					
– property and equipment (Note 11) . . . . .	5,477	5,598	3,215	1,318	1,336
– right-of-use assets (Note 12) . . . . .	2,590	3,035	3,907	2,328	2,101
Cost of inventories (Note 17) . . . . .	22,139	52,398	71,195	34,965	38,864
Impairment loss on investment in associates . . . . .	–	–	1,533	1,533	–

**7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:**

	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Current taxation . . . . .	–	–	–	–	–
Deferred taxation . . . . .	(272)	(684)	(722)	(372)	(348)
	<u>(272)</u>	<u>(684)</u>	<u>(722)</u>	<u>(372)</u>	<u>(348)</u>

**(b) Reconciliation between tax expense and accounting loss at applicable tax rates:**

	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Loss before taxation . . . . .	(586,885)	(500,131)	(482,982)	(234,936)	(284,871)
Notional tax on loss before taxation, calculated at statutory tax rate of 25% (i) . . . . .	(146,721)	(125,033)	(120,746)	(58,734)	(71,218)
Tax effect of non-deductible expenses (ii) . . . . .	133,450	112,823	116,739	57,826	67,268
Effect of preferential tax rate (iii) . . . . .	6,568	6,488	3,176	1,467	2,172
Tax effect of additional deduction on research and development costs (iv) . . . . .	(8,226)	(8,579)	(6,394)	(3,028)	(3,102)
Tax losses and temporary differences for which no deferred tax assets were recognised . . . . .	14,657	13,617	6,503	2,097	4,532
Actual tax expenses . . . . .	<u>(272)</u>	<u>(684)</u>	<u>(722)</u>	<u>(372)</u>	<u>(348)</u>

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*Notes:*

- (i) Under the PRC Income Tax Law, the Company and its subsidiaries established in the PRC are subject to the PRC statutory income tax rate of 25%.
- (ii) Tax effect of non-deductible expenses mainly represent the changes in the carrying amount of redemption rights issued to investors, share-based payments expenses exceeding the deductible amount and certain other costs and expenses, which all are not deductible in accordance with relevant tax regulations in the PRC.
- (iii) The Company was qualified as a High and New Technology Enterprises (“HNTE”) in 2020 and renewed the qualification in 2023. Kunming Shengzhiyilian Technology Co., Ltd. and Shanxi Changjie Transportation Technology Co., Ltd. (“Shanxi Changjie”) were qualified as an HNTE in 2022, and Henan Shengwei Digitalization Information Technology Co., Ltd was qualified as an HNTE in 2023. Accordingly, they were entitled to a preferential enterprise income tax (“EIT”) rate of 15% for a three-year period since its respective qualification day.
- (iv) Prior to October 2022, an additional 75% of qualified research and development expenses incurred is allowed to be deducted from taxable income under the PRC Income Tax Law and relevant regulations. Starting from October 2022, the additional deduction ratio was increased to 100%.

**(c) Deferred tax assets not recognised**

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000
Cumulative tax losses . . . . .	389,278	438,373	457,093	461,953
Deductible temporary differences . .	6,567	9,684	14,534	15,518
Total . . . . .	<u>395,845</u>	<u>448,057</u>	<u>471,627</u>	<u>477,471</u>

The Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB389,278,000, RMB438,373,000, RMB457,093,000 and RMB461,953,000 at 31 December 2021, 2022, 2023 and 30 June 2024, respectively, as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entities.

## 8 DIRECTORS’ AND SUPERVISORS’ EMOLUMENTS

Directors’ and supervisors’ emoluments as recorded in the Historical Financial Information are set out below:

Note	Year ended 31 December 2021						
	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note vi)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<b>Executive directors</b>							
Mr Jiang Shengxi . . . . . <i>i</i>	–	870	360	55	1,285	449	1,734
Mr Yang Yang . . . . . <i>ii</i>	–	554	183	51	788	867	1,655
Mr Wang Dengyue. . . . . <i>ii</i>	–	399	160	44	603	631	1,234
Mr Zhang Jintao . . . . . <i>ii</i>	–	628	208	55	891	658	1,549
Mr Li Tao . . . . . <i>ii</i>	–	426	140	38	604	654	1,258

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Note	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note vi)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<b>Non-executive directors</b>							
Mr Li Chen . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Shi Yanmin . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Song Anlan . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Jiang Xingquan . . . . .	<i>iii</i>	–	–	–	–	–	–
<b>Supervisor</b>							
Mr Xue Hong . . . . .	<i>iv</i>	–	–	–	–	–	–
Total . . . . .		–	2,877	1,051	243	4,171	3,259
		–	–	–	–	–	–
		–	–	–	–	–	–

Year ended 31 December 2022

Note	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note vi)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<b>Executive directors</b>							
Mr Jiang Shengxi . . . . .	<i>i</i>	–	875	300	64	1,239	46
Mr Yang Yang . . . . .	<i>ii</i>	–	541	165	56	762	–
Mr Wang Dengyue . . . . .	<i>ii</i>	–	402	139	49	590	102
Mr Zhang Jintao . . . . .	<i>ii</i>	–	622	170	62	854	–
Mr Li Tao . . . . .	<i>ii</i>	–	416	128	42	586	–
<b>Non-executive directors</b>							
Mr Li Chen . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Shi Yanmin . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Song Anlan . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Jiang Xingquan . . . . .	<i>iii</i>	–	–	–	–	–	–
<b>Supervisors</b>							
Mr Xue Hong . . . . .	<i>iv</i>	–	–	–	–	–	–
Mr Zhao Changsheng . . . . .	<i>iv</i>	–	520	138	45	703	–
Ms Luo Yan . . . . .	<i>iv</i>	–	198	18	13	229	–
Mr Yu Min . . . . .	<i>iv</i>	–	323	58	16	397	–
Total . . . . .		–	3,897	1,116	347	5,360	148
		–	–	–	–	–	–
		–	–	–	–	–	–

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Year ended 31 December 2023

Note	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note vi)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<b>Executive directors</b>							
Mr Jiang Shengxi . . . . .	<i>i</i>	879	536	65	1,480	–	1,480
Mr Yang Yang . . . . .	<i>ii</i>	559	245	53	857	–	857
Mr Wang Dengyue . . . . .	<i>ii</i>	423	216	46	685	–	685
Mr Zhang Jintao . . . . .	<i>ii</i>	638	243	60	941	–	941
Mr Li Tao . . . . .	<i>ii</i>	431	144	39	614	–	614
<b>Non-executive directors</b>							
Mr Li Chen . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Shi Yanmin . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Song Anlan . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Jiang Xingquan . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Gao Zhiyang . . . . .	<i>iii</i>	–	–	–	–	–	–
<b>Supervisors</b>							
Mr Zhao Changsheng . . . . .	<i>iv</i>	528	201	17	746	–	746
Ms Luo Yan . . . . .	<i>iv</i>	160	9	14	183	–	183
Mr Yu Min . . . . .	<i>iv</i>	322	53	14	389	–	389
Total . . . . .		3,940	1,647	308	5,895	–	5,895

Six months ended 30 June 2023 (Unaudited)

Note	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note vi)	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
<b>Executive directors</b>							
Mr Jiang Shengxi . . . . .	<i>i</i>	437	–	32	469	–	469
Mr Yang Yang . . . . .	<i>ii</i>	278	–	26	304	–	304
Mr Wang Dengyue . . . . .	<i>ii</i>	203	–	23	226	–	226
Mr Zhang Jintao . . . . .	<i>ii</i>	318	–	30	348	–	348
Mr Li Tao . . . . .	<i>ii</i>	214	–	19	233	–	233
<b>Non-executive directors</b>							
Mr Li Chen . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Shi Yanmin . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Song Anlan . . . . .	<i>iii</i>	–	–	–	–	–	–
Mr Jiang Xingquan . . . . .	<i>iii</i>	–	–	–	–	–	–
<b>Supervisors</b>							
Mr Zhao Changsheng . . . . .	<i>iv</i>	268	–	17	285	–	285
Ms Luo Yan . . . . .	<i>iv</i>	77	–	6	83	–	83
Mr Yu Min . . . . .	<i>iv</i>	162	–	8	170	–	170
Total . . . . .		1,957	–	161	2,118	–	2,118



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Six months ended 30 June 2024

Note	Directors’ fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total	Equity-settled share-based payments (Note vi)	Total	
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	
<b>Executive directors</b>								
Mr Jiang Shengxi . . . . .	<i>i</i>	–	441	–	34	475	–	475
Mr Yang Yang . . . . .	<i>ii</i>	–	281	–	27	308	–	308
Mr Wang Dengyue . . . . .	<i>ii</i>	–	205	–	23	228	–	228
Mr Zhang Jintao . . . . .	<i>ii</i>	–	320	–	30	350	–	350
Mr Li Tao . . . . .	<i>ii</i>	–	217	–	20	237	–	237
<b>Non-executive directors</b>								
Mr Li Chen . . . . .	<i>iii</i>	–	–	–	–	–	–	–
Mr Shi Yanmin . . . . .	<i>iii</i>	–	–	–	–	–	–	–
Mr Song Anlan . . . . .	<i>iii</i>	–	–	–	–	–	–	–
Mr Gao Zhiyang . . . . .	<i>iii</i>	–	–	–	–	–	–	–
<b>Supervisors</b>								
Mr Zhao								
Changsheng . . . . .	<i>iv</i>	–	260	–	–	260	–	260
Ms Luo Yan . . . . .	<i>iv</i>	–	102	–	8	110	–	110
Mr Yu Min . . . . .	<i>iv</i>	–	164	–	8	172	–	172
Total . . . . .		–	1,990	–	150	2,140	–	2,140
		=	=	=	=	=	=	=

Notes:

- (i) Mr. Jiang Shengxi was appointed as the Chairman of the Company on 28 September 2012.
- (ii) Mr. Yang Yang, Mr. Wang Dengyue, Mr. Zhang Jintao, and Mr. Li Tao were appointed as executive directors of the Company on 30 August 2016, 2 November 2015, 19 July 2018, and 7 January 2019, respectively.
- (iii) Mr. Li Chen, Mr. Shi Yanmin, Mr. Song Anlan, and Mr. Gao Zhiyang were appointed as non-executive directors of the Company on 22 March 2018, 10 February 2021, 19 July 2018, and 8 December 2023, respectively. Mr. Jiang Xingquan was appointed as non-executive director of the Company on 10 February 2021 and resigned on 8 December 2023.
- (iv) Mr. Xue Hong was appointed as supervisor of the Company on 7 April 2013, and resigned on 31 August 2022. Mr. Zhao Changsheng, Ms. Luo Yan, and Mr. Yu Min were appointed as the supervisors of the Company on 31 August 2022.
- (v) Ms. Cheng Qian was appointed as executive director on 7 November 2024 and will be effective on [REDACTED]. Mr. Guo Xiping, Mr. Guan Jizhen, and Mr Hui Kai Lung were appointed as independent non-executive directors on 19 September 2024 and will be effective on [REDACTED].
- (vi) These represent the estimated value of share awards granted to the directors under the Group’s share incentive plans. The value of these share awards is measured according to the Group’s accounting policies for share-based payment transactions as set out in Note 2(r)(ii). The details of these benefits in kind, including the principal terms and number of shares granted, are disclosed under Note 29.

During the Track Record Period, there was no amount paid or payable by the Group to the directors or supervisors or any of the five highest paid individuals as set out in Note 9 below as an inducement to join or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director or a supervisor has waived or agreed to waive any remuneration during the Track Record Period.

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**ACCOUNTANTS' REPORT**

**9 INDIVIDUALS WITH HIGHEST EMOLUMENTS**

During the Track Record Period, of the five individuals with the highest emoluments, three, four, four, four and four are directors or supervisors for each of the year ended 31 December 2021, 2022, 2023 and the six months ended 30 June 2023 and 2024, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining individuals during the Track Record Period are as followings:

	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Salaries and other emoluments . . . . .	1,049	525	534	290	269
Discretionary bonuses . . . . .	335	138	144	–	–
Retirement scheme contributions . . . . .	80	54	51	25	26
Equity-settled share-based payments . . . . .	1,220	–	–	–	–
	<u>2,684</u>	<u>717</u>	<u>729</u>	<u>315</u>	<u>295</u>

The emoluments of the above individuals with the highest emoluments are within the following bands:

	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
HKD\$Nil –					
HKD\$1,000,000 . . . . .	–	1	1	1	1
HKD\$1,500,001 –					
HKD\$2,000,000 . . . . .	2	–	–	–	–
	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**10 LOSS PER SHARE**

The calculation of the basic loss per share during the Track Record Period is based on the loss for the year/period attributable to ordinary equity owners/shareholders of the Company and the weighted average number of ordinary shares in issue or deemed to be in issue.

As described in Note 31(c)(ii) the Company was converted into a joint stock limited liability company and issued 69,205,066 shares with the par value of RMB1 each on 31 August 2022. For the purpose of computing basic and diluted loss per share, the weighted average number of ordinary shares deemed to be in issue before the Company's conversion into a joint stock company was determined assuming the conversion into joint stock company had occurred since 1 January 2021, at the conversion ratio established in the conversion in August 2022.

**(a) Loss for the year/period attributable to ordinary equity shareholders of the Company**

	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Loss for the year/period attributable to all equity shareholders of the Company . . . . .	(588,361)	(497,168)	(483,075)	(235,479)	(285,451)

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	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Allocation of loss for the year/period attributable to ordinary shares with redemption right issued to investors (Note 27) . . . . .	<u>333,556</u>	<u>287,361</u>	<u>279,216</u>	<u>136,106</u>	<u>164,989</u>
Loss for the year/period attributable to ordinary equity shareholders of the Company . . . . .	<u>(254,805)</u>	<u>(209,807)</u>	<u>(203,859)</u>	<u>(99,373)</u>	<u>(120,462)</u>

**(b) Weighted average number of ordinary shares**

	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	'000	'000	'000	'000	'000
				(Unaudited)	
Ordinary shares deemed to be in issue at 1 January . . . . .	62,300	69,205	69,205	69,205	69,205
Effect of ordinary shares deemed to be in issue (Note) . . . . .	5,376	–	–	–	–
Effect of ordinary shares with redemption rights issued to investors (Note 27) . . . . .	<u>(38,367)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>
Weighted average number of ordinary shares 31 December/30 June in issue or deemed to be in issue. . . . .	<u>29,309</u>	<u>29,205</u>	<u>29,205</u>	<u>29,205</u>	<u>29,205</u>

Note: In February and August 2021, the Company entered into the Series C and Series C+ investment, respectively (see Note 31(c)(i)), during which two of the ordinary shareholders of the Company transferred part of their respective equity interests in the Company to a new investor, who was immediately granted redemption rights after the paid-in capital transferred.

**(c) Diluted loss per share**

Ordinary shares with redemption rights issued to investors (see Note 27) were not included in the calculation of diluted loss per share because their effect on the basic loss per share would have been anti-dilutive. Accordingly, diluted loss per share the Track Record Period were the same as basic loss per share of the respective periods.

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## ACCOUNTANTS' REPORT

### 11 PROPERTY AND EQUIPMENT

#### The Group

	Leasehold improvements	Office equipment and furniture	Operating equipment	Vehicles	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Cost:</b>					
At 1 January 2021 . . . . .	443	3,891	22,823	565	27,722
Additions . . . . .	144	150	329	–	623
Business combinations (note 30) . . . . .	–	182	–	–	182
Disposals . . . . .	–	(1,110)	(1,759)	–	(2,869)
At 31 December 2021 and 1 January 2022 . . . . .	587	3,113	21,393	565	25,658
Additions . . . . .	18	1,518	1,576	143	3,255
Disposals . . . . .	–	(1,286)	(1,399)	–	(2,685)
At 31 December 2022 and 1 January 2023 . . . . .	605	3,345	21,570	708	26,228
Additions . . . . .	31	174	86	4,828	5,119
Disposals . . . . .	–	(54)	(1,104)	–	(1,158)
At 31 December 2023 and 1 January 2024 . . . . .	636	3,465	20,552	5,536	30,189
Additions . . . . .	392	67	20	48	527
Disposals . . . . .	–	–	(396)	–	(396)
At 30 June 2024 . . . . .	1,028	3,532	20,176	5,584	30,320
<b>Accumulated depreciation:</b>					
At 1 January 2021 . . . . .	(276)	(2,788)	(10,527)	(286)	(13,877)
Charge for the year . . . . .	(181)	(495)	(4,747)	(54)	(5,477)
Written back on disposals . . . . .	–	1,046	1,392	–	2,438
At 31 December 2021 and 1 January 2022 . . . . .	(457)	(2,237)	(13,882)	(340)	(16,916)
Charge for the year . . . . .	(80)	(1,478)	(3,971)	(69)	(5,598)
Written back on disposals . . . . .	–	1,222	941	–	2,163
At 31 December 2022 and 1 January 2023 . . . . .	(537)	(2,493)	(16,912)	(409)	(20,351)
Charge for the year . . . . .	(79)	(275)	(2,399)	(462)	(3,215)
Written back on disposals . . . . .	–	2	1,076	–	1,078
At 31 December 2023 and 1 January 2024 . . . . .	(616)	(2,766)	(18,235)	(871)	(22,488)
Charge for the period . . . . .	(52)	(170)	(498)	(616)	(1,336)
Written back on disposals . . . . .	–	–	376	–	376
At 30 June 2024 . . . . .	(668)	(2,936)	(18,357)	(1,487)	(23,448)
<b>Net book value:</b>					
At 30 June 2024 . . . . .	360	596	1,819	4,097	6,872
At 31 December 2023 . . . . .	20	699	2,317	4,665	7,701
At 31 December 2022 . . . . .	68	852	4,658	299	5,877
At 31 December 2021 . . . . .	130	876	7,511	225	8,742

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**ACCOUNTANTS' REPORT**

**The Company**

	Leasehold improvements	Office equipment and furniture	Operating equipment	Vehicles	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Cost:</b>					
At 1 January 2021 . . . . .	443	3,505	22,520	565	27,033
Additions . . . . .	125	98	106	–	329
Disposals . . . . .	–	(1,104)	(1,762)	–	(2,866)
At 31 December 2021 and 1 January 2022 . . . . .	568	2,499	20,864	565	24,496
Additions . . . . .	–	1,501	1,136	54	2,691
Disposals . . . . .	–	(1,104)	(1,094)	–	(2,198)
At 31 December 2022 and 1 January 2023 . . . . .	568	2,896	20,906	619	24,989
Additions . . . . .	–	97	86	–	183
Disposals . . . . .	–	(2)	(1,104)	–	(1,106)
At 31 December 2023 and 1 January 2024 . . . . .	568	2,991	19,888	619	24,066
Additions . . . . .	392	6	20	–	418
Disposals . . . . .	–	–	(396)	–	(396)
At 30 June 2024 . . . . .	960	2,997	19,512	619	24,088
<b>Accumulated depreciation:</b>					
At 1 January 2021 . . . . .	(276)	(2,454)	(10,238)	(286)	(13,254)
Charge for the year . . . . .	(162)	(449)	(4,514)	(54)	(5,179)
Written back on disposals . . . . .	–	1,046	1,392	–	2,438
At 31 December 2021 and 1 January 2022 . . . . .	(438)	(1,857)	(13,360)	(340)	(15,995)
Charge for the year . . . . .	(74)	(1,385)	(3,792)	(55)	(5,306)
Written back on disposals . . . . .	–	1,054	653	–	1,707
At 31 December 2022 and 1 January 2023 . . . . .	(512)	(2,188)	(16,499)	(395)	(19,594)
Charge for the year . . . . .	(43)	(267)	(2,354)	(59)	(2,723)
Written back on disposals . . . . .	–	2	1,076	–	1,078
At 31 December 2023 and 1 January 2024 . . . . .	(555)	(2,453)	(17,777)	(454)	(21,239)
Charge for the period . . . . .	(49)	(138)	(407)	(29)	(623)
Written back on disposals . . . . .	–	–	376	–	376
At 30 June 2024 . . . . .	(604)	(2,591)	(17,808)	(483)	(21,486)
<b>Net book value:</b>					
At 30 June 2024 . . . . .	356	406	1,704	136	2,602
At 31 December 2023 . . . . .	13	538	2,111	165	2,827
At 31 December 2022 . . . . .	56	708	4,407	224	5,395
At 31 December 2021 . . . . .	130	642	7,504	225	8,501

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**ACCOUNTANTS' REPORT**

**The Group**

**Vehicles leased out under operating leases**

*RMB'000*

**Cost:**

At 1 January 2021, 31 December 2021 and 2022 and 1 January 2023 . . . . .	–
Additions . . . . .	<u>4,828</u>
At 31 December 2023 and 1 January 2024 . . . . .	4,828
Additions . . . . .	<u>–</u>
At 30 June 2024 . . . . .	<u>4,828</u>
	<u>–</u>

**Accumulated depreciation:**

At 1 January 2021, 31 December 2021 and 2022 and 1 January 2023 . . . . .	–
Charge for the year . . . . .	<u>(382)</u>
At 31 December 2023 and 1 January 2024 . . . . .	(382)
Charge for the year . . . . .	<u>(576)</u>
At 30 June 2024 . . . . .	<u>(958)</u>
	<u>–</u>

**Net book value:**

At 30 June 2024 . . . . .	<u>3,870</u>
At 31 December 2023 . . . . .	<u>4,446</u>
At 31 December 2021 and 2022 . . . . .	<u>–</u>

The Group leases out certain vehicles under operating leases. The leases run for an initial period of year 2023 to 2027, with an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes variable lease payments.

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**ACCOUNTANTS' REPORT**

**12 RIGHT-OF-USE ASSETS**

**The Group**

	<u>Properties</u>
	<i>RMB'000</i>
<b>Cost:</b>	
At 1 January 2021 . . . . .	736
Additions . . . . .	<u>6,132</u>
At 31 December 2021 and 1 January 2022 . . . . .	6,868
Additions . . . . .	933
Derecognition ( <i>Note</i> ) . . . . .	<u>(3,961)</u>
At 31 December 2022 and 1 January 2023 . . . . .	3,840
Additions . . . . .	5,728
Derecognition ( <i>Note</i> ) . . . . .	<u>(334)</u>
At 31 December 2023 and 1 January 2024 . . . . .	9,234
Additions . . . . .	<u>5,921</u>
At 30 June 2024 . . . . .	<u>15,155</u>
<b>Accumulated depreciation:</b>	
At 1 January 2021 . . . . .	(235)
Charge for the year . . . . .	<u>(2,590)</u>
At 31 December 2021 and 1 January 2022 . . . . .	(2,825)
Charge for the year . . . . .	(3,035)
Derecognition ( <i>Note</i> ) . . . . .	<u>3,773</u>
At 31 December 2022 and 1 January 2023 . . . . .	(2,087)
Charge for the year . . . . .	(3,907)
Derecognition ( <i>Note</i> ) . . . . .	<u>334</u>
At 31 December 2023 and 1 January 2024 . . . . .	(5,660)
Charge for the period . . . . .	<u>(2,101)</u>
At 30 June 2024 . . . . .	<u>(7,761)</u>
<b>Net book value:</b>	
At 30 June 2024 . . . . .	<u>7,394</u>
At 31 December 2023 . . . . .	<u>3,574</u>
At 31 December 2022 . . . . .	<u>1,753</u>
At 31 December 2021 . . . . .	<u>4,043</u>

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ACCOUNTANTS' REPORT

The Company

	<u>Properties</u>
	<i>RMB'000</i>
<b>Cost:</b> . . . . .	
At 1 January 2021. . . . .	642
Additions . . . . .	<u>5,373</u>
At 31 December 2021 and 1 January 2022. . . . .	6,015
Derecognition ( <i>Note</i> ) . . . . .	<u>(3,442)</u>
At 31 December 2022 and 1 January 2023. . . . .	2,573
Additions . . . . .	<u>4,789</u>
At 31 December 2023 and 1 January 2024. . . . .	7,362
Additions . . . . .	<u>5,679</u>
At 30 June 2024. . . . .	<u>13,041</u>
<b>Accumulated depreciation:</b>	
At 1 January 2021. . . . .	(214)
Charge for the year . . . . .	<u>(2,005)</u>
At 31 December 2021 and 1 January 2022. . . . .	(2,219)
Charge for the year . . . . .	<u>(2,667)</u>
Derecognition ( <i>Note</i> ) . . . . .	<u>3,254</u>
At 31 December 2022 and 1 January 2023. . . . .	(1,632)
Charge for the year . . . . .	<u>(3,180)</u>
At 31 December 2023 and 1 January 2024. . . . .	(4,812)
Charge for the period. . . . .	<u>(1,670)</u>
At 30 June 2024. . . . .	<u>(6,482)</u>
<b>Net book value:</b>	
At 30 June 2024. . . . .	<u>6,559</u>
At 31 December 2023 . . . . .	<u>2,550</u>
At 31 December 2022 . . . . .	<u>941</u>
At 31 December 2021 . . . . .	<u>3,796</u>

*Note:*

The derecognition is a result of the termination of the leases.

The Group has obtained the right to use properties as its offices space through tenancy agreements. The leases of offices space typically run for a period of two to four years.

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	<u>Years ended 31 December</u>			<u>Six months ended 30 June</u>	
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>2024</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	
Depreciation charge of right-of-use assets . . . . .	2,590	3,035	3,907	2,300	2,101
Expense relating to short-term leases . . . . .	1,216	1,318	1,124	511	606
Interest on lease liabilities ( <i>Note 6(a)</i> ) . . . . .	<u>154</u>	<u>107</u>	<u>151</u>	<u>53</u>	<u>140</u>
	<u>3,960</u>	<u>4,460</u>	<u>5,182</u>	<u>2,864</u>	<u>2,847</u>

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 22(d) and 26, respectively.



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ACCOUNTANTS’ REPORT

13 INTANGIBLE ASSETS

The Group

	Software copyright	Patented and non-patented technologies	Franchise rights (Note)	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Cost:</b>				
At 1 January 2021 . . . . .	26,834	5,000	–	31,834
Business combinations (Note 30) . . .	7,544	–	12,265	19,809
At 31 December 2021 and 1 January 2022 . . . . .	34,378	5,000	12,265	51,643
Additions . . . . .	90	–	–	90
At 31 December 2022 and 1 January 2023 and 31 December 2023 and 1 January 2024 and 30 June 2024 .	34,468	5,000	12,265	51,733
<b>Accumulated amortisation:</b>				
At 1 January 2021 . . . . .	(17,355)	(3,833)	–	(21,188)
Charge for the year . . . . .	(3,242)	(500)	(1,227)	(4,969)
At 31 December 2021 and 1 January 2022 . . . . .	(20,597)	(4,333)	(1,227)	(26,157)
Charge for the year . . . . .	(3,835)	(500)	(3,680)	(8,015)
At 31 December 2022 and 1 January 2023 . . . . .	(24,432)	(4,833)	(4,907)	(34,172)
Charge for the year . . . . .	(2,541)	(167)	(3,680)	(6,388)
At 31 December 2023 and 1 January 2024 . . . . .	(26,973)	(5,000)	(8,587)	(40,560)
Charge for the period . . . . .	(952)	–	(1,840)	(2,792)
At 30 June 2024 . . . . .	(27,925)	(5,000)	(10,427)	(43,352)
<b>Net book value:</b>				
At 30 June 2024 . . . . .	6,543	–	1,838	8,381
At 31 December 2023 . . . . .	7,495	–	3,678	11,173
At 31 December 2022 . . . . .	10,036	167	7,358	17,561
At 31 December 2021 . . . . .	13,781	667	11,038	25,486

Note:

Franchise right refers to the right to continuously operate the “Unified Road Passenger Transport Network Ticketing System Information Service Platform” throughout the province, granted by the Zhejiang Provincial Highway and Transportation Management Center.

The term of use of the franchise right is until 31 December 2024.

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## ACCOUNTANTS’ REPORT

### The Company

	Software copyright	Patented and non-patented technologies	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Cost:</b>			
At 1 January 2021. . . . .	20,004	5,000	25,004
At 31 December 2021 and 1 January 2022. . . . .	20,004	5,000	25,004
Additions . . . . .	90	–	90
At 31 December 2022 and 1 January 2023 and 31 December 2023 and 1 January 2024 and 30 June 2024 . . . . .	20,094	5,000	25,094
<b>Accumulated amortisation:</b>			
At 1 January 2021. . . . .	(15,417)	(3,833)	(19,250)
Charge for the year . . . . .	(2,025)	(500)	(2,525)
At 31 December 2021 and 1 January 2022. . . . .	(17,442)	(4,333)	(21,775)
Charge for the year . . . . .	(1,934)	(500)	(2,434)
At 31 December 2022 and 1 January 2023. . . . .	(19,376)	(4,833)	(24,209)
Charge for the year . . . . .	(642)	(167)	(809)
At 31 December 2023 and 1 January 2024. . . . .	(20,018)	(5,000)	(25,018)
Charge for the period. . . . .	(5)	–	(5)
At 30 June 2024 . . . . .	(20,023)	(5,000)	(25,023)
<b>Net book value:</b>			
At 30 June 2024 . . . . .	71	–	71
At 31 December 2023 . . . . .	76	–	76
At 31 December 2022 . . . . .	718	167	885
At 31 December 2021 . . . . .	2,562	667	3,229

The amortisation charge for each of the years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024 is included in “cost of sales”, “general and administrative expenses” or “research and development expenses” in the consolidated statement of profit or loss.

### 14 INVESTMENTS IN SUBSIDIARIES

The carrying amount of investments in subsidiaries in the Company’s statements of financial position is listed below:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Investments in subsidiaries, at cost . . . . .	96,420	100,600	103,515	110,735
Deemed investments arising from share-based transactions . . . . .	215	770	770	770
	96,635	101,370	104,285	111,505

*Note:*

Details of the principal subsidiaries are set out in Note 1.1.

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**ACCOUNTANTS’ REPORT**

**15 INTERESTS IN ASSOCIATES**

**The Group**

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted cost of investments . . . . .	33,408	34,248	33,570	25,162
Share of loss and other comprehensive income . . . . .	(22,574)	(25,218)	(23,752)	(3,384)
Impairment loss . . . . .	–	–	(1,533)	(1,533)
	<u>10,834</u>	<u>9,030</u>	<u>8,285</u>	<u>20,245</u>

**The Company**

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Unlisted cost of investments . . . . .	30,340	31,180	30,758	21,717
Share of loss and other comprehensive income . . . . .	(20,325)	(23,303)	(23,852)	(3,778)
Impairment loss . . . . .	–	–	(1,002)	(1,002)
	<u>10,015</u>	<u>7,877</u>	<u>5,904</u>	<u>16,937</u>

The following list contains only the particulars of a material associate, which is an unlisted corporate entity whose quoted market price is not available:

Name of associate	Form of business structure	Place of incorporation and business	Registered/paid-in capital	Proportion of ownership interest			Principal activity
				Group's effective interest	Held by the company	Held by a subsidiary	
Anhui Hengsheng Wanmei Network Technology Co., Ltd (Wanmei) . . . . .	Incorporated	PRC	RMB13,200,000/ RMB13,200,000	39.84%	26.58%	13.26%	Passenger transportation solutions

The Group obtained control over Hengsheng Changyun since 1 August 2021 (see Note (30)), as at 31 December 2021 and 2022, Hengsheng Changyun held 22.5% equity interests of Wanmei. In August 2023, Hengsheng Changyun transferred 9.24% equity interests to Wanmei’s employee shareholding platform for RMB650,000, since which Hengsheng Changyun held 13.26% equity effective interests of Wanmei. Hengsheng Changyun is eligible to appoint a director of the board of directors of Wanmei and has significant influence on it. The Group did not regard Wanmei as a material associate in 2021, 2022 and 2023. In 2024, the Company acquired 26.58% equity interests of Wanmei. As at 30 June 2024, the Group held a cumulative 39.84% equity interests of Wanmei, which the Group regarded Wanmei as a material associate.

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Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	<u>As at 30 June</u>
	<u>2024</u>
	<i>RMB'000</i>
<b>Gross amounts of the associate’s</b>	
Current assets . . . . .	25,889
Non-current assets . . . . .	26
Current liabilities . . . . .	14,209
Non-current liabilities . . . . .	–
Equity . . . . .	11,706
Revenue . . . . .	6,437
Profit from continuing operations . . . . .	2,448
Total comprehensive income . . . . .	2,448
Dividend received from the associate . . . . .	–
<b>Reconciled to the group’s interests in the associate</b>	
Gross amounts of net assets of the associate . . . . .	11,706
Group’s effective interest . . . . .	39.84%
Group’s share of net assets of the associate . . . . .	4,664
Goodwill . . . . .	<u>10,394</u>
Carrying amount in the consolidated financial statements . . . . .	15,058
– Held by the Company . . . . .	12,884
– Held by a subsidiary . . . . .	2,174

Aggregate information of associates that are not individually material:

**The Group**

	<u>As at 31 December</u>			<u>As at 30 June</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>
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements . . . . .	10,834	9,030	8,285	5,187
Aggregate amounts of the group’s share of those associates’ (Loss)/profit from continuing operations . . . . .	(3,547)	(2,644)	1,438	(267)
Other comprehensive income . . . . .	–	–	–	–
Total comprehensive income . . . . .	(3,547)	(2,644)	1,438	(267)

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**ACCOUNTANTS’ REPORT**

**The Company**

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial associates in the financial statements of the Company . . . . .	10,015	7,877	5,904	4,053
Aggregate amounts of the group’s share of those associates’ (Loss)/profit from continuing operations . . . . .	(3,790)	(2,979)	(294)	(191)
Other comprehensive income . . . . .	–	–	–	–
Total comprehensive income . . . . .	(3,790)	(2,979)	(294)	(191)

**16 GOODWILL**

	RMB'000
<b>Cost:</b>	
At 1 January 2021 . . . . .	2,830
Acquisition of Hengsheng Changyun ( <i>Note 30</i> ) . . . . .	35,493
At 31 December 2021, 2022 and 2023 and 30 June 2024 . . . . .	<u>38,323</u>
<b>Accumulated impairment losses:</b>	
At 1 January 2021, 31 December 2021, 2022 and 2023 and 30 June 2024 . . . . .	<u>–</u>
<b>Net book value:</b>	
At 31 December 2021, 2022 and 2023 and 30 June 2024 . . . . .	<u><u>38,323</u></u>

**Impairment tests for cash-generating units containing goodwill**

Goodwill acquired in business combination is allocated, at acquisitions, to the cash generated units (“CGUs”) of Hengsheng Changyun and Shanxi Changjie as below:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Hengsheng Changyun . . . . .	35,493	35,493	35,493	35,493
Shanxi Changjie . . . . .	<u>2,830</u>	<u>2,830</u>	<u>2,830</u>	<u>2,830</u>
	<u><u>38,323</u></u>	<u><u>38,323</u></u>	<u><u>38,323</u></u>	<u><u>38,323</u></u>

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The recoverable amounts of the CGUs are determined based on value-in-use calculations. The Group engaged an independent professional valuer to assist with the calculation. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in estimating the recoverable amount are as follows:

	As at 31 December		
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
<i>Hengsheng Changyun</i>			
Annual revenue growth rate during the forecast period (note (i)) . . . . .	8.0%-16.8%	8.2%-52.4%	5.2%-14.8%
Net profit margin . . . . .	17.8%-26.2%	13.0%-24.7%	21.8%-23.5%
Growth rate beyond the forecast period . . . . .	2.50%	2.20%	2.20%
Pre-tax discount rate . . . . .	17.09%	17.74%	18.02%
<i>Shanxi Changjie</i>			
Annual revenue growth rate during the forecast period . . . . .	5.8%-10.5%	8.0%-17.4%	5.0%-18.5%
Net profit margin . . . . .	-3.3%-20.9%	5.4%-21.5%	3.0%-21%
Growth rate beyond the forecast period . . . . .	2.50%	2.20%	2.20%
Pre-tax discount rate . . . . .	18.06%	17.02%	16.96%

- (i) The basis used to determine the value assigned to the annual growth rate of revenue is based on the average growth levels experienced over the past years and the estimated sales volume and price growth for the next five years.
- (ii) Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate which is consistent with the forecasts included in industry reports.

The headroom calculated by deducting the carrying amount from the recoverable amount of each of CGUs is as follows. As of 30 June 2024, the directors of the Company consider there are no significant changes to Hengsheng Changyun and Shanxi Changjie’s operations, and as a result no impairment assessment as of 30 June 2024 was considered necessary.

	As at 31 December		
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
Hengsheng Changyun . . . . .	9,433	14,492	20,343
Shanxi Changjie . . . . .	729	916	1,831

The following table sets forth the impact of reasonable possible changes in each of the key assumptions, with all other variables held constant, of goodwill impairment testing of Hengsheng Changyun CGU and Shanxi Changjie CGU respectively at the dates indicated:

	As at 31 December		
	2021	2022	2023
	RMB'000	RMB'000	RMB'000
<i>Changes amount of headroom – Hengsheng Changyun</i>			
Estimated profit decreases by 5% . . . . .	4,244	4,720	4,707
Discount rate increases by 1% . . . . .	5,988	5,947	5,432
<i>Changes amount of headroom – Shanxi Changjie</i>			
Estimated profit decreases by 5% . . . . .	521	520	493
Discount rate increases by 1% . . . . .	715	714	699

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## ACCOUNTANTS’ REPORT

### 17 INVENTORIES

#### The Group

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Merchandise inventories . . . . .	1,324	10,869	12,133	6,590
Work in progress . . . . .	23,278	20,765	18,803	17,277
	<u>24,602</u>	<u>31,634</u>	<u>30,936</u>	<u>23,867</u>
Less: Write-down of inventories . . .	<u>–</u>	<u>(523)</u>	<u>(1,163)</u>	<u>(1,292)</u>
	<u>24,602</u>	<u>31,111</u>	<u>29,773</u>	<u>22,575</u>

The analysis of the amount of inventories recognised as an expense and included in consolidated statements of profit or loss and other comprehensive income is as follows:

	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
				<i>(Unaudited)</i>	
Carrying amount of inventories sold . . . . .	22,139	51,875	70,555	34,379	38,735
Write-down of inventories .	<u>–</u>	<u>523</u>	<u>640</u>	<u>586</u>	<u>129</u>
	<u>22,139</u>	<u>52,398</u>	<u>71,195</u>	<u>34,965</u>	<u>38,864</u>

#### The Company

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Merchandise inventories . . . . .	–	4,657	7,416	4,128
Work in progress . . . . .	24,746	25,369	17,013	11,110
	<u>24,746</u>	<u>30,026</u>	<u>24,429</u>	<u>15,238</u>
Less: Write-down of inventories . . .	<u>–</u>	<u>(523)</u>	<u>(1,163)</u>	<u>(1,292)</u>
	<u>24,746</u>	<u>29,503</u>	<u>23,266</u>	<u>13,946</u>

### 18 CONTRACT ASSETS

#### The Group

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Arising from performance under digitalization and business solutions . . . . .	5,733	4,550	4,362	4,332
Less: Provision for doubtful debts . .	<u>(964)</u>	<u>(1,376)</u>	<u>(3,955)</u>	<u>(3,927)</u>
	<u>4,769</u>	<u>3,174</u>	<u>407</u>	<u>405</u>

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## ACCOUNTANTS’ REPORT

### The Company

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Arising from performance under digitalization and business solutions . . . . .	5,733	4,366	4,178	4,148
Less: Provision for doubtful debts . .	(964)	(1,228)	(3,798)	(3,780)
	<u>4,769</u>	<u>3,138</u>	<u>380</u>	<u>368</u>

If revenue has been recognised before the Group has an unconditional right to receive consideration, that amount is presented as contract assets at the reporting date under digitalization and business solutions. Contract assets are assessed for ECLs and are reclassified to receivables when the right to the consideration becomes unconditional.

### 19 TRADE AND BILLS RECEIVABLES

#### The Group

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Bills receivables . . . . .	–	6,160	8,399	3,959
Trade receivables				
– related parties . . . . .	5,040	21,513	22,323	21,916
– third parties . . . . .	32,084	34,310	47,899	51,409
Less: Provision for doubtful debts . .	(9,573)	(9,922)	(11,668)	(13,277)
	<u>27,551</u>	<u>52,061</u>	<u>66,953</u>	<u>64,007</u>

All of the trade receivables are expected to be recovered within one year.

#### Aging analysis

As at the end of each reporting period, the aging analysis of trade and bills receivables, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Not overdue . . . . .	20,739	45,254	57,458	50,719
Overdue within 365 days . . . . .	2,828	4,560	5,445	7,838
Overdue for 366 days to 730 days . .	3,853	1,325	2,332	2,429
Overdue for more than 730 days . . .	131	922	1,718	3,021
	<u>27,551</u>	<u>52,061</u>	<u>66,953</u>	<u>64,007</u>

The Group grants credit period to its customers for different revenue streams. Further details on the Group’s credit policy and credit risk arising from trade receivables are set out in Note 32(a).



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## ACCOUNTANTS’ REPORT

### The Company

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Bill receivables . . . . .	–	6,160	8,399	3,959
Trade receivables				
– related parties . . . . .	5,251	15,304	14,169	3,746
– third parties . . . . .	28,448	29,849	44,491	45,981
Less: Provision for doubtful debts . .	(9,220)	(8,982)	(9,698)	(10,772)
	<u>24,479</u>	<u>42,331</u>	<u>57,361</u>	<u>42,914</u>

### Aging analysis

As at the end of each reporting period, the aging analysis of trade and bills receivables, based on the invoice date and net of loss allowance, is as follows:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Not overdue . . . . .	19,201	36,187	51,072	34,695
Overdue within 365 days . . . . .	2,793	4,525	2,638	3,231
Overdue for 366 days to 730 days . .	2,400	1,166	2,252	2,231
Overdue for more than 730 days . . .	85	453	1,399	2,757
	<u>24,479</u>	<u>42,331</u>	<u>57,361</u>	<u>42,914</u>

## 20 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### The Group

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Receivables for online ride-hailing business from the aggregation platforms . . . . .	11,840	14,693	18,815	25,934
Project bidding and other deposits . .	8,161	8,133	5,819	5,477
Receivables for ticket price . . . . .	3,880	7,776	21,943	12,497
Prepayments for purchase of services/goods . . . . .	871	8,605	819	4,407
Interests free advance to a management employee of a subsidiary . . . . .	2,955	2,721	1,944	1,808
Others . . . . .	<u>1,777</u>	<u>3,440</u>	<u>4,142</u>	<u>4,369</u>
Less: allowance for other receivables . . . . .	(259)	(70)	(502)	(504)
Total . . . . .	<u>29,225</u>	<u>45,298</u>	<u>52,980</u>	<u>53,988</u>

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**The Company**

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Due from subsidiaries . . . . .	3,729	15,385	3,550	17,681
Project bidding and other deposits . .	7,928	7,927	5,574	5,127
Deposits to passenger transportation stations for ticket price . . . . .	2,472	6,338	20,971	12,265
Prepayment for purchases of services/goods . . . . .	71	8,539	392	1,055
Receivables for ticket price . . . . .	–	–	1,500	4,523
Others . . . . .	65	714	1,487	710
Less: allowance for other receivables . . . . .	(194)	(60)	(501)	(503)
Total . . . . .	<u>14,071</u>	<u>38,843</u>	<u>32,973</u>	<u>40,858</u>

**21 OTHER CURRENT ASSETS**

**The Group**

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products (i) . . .	143,262	41,640	55	53,205
Others (ii). . . . .	2,090	5,824	3,149	2,747
	<u>145,352</u>	<u>47,464</u>	<u>3,204</u>	<u>55,952</u>

**The Company**

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Wealth management products (i) . . .	96,994	–	–	–
Others (ii). . . . .	2,084	5,671	2,678	1,578
	<u>99,078</u>	<u>5,671</u>	<u>2,678</u>	<u>1,578</u>

*Notes:*

- (i) The wealth management products are issued by banks in the PRC with variable interest rate due within one year and are measured at fair value. The fair value of wealth management products is calculated by discounting the expected future cash flows. The key input used by the Group for wealth management products is the expected rate of return.
- (ii) Others mainly includes the prepaid value-added tax in Track Record Period.

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### 22 CASH AND CASH EQUIVALENTS

#### (a) Cash and cash equivalents comprise:

##### The Group

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank and on hand . . . . .	112,129	99,359	171,557	109,336
Less: Restricted cash ( <i>Note</i> ) . . . . .	(60)	(2,779)	(60)	(2,060)
Cash and cash equivalents . . . . .	<u>112,069</u>	<u>96,580</u>	<u>171,497</u>	<u>107,276</u>

*Note:* The restricted cash mainly represented structured deposits as at 30 June 2024. The restricted cash mainly represented bank deposits frozen by court due to a litigation against a subsidiary of the Group as at 31 December 2022, which was subsequently released after the Group won the lawsuit in the year ended 31 December 2023.

##### The Company

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at bank and on hand . . . . .	79,407	54,720	58,197	64,254
	<u>79,407</u>	<u>54,720</u>	<u>58,197</u>	<u>64,254</u>

#### (b) Reconciliation of loss before taxation to cash used in operations:

##### The Group

	<i>Note</i>	Years ended 31 December			Six months ended 30 June	
		2021	2022	2023	2023	2024
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loss before taxation . . . . .		(586,885)	(500,131)	(482,982)	(234,936)	(284,871)
Adjustments for:						
Depreciation . . . . .	6(c)	8,067	8,633	7,122	3,646	3,437
Amortisation . . . . .	6(c)	4,969	8,015	6,388	3,594	2,792
Finance costs . . . . .	6(a)	154	107	163	53	145
Changes in the carrying amounts of redemption rights issued to investors . . . . .	27	512,482	442,037	464,054	230,004	267,568
Changes in fair values of the wealth management products . . . . .	5	(2,052)	(99)	–	(54)	(217)
Investment income . . . . .	5	(2,005)	(2,847)	(1,043)	(573)	(278)
Share of profits less losses of associates . . . . .		3,547	2,644	(1,438)	1	(382)
Net loss on disposal of property and equipment . . . . .		431	545	80	–	60

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Note	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Impairment losses on trade receivables, other receivables and contract assets . . . . .	5,072	572	4,755	3,938	1,583
Write-down of inventories . . . . .	–	523	640	586	129
Equity-settled share-based payments . . . . .	29 18,523	6,878	450	225	225
Impairment of investment in associates . . . . .	–	–	1,533	1,533	–
Changes in working capital:					
(Increase)/decrease in restricted cash . . . . .	–	(2,719)	2,719	2,719	(2,000)
(Increase)/decrease in inventories . . . . .	(20,712)	(7,032)	698	1,856	7,069
Decrease/(increase) in trade receivables . . . . .	13,065	(25,082)	(19,543)	(16,030)	1,780
Decrease/(increase) in prepayments, deposits and other receivables . . . . .	10,237	(16,306)	(8,563)	(46,020)	(1,561)
Decrease/(increase) in other current assets . . . . .	(2,090)	(3,734)	2,675	2,266	402
(Increase)/decrease in contract assets . . . . .	(112)	1,596	2,767	2,767	2
Increase/(decrease) in contract liabilities . . . . .	23,766	(138)	(1,329)	(23,977)	(8,295)
Increase in trade payables . . . . .	15,177	7,186	12,041	5,381	3,378
(Decrease)/increase in accruals and other payables . . . . .	(14,267)	(33,546)	49,419	117,453	13,890
Cash (used in)/generated from operations . . . . .	(12,633)	(112,898)	40,606	54,432	4,856

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group’s liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the group’s consolidated statements of cash flows as cash flows from financing activities.

	Redemption rights issued to investors	Lease liabilities	Bank loans	Dividend payables	Interests free advance to a management employee of a subsidiary	Total
	RMB'000 (Note 27)	RMB'000 (Note 26)	RMB'000	RMB'000	RMB'000 (Note 20)	RMB'000
<b>At 1 January 2021</b>	513,426	964	–	–	–	514,390
<b>Changes from financing cash flows:</b>						
Capital element of lease rental paid . . . . .	–	(2,924)	–	–	–	(2,924)
Interest element of lease rental paid . . . . .	–	(154)	–	–	–	(154)
Proceeds from issuance of C and C+ shares . . . . .	177,336	–	–	–	–	177,336
Total changes from financing cash flows . . . . .	177,336	(3,078)	–	–	–	174,258

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	Redemption rights issued to investors	Lease liabilities	Bank loans	Dividend payables	Interests free advance to a management employee of a subsidiary	Total
	<i>RMB'000</i> <i>(Note 27)</i>	<i>RMB'000</i> <i>(Note 26)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note 20)</i>	<i>RMB'000</i>
<b>Other changes:</b>						
Interest on lease liabilities <i>(note 6(a))</i> . . . . .	–	154	–	–	–	154
Net increase in lease liabilities from entering into new leases and termination of leases during the year . . . . .	–	5,742	–	–	–	5,742
Changes in the carrying amounts of redemption rights issued to investors . . . . .	512,482	–	–	–	–	512,482
Business combination of Hengsheng Changyun . . . . .	–	–	–	–	(2,955)	(2,955)
Total other changes . . . . .	<u>512,482</u>	<u>5,896</u>	<u>–</u>	<u>–</u>	<u>(2,955)</u>	<u>515,423</u>
<b>At 31 December 2021</b> . . . . .	<u>1,203,244</u>	<u>3,782</u>	<u>–</u>	<u>–</u>	<u>(2,955)</u>	<u>1,204,071</u>

	Redemption rights issued to investors	Lease liabilities	Bank loans	Dividend payables	Interests free advance to a management employee of a subsidiary	Total
	<i>RMB'000</i> <i>(Note 27)</i>	<i>RMB'000</i> <i>(Note 26)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note 20)</i>	<i>RMB'000</i>
<b>At 1 January 2022</b> . . . . .	1,203,244	3,782	–	–	(2,955)	1,204,071
<b>Changes from financing cash flows:</b>						
Capital element of lease rental paid . . . . .	–	(3,080)	–	–	–	(3,080)
Interest element of lease rental paid . . . . .	–	(107)	–	–	–	(107)
Collection of interests free advance to a management employee of a subsidiary . . . . .	–	–	–	–	234	234
Total changes from financing cash flows . . . . .	<u>–</u>	<u>(3,187)</u>	<u>–</u>	<u>–</u>	<u>234</u>	<u>(2,953)</u>
<b>Other changes:</b>						
Interest on lease liabilities <i>(note 6(a))</i> . . . . .	–	107	–	–	–	107
Net increase in lease liabilities from entering into new leases and termination of leases during the year . . . . .	–	771	–	–	–	771
Changes in the carrying amounts of redemption rights issued to investors . . . . .	442,037	–	–	–	–	442,037
Total other changes . . . . .	<u>442,037</u>	<u>878</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>442,915</u>
<b>At 31 December 2022</b> . . . . .	<u>1,645,281</u>	<u>1,473</u>	<u>–</u>	<u>–</u>	<u>(2,721)</u>	<u>1,644,033</u>

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	Redemption rights issued to investors	Lease liabilities	Bank loans	Dividend payables	Interests free advance to a management employee of a subsidiary	Total
	<i>RMB'000</i> <i>(Note 27)</i>	<i>RMB'000</i> <i>(Note 26)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note 20)</i>	<i>RMB'000</i>
<b>At 1 January 2023</b> . . . . .	1,645,281	1,473	–	–	(2,721)	1,644,033
<b>Changes from financing cash flows:</b>						
Proceeds from bank loans and borrowings . . . . .	–	–	10,000	–	–	10,000
Repayment of bank loans and borrowings . . . . .	–	–	(10,000)	–	–	(10,000)
Capital element of lease rental paid . . . . .	–	(3,231)	–	–	–	(3,231)
Interest element of lease rental paid . . . . .	–	(151)	–	–	–	(151)
Interest paid . . . . .	–	–	(12)	–	–	(12)
Distribution to non-controlling interests . . . . .	–	–	–	(1,231)	–	(1,231)
Collection of interests free advance to a management employee of a subsidiary . . . . .	–	–	–	–	777	777
Total changes from financing cash flows . . . . .	–	(3,382)	(12)	(1,231)	777	(3,848)
<b>Other changes:</b>						
Interest on bank loans and borrowings <i>(note 6(a))</i> . . . . .	–	–	12	–	–	12
Interest on lease liabilities <i>(note 6(a))</i> . . . . .	–	151	–	–	–	151
Net increase in lease liabilities from entering into new leases and termination of leases during the year . . . . .	–	5,728	–	–	–	5,728
Cash dividends paid to shareholders . . . . .	–	–	–	1,231	–	1,231
Changes in the carrying amounts of redemption rights issued to investors . . . . .	464,054	–	–	–	–	464,054
Total other changes . . . . .	464,054	5,879	12	1,231	–	471,176
<b>At 31 December 2023</b> . . . . .	<u>2,109,335</u>	<u>3,970</u>	<u>–</u>	<u>–</u>	<u>(1,944)</u>	<u>2,111,361</u>

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	Redemption rights issued to investors	Lease liabilities	Bank loans	Dividend payables	Interests free advance to a management employee of a subsidiary	Total
	<i>RMB'000</i> <i>(Note 27)</i>	<i>RMB'000</i> <i>(Note 26)</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Note 20)</i>	<i>RMB'000</i>
<b>At 1 January 2024</b> . . . . .	2,109,335	3,970	–	–	(1,944)	2,111,361
<b>Changes from financing cash flows:</b>						
Proceeds from loans and borrowings . . . . .	–	–	10,000	–	–	10,000
Repayment of loans and borrowings . . . . .	–	–	(10,000)	–	–	(10,000)
Capital element of lease rental paid . . . . .	–	(2,255)	–	–	–	(2,255)
Interest element of lease rental paid . . . . .	–	(140)	–	–	–	(140)
Interest paid . . . . .	–	–	(5)	–	–	(5)
Distribution to non-controlling interests . . . . .	–	–	–	(2,053)	–	(2,053)
Collection of interests free advance to a management employee of a subsidiary . . . . .	–	–	–	–	136	136
Total changes from financing cash flows . . . . .	–	(2,395)	(5)	(2,053)	136	(4,317)
<b>Other changes:</b>						
Interest on bank loans and borrowings ( <i>note 6(a)</i> ) . . . . .	–	–	5	–	–	5
Interest on lease liabilities ( <i>note 6(a)</i> ) . . . . .	–	140	–	–	–	140
Net increase in lease liabilities from entering into new leases and termination of leases during the period . . . . .	–	5,961	–	–	–	5,961
Cash dividends paid to shareholders . . . . .	–	–	–	2,053	–	2,053
Changes in the carrying amounts of redemption rights issued to investors . . . . .	267,568	–	–	–	–	267,568
Total other changes . . . . .	267,568	6,101	5	2,053	–	275,727
<b>At 30 June 2024</b> . . . . .	2,376,903	7,676	–	–	(1,808)	2,382,771

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	Redemption rights issued to investors	Lease liabilities	Bank loans	Dividend payables	Interests free advance to a management employee of a subsidiary	Total
	<i>RMB'000</i> (Note 27)	<i>RMB'000</i> (Note 26)	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Note 20)	<i>RMB'000</i>
<b>At 1 January 2023</b> . . . . .	1,645,281	1,473	–	–	(2,721)	1,644,033
<b>Changes from financing cash flows:</b>						
Proceeds from loans and borrowings . . . . .	–	–	10,000	–	–	10,000
Capital element of rental paid . . . . .	–	(1,601)	–	–	–	(1,601)
Interest element of rental paid . . . . .	–	(53)	–	–	–	(53)
Distribution to non-controlling interests . . . . .	–	–	–	(1,231)	–	(1,231)
Collection of interests free advance to a management employee of a subsidiary . . . . .	–	–	–	–	81	81
<b>Total changes from financing cash flows</b> . . . . .	<u>–</u>	<u>(1,654)</u>	<u>10,000</u>	<u>(1,231)</u>	<u>81</u>	<u>7,196</u>
<b>Other changes:</b>						
Interest on lease liabilities (note 6(a)) . . . . .	–	53	–	–	–	53
Net increase in lease liabilities from entering into new leases and termination of leases during the year . . . . .	–	5,587	–	–	–	5,587
Cash dividends paid to shareholders . . . . .	–	–	–	1,231	–	1,231
Changes in the carrying amounts of redemption rights issued to investors . . . . .	230,004	–	–	–	–	230,004
<b>Total other changes</b> . . . . .	<u>230,004</u>	<u>5,640</u>	<u>–</u>	<u>1,231</u>	<u>–</u>	<u>236,875</u>
<b>At 30 June 2023</b> . . . . .	<u>1,875,285</u>	<u>5,459</u>	<u>10,000</u>	<u>–</u>	<u>(2,640)</u>	<u>1,888,104</u>

**(d) Total cash outflow for leases:**

Amounts included in the consolidated statements of cash flows for leases comprise the following:

	Years ended 31 December			Six months ended 30 June	
	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>
Within operating cash flows . . . . .	1,216	1,318	1,124	511	606
Within financing cash flows . . . . .	2,924	3,080	3,231	1,601	2,255
	<u>4,140</u>	<u>4,398</u>	<u>4,355</u>	<u>2,112</u>	<u>2,861</u>



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	Years ended 31 December			Six months ended 30 June	
	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>
Rental paid . . . . .	4,140	4,398	4,355	2,112	2,861

**23 TRADE PAYABLES**

**The Group**

	As at 31 December			As at 30 June	
	2021	2022	2023	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Trade payables due to:					
– related parties . . . . .		235	353	455	384
– third parties . . . . .		37,251	44,319	56,258	59,707
		37,486	44,672	56,713	60,091

As at the end of each reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

	As at 31 December			As at 30 June	
	2021	2022	2023	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Within one year . . . . .	37,486	44,672	56,713	60,091	
	37,486	44,672	56,713	60,091	

**The Company**

	As at 31 December			As at 30 June	
	2021	2022	2023	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Trade payables due to: . . . . .					
– related parties . . . . .		235	353	478	459
– third parties . . . . .		25,229	17,809	18,276	19,021
		25,464	18,162	18,754	19,480

As at the end of each reporting period, the aging analysis of trade payables, based on the invoice date, is as follows:

	As at 31 December			As at 30 June	
	2021	2022	2023	2024	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	
Within one year . . . . .	25,464	18,162	18,754	19,480	
	25,464	18,162	18,754	19,480	

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**24 ACCRUED EXPENSES AND OTHER PAYABLES**

**The Group**

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Ticket price collected on behalf of passenger transportation stations and passenger transportation companies . . . . .	82,339	48,172	81,370	99,501
Advance from online travel agencies . . . . .	15,958	8,001	7,050	3,261
Accrued payroll and benefits . . . . .	23,416	34,160	46,447	43,173
Other taxes payable . . . . .	2,594	1,957	5,326	6,363
Others . . . . .	5,850	4,321	5,836	7,621
	<u>130,157</u>	<u>96,611</u>	<u>146,029</u>	<u>159,919</u>

**The Company**

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Ticket price collected on behalf of passenger transportation stations and passenger transportation companies . . . . .	65,736	32,417	55,114	69,433
Advance from online travel agencies . . . . .	15,958	8,001	7,050	3,261
Accrued payroll and benefits . . . . .	12,862	19,733	22,680	23,135
Other taxes payable . . . . .	629	1,470	1,673	1,299
Others . . . . .	2,073	11,438	2,506	5,894
	<u>97,258</u>	<u>73,059</u>	<u>89,023</u>	<u>103,022</u>

**25 CONTRACT LIABILITIES**

**The Group**

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Advance payments received from customers. . . . .	<u>24,116</u>	<u>23,978</u>	<u>22,649</u>	<u>14,354</u>

Contract liabilities mainly represented payments received in advance from customers for digitalization service business.

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Movements in contract liabilities are set out below:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
At the beginning of the year/period . . .	6,247	24,116	23,978	22,649
Decrease in contract liabilities as a result of recognizing revenue during the year/period that was included in the contract liabilities at the beginning of the year/period . . . . .	(6,247)	(24,116)	(23,978)	(22,649)
Increase in contract liabilities as a result of receiving advance payments from customers during the year/period . . . . .	24,116	23,978	22,649	14,354
At the end of the year/period . . . . .	<u>24,116</u>	<u>23,978</u>	<u>22,649</u>	<u>14,354</u>

As at 31 December 2021, 2022 and 2023 and 30 June 2024, all the contract liabilities are expected to be recognised as revenue within one year.

### The Company

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Advance payments received from customers. . . . .	<u>22,679</u>	<u>21,746</u>	<u>17,140</u>	<u>11,369</u>

## 26 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group’s lease liabilities at the end of each reporting period:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year . . . . .	<u>3,044</u>	<u>1,044</u>	<u>3,238</u>	<u>3,808</u>
After 1 year but within 2 years . . . .	738	428	732	1,509
After 2 years but within 5 years . . . .	–	–	–	2,359
	<u>738</u>	<u>428</u>	<u>732</u>	<u>3,868</u>
	<u>3,782</u>	<u>1,472</u>	<u>3,970</u>	<u>7,676</u>

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The following table shows the remaining contractual maturities of the Company’s lease liabilities at the end of each reporting period:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000
Within 1 year . . . . .	2,931	697	2,440	3,255
After 1 year but within 2 years . . . . .	697	108	634	1,427
After 2 years but within 5 years . . . . .	–	–	–	2,316
	697	108	634	3,743
	<u>3,628</u>	<u>805</u>	<u>3,074</u>	<u>6,998</u>

### 27 REDEMPTION RIGHTS ISSUED TO INVESTORS

The Group and the Company:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB’000	RMB’000	RMB’000	RMB’000
Financial liabilities arising from redemption rights issued to investors . . . . .	<u>1,203,244</u>	<u>1,645,281</u>	<u>2,109,335</u>	<u>2,376,903</u>

The movements of the financial liabilities arising from redemption rights issued to investors during the Track Record Period are set out below:

	Financial liabilities arising from redemption rights issued to investors
	RMB’000
At 1 January 2021 . . . . .	513,426
Grant of redemption rights in Series C and Series C+ financing ( <i>Note 31(c)</i> ) . . . . .	177,336
Changes in the carrying amounts of redemption rights issued to investors . . . . .	<u>512,482</u>
At 31 December 2021 . . . . .	1,203,244
Changes in the carrying amounts of redemption rights issued to investors . . . . .	<u>442,037</u>
At 31 December 2022 . . . . .	1,645,281
Changes in the carrying amounts of redemption rights issued to investors . . . . .	<u>464,054</u>
At 31 December 2023 . . . . .	2,109,335
Changes in the carrying amounts of redemption rights issued to investors . . . . .	<u>267,568</u>
At 30 June 2024 . . . . .	<u>2,376,903</u>

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From July 2016 to August 2021, the Company conducted several rounds of private placement financing, i.e. the Series A to C+ financing by issuing registered capital to some investors (the “preferential investors”) and at the same time granting the preferential investors the right to require the Company to redeem their paid-in capital for cash upon the occurrence of any of the following events: (i) no qualified initial public offerings (“IPO”) has been consummated before 30 June 2023, which is agreed between the Company and the Series B, B+, C, and C+ investors; (ii) all or substantial assets of the Group are sold, leased, transferred, assigned or disposed, including major intellectual property rights of the Group being licensed to a third party (except for software licenses); (iii) the Company is acquired by another entity through merger, reorganization, equity sale or other transactions, and the controlling shareholder or actual controller who had control of the Company before the transaction lost its status as a controlling shareholder or actual controller in the surviving entity or successor entity after the completion of such transactions; and (iv) the Company and/or founding shareholders seriously violate any representation, warranty and commitment terms under the investment transaction documents.

The redemption price is the higher of (i) the Company’s then fair value on a pro-rata basis among all shareholders according to the percentage of shares held by the preferential investors; and (ii) the investment amount paid by the preferential investors, plus an annual simple interest rate of 10% on the investment amount for the period commencing from the relevant payment date of the investment amount to the date on which the investors receive payments for redemption, and a pro-rata share of the Company’s accumulated distributable profits.

The redemption rights will be terminated upon the Company’s qualified IPO.

Subsequently in October and November 2024, the Company reached agreements with all the preferential investors to terminate the redemption rights upon the Company’s first submission of the [REDACTED] application with the [REDACTED]. However if the Company withdraws the submission of the [REDACTED] application or the Company fails to consummate the [REDACTED] within 24 months from the date of the first submission, the redemption rights shall automatically be reinstated.

### 28 DEFERRED TAX LIABILITIES

The components of deferred tax liabilities recognised in the consolidated statements of financial position and the movements during the year/period are as follows:

	Lease liabilities	Right-of-use assets	Fair value adjustment of intangible assets arising from business combination	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2021 . . . . .	583	(606)	(556)	(579)
(Charged)/credited to profit or loss . . . . .	–	(25)	297	272
Effect of business combination (Note 30) . . . . .	–	–	(2,198)	(2,198)
At 31 December 2021 and 1 January 2022 . . . . .	583	(631)	(2,457)	(2,505)
(Charged)/credited to profit or loss . . . . .	(295)	287	692	684
At 31 December 2022 and 1 January 2023 . . . . .	288	(344)	(1,765)	(1,821)
(Charged)/credited to profit or loss . . . . .	(140)	170	692	722
At 31 December 2023 and 1 January 2024 . . . . .	148	(174)	(1,073)	(1,099)
(Charged)/credited to profit or loss . . . . .	(33)	35	346	348
At 30 June 2024 . . . . .	115	(139)	(727)	(751)

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**29 SHARE-BASED PAYMENTS**

	Years ended 31 December			Six months ended 30 June	
	2021	2022	2023	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Share awards granted by the Company . . . . .	18,523	6,766	–	–	–
Share awards granted by a subsidiary . . . . .	–	112	450	225	225
Share awards granted by the Group . . . . .	<u>18,523</u>	<u>6,878</u>	<u>450</u>	<u>225</u>	<u>225</u>

*(Unaudited)*

**(a) Share awards granted by the Company**

On 25 July 2016, the shareholders of the Company approved and adopted the option incentive plan (“2016 Plan”), under which the share awards are exercisable upon the Company’s [REDACTED]. Under the 2016 Plan, as at 1 January 2021, total RMB4,859,000 paid-in capital of Zhuhai Times Zhongcheng Investment Enterprise (Limited Partnership) (“Times Zhongcheng”), Zhuhai Times Xincheng Investment Enterprise (Limited Partnership) (“Times Xincheng”), Zhuhai Yunju Yicheng Investment Enterprise (Limited Partnership) (“Yunju Yicheng”), and Zhuhai Xinju Yicheng Investment Enterprise (Limited Partnership) (“Xinju Yicheng”), four of the Company’s shareholders (altogether “Shareholding Platform of the Company”), were granted to certain employees at a price of RMB2.5 per unit paid-in capital by allocation of the partnership interests of Shareholding Platform of the Company.

On 30 September 2021, the shareholders approved and adopted the new share awards plan (“2021 Plan”) to replace the 2016 Plan, under which the terms related to the [REDACTED] performance condition and the implied service period were removed. The share awards should be vested immediately. The grant date fair value of the share-based payments is measured at the difference between the weighted average fair value of RMB6.31 per unit paid-in capital at the grant date and the price of RMB2.5 per unit paid-in capital.

On 31 March 2022, total RMB292,000 paid-in capital of the Shareholding Platform of the Company were granted to certain employees at a price of RMB2.5 per unit paid-in capital by allocation of the partnership interests of the Shareholding Platform of the Company. The share awards were vested immediately at the grant date. The grant date fair value of the share-based payments is measured at the difference between the fair value of RMB25.61 per unit paid-in capital at the grant date and the price of RMB2.5 per unit paid-in capital.

**(b) Share awards granted by a subsidiary**

On 30 September 2022, RMB620,000 paid-in capital of Hangzhou Yuntu Investment Management Partnership (Limited Partnership) (“Hangzhou Yuntu”), one of Hengsheng Changyun’s shareholders, were granted to certain of Hengsheng Changyun’s employees at a price of RMB1.5 per unit paid-in capital by allocation of the partnership interests of Hangzhou Yuntu. The share awards were vested in three years since the grant date.

The grant date fair value of the share-based payments is measured at the difference between the fair value of RMB3.68 per unit paid-in capital at the grant date and the price of RMB1.5 per unit paid-in capital. The grant date fair value is amortised on a straight-line basis in the three years since the grant date.

**30 BUSINESS COMBINATION**

The Group previously held 8.33% equity interests in Hengsheng Changyun and has appointed a director, from which the Group is able to exercise significant influence. Hengsheng Changyun was regarded as an associate before the step acquisition. In August 2021, the Group completed the acquisition of 49.84% equity interest of Hengsheng Changyun at a total consideration of RMB55,154,000, following which, the Group has more than half of the voting rights in Hengsheng Changyun. Since the decisions are made by simple majority at both shareholder level and the board of director level, the Group considers it has obtained control over Hengsheng Changyun since 1 August 2021.

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The fair values of identifiable assets and liabilities at the acquisition date are as follows:

	<u>RMB'000</u>
Property and equipment . . . . .	182
Intangible assets . . . . .	19,809
Interest in an associate . . . . .	622
Inventories . . . . .	44
Other current assets . . . . .	43,220
Trade and bills receivables . . . . .	152
Prepayments, deposits and other receivables . . . . .	5,303
Cash and cash equivalents . . . . .	2,252
Accrued expenses and other payables . . . . .	(19,738)
Deferred tax liabilities . . . . .	(2,198)
Total identifiable net assets . . . . .	<u>49,648</u>
Non-controlling interests initially recognised as at acquisition date . . . . .	<u>(20,768)</u>
The Group's share of the net assets acquired . . . . .	<u>28,880</u>
Goodwill was recognised from the acquisition:	
Consideration transferred:	
Cash and cash equivalents . . . . .	55,154
Fair value of pre-existing equity interests . . . . .	9,219
Less: the Group's share of the net assets acquired . . . . .	<u>(28,880)</u>
Goodwill . . . . .	<u>35,493</u>

Goodwill arose in the acquisitions because the consideration paid for the acquisition included amounts in relation to the skills and technical talents of Hengsheng Changyun's workforce and the benefits of expected synergies to be achieved from integrating the acquiree into the Group's existing internet ticketing services. None of the goodwill recognised is expected to be deductible for income tax purposes.

Analysis of the cash flows in respect of the acquisition of subsidiary:

	<u>RMB'000</u>
Net cash outflow included in investing activities	
Cash consideration paid . . . . .	(55,154)
Cash and cash equivalents acquired . . . . .	<u>2,252</u>
	<u>(52,902)</u>

Hengsheng Changyun contributed an aggregate revenue of RMB11,259,000 and aggregate profit of RMB872,000 to the Group for the five months ended 31 December 2021.

Had the combination taken place on 1 January 2021, the revenue and the loss of the Group for the year ended 31 December 2021 would have been RMB568,381,000 and RMB583,942,000 respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2021.

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**31 CAPITAL AND RESERVES**

**(a) Movements in components of equity**

The reconciliation between the opening and closing balances of each component of the Group’s consolidated equity is set out in the consolidated statements of changes in equity. Details of the changes in the Company’s individual components of equity between the beginning and the end of each reporting period are set out below:

**The Company**

	Paid-in- capital/share capital	Share premium	Other reserves	Accumulated losses	Total equity/(deficit)
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
<b>Balance at 1 January 2021 . . . . .</b>	62,300	–	(23,787)	(457,894)	(419,381)
<b>Changes in equity for the year ended 31 December 2021</b>					
Loss and total comprehensive income for the year . . . . .	–	–	–	(582,714)	(582,714)
Recognition of share-based payment . . . . .	–	–	18,523	–	18,523
Capital contribution . . . . .	6,905	–	170,431	–	177,336
Issuance of redemption rights to investors . . . . .	–	–	(177,336)	–	(177,336)
<b>Balance at 31 December 2021 and 1 January 2022 . . . . .</b>	<u>69,205</u>	<u>–</u>	<u>(12,169)</u>	<u>(1,040,608)</u>	<u>(983,572)</u>
<b>Changes in equity for the year ended 31 December 2022</b>					
Loss and total comprehensive income for the year . . . . .	–	–	–	(491,572)	(491,572)
Conversion into a joint stock company with limited liability . . . . .	–	171,415	(606,965)	435,550	–
Recognition of share-based payment . . . . .	–	–	6,766	–	6,766
Others . . . . .	–	–	(21)	–	(21)
<b>Balance at 31 December 2022 and 1 January 2023 . . . . .</b>	<u>69,205</u>	<u>171,415</u>	<u>(612,389)</u>	<u>(1,096,630)</u>	<u>(1,468,399)</u>
<b>Changes in equity for the year ended 31 December 2023</b>					
Loss and total comprehensive income for the year . . . . .	–	–	–	(478,430)	(478,430)
<b>Balance at 31 December 2023 and 1 January 2024 . . . . .</b>	<u>69,205</u>	<u>171,415</u>	<u>(612,389)</u>	<u>(1,575,060)</u>	<u>(1,946,829)</u>
<b>Changes in equity for the six months ended 30 June 2024</b>					
Loss and total comprehensive income for the period . . . . .	–	–	–	(269,351)	(269,351)
<b>Balance at 30 June 2024 . . . . .</b>	<u>69,205</u>	<u>171,415</u>	<u>(612,389)</u>	<u>(1,844,411)</u>	<u>(2,216,180)</u>



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### (b) Dividends

No dividends have been declared or paid by the Company during the years ended 31 December 2021, 2022, 2023 and six months ended 30 June 2024.

### (c) Paid-in capital/share capital

#### (i) Paid-in capital

For the purpose of this report, the paid-in capital of the Group represents the paid-in capital of the Company before it was converted into a joint stock company with limited liability.

	<u>Total</u>
	<i>RMB'000</i>
At 1 January 2021 . . . . .	62,300
Capital contribution by investors (i) . . . . .	<u>6,905</u>
At 31 December 2021 . . . . .	69,205
Conversion into a joint stock company (ii) . . . . .	<u>(69,205)</u>
At 31 December 2022, 2023 and 30 June 2024 . . . . .	<u>–</u>

#### (ii) Issued share capital

	<u>Number of ordinary shares</u>	<u>Share capital</u>
	<i>'000</i>	<i>RMB'000</i>
<b>Issued and fully paid:</b>		
At 1 January and 31 December 2021 . . . . .	–	–
Issue of ordinary shares upon conversion into a joint stock company (ii) . . . . .	<u>69,205</u>	<u>69,205</u>
At 31 December 2022, 2023 and 30 June 2024 . . . . .	<u>69,205</u>	<u>69,205</u>

(i) On 10 February 2021, the Company entered into the Series C Investment, pursuant to which the investors made a total investment of RMB154,000,000 in the Company, with RMB5,996,000 and RMB148,004,000 credited to the Company’s paid in capital and reserves respectively. As the Company is obliged to redeem the shares issued to the investors for cash upon specified events (see Note 27), a financial liability is recognised for the redemption rights issued to the investors at an initial carrying amount of RMB154,000,000 by reclassifying from other reserve within equity.

On 5 August 2021, the Company entered into the Series C and C+ Investment, pursuant to which the investors made a total investment of RMB23,336,000 in the Company, with RMB909,000 and RMB22,427,000 credited to the Company’s paid in capital and reserves respectively. As the Company is obliged to redeem the shares issued to the investors for cash upon specified events (see Note 27), a financial liability is recognised for the redemption rights issued to the investors at an initial carrying amount of RMB23,336,000 by reclassifying from other reserve within equity.

(ii) On 31 August 2022, the Company was converted into a joint stock company with limited liability. Pursuant to the shareholders’ meeting of the Company on 31 August 2022, the equity of the shareholders of the Company were converted into 69,205,066 ordinary shares each with a par value of RMB1.00.

### (d) Share premium

Share premium represents the [REDACTED] received in excess of the total amount of the par value of shares issued in relation to the conversion into a joint stock company as disclosed in Note 31(c)(ii).

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### (e) Other reserve

Other reserve mainly comprises the following:

Capital premium of the Company before conversion into a joint stock company, representing the [REDACTED] of capital contribution received in excess of the paid-in capital, less the amount of financial liabilities recognised and the portion of the grant date fair value of restricted shares granted to the employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in Note 2(r)(ii).

### (f) Capital management

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing services and goods commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group defines “capital” as including all components of equity and other financial liabilities issued to investors. The Group’s policy is to maintain a strong capital base to maintain investors, creditors and market confidence and to sustain future development of the business.

The Group was not subject to externally imposed capital requirements during the Track Record Period.

## 32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, and interest rate arises in the normal course of the Group’s business. The Group’s exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group’s credit risk is primarily attributable to trade receivables, other receivables and contract assets. The Group’s exposure to credit risk arising from cash and cash equivalents and bills receivables is limited because the counterparties are banks and financial institutions with high credit ratings, for which the Group considers have low credit risk.

#### *Trade receivables and contract assets*

The Group has established a credit risk management policy under which individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer’s past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. For digitalization and business solutions, trade receivables and contract assets are mainly due from government agencies and state-owned enterprises, the Group generally grants a credit period from 90 days to 360 days. And for passenger transportation solutions, trade receivables are due for passenger transportation companies, the Group generally grants a credit period within 90 days. Normally, the Group does not obtain collateral from customers.

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customer. As at 31 December 2021, 2022, 2023 and 30 June 2024, 45.9%, 61.3%, 56.3%, and 65.0% of total trade receivables and contract assets were due from the Group’s top five largest customers respectively.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs, which is calculated using a provision matrix. The Group segments its trade receivables and contract assets based on type of customers, due to different loss patterns experienced in different customer segments.

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The following table provides information about the Group’s exposure to credit risk and ECLs for trade receivables and contract assets:

Digitalization and business solutions	As at 31 December 2021		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Not overdue . . . . .	3	21,193	699
Overdue within 365 days . . . . .	12	4,129	526
Overdue for 366 days to 730 days . . . . .	17	5,183	1,283
Overdue for more than 730 days . . . . .	100	1,492	1,492
		<u>31,997</u>	<u>4,000</u>
Individually impaired . . . . .	100	6,204	6,204
		<u>38,201</u>	<u>10,204</u>
Passenger transportation solutions			
Not overdue . . . . .	5	2,264	103
Overdue within 365 days . . . . .	5	2,232	104
Overdue for 366 days to 730 days . . . . .	75	136	102
Overdue for more than 730 days . . . . .	100	24	24
		<u>4,656</u>	<u>333</u>
		<u>42,857</u>	<u>10,537</u>

Digitalization and business solutions	As at 31 December 2022		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB’000	RMB’000
Not overdue . . . . .	3	30,120	984
Overdue within 365 days . . . . .	11	6,581	696
Overdue for 366 days to 730 days . . . . .	24	3,986	964
Overdue for more than 730 days . . . . .	100	1,371	1,371
		<u>42,058</u>	<u>4,015</u>
Individually impaired . . . . .	100	7,227	7,227
		<u>49,285</u>	<u>11,242</u>
Passenger transportation solutions			
Not overdue . . . . .	0	10,114	24
Overdue within 365 days . . . . .	1	788	5
Overdue for 366 days to 730 days . . . . .	9	174	15
Overdue for more than 730 days . . . . .	100	12	12
		<u>11,088</u>	<u>56</u>
		<u>60,373</u>	<u>11,298</u>

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As at 31 December 2023			
Digitalization and business solutions	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Not overdue . . . . .	5	48,664	2,288
Overdue within 365 days . . . . .	21	6,628	1,044
Overdue for 366 days to 730 days . . . . .	35	4,191	1,076
Overdue for more than 730 days . . . . .	100	3,915	3,915
		<u>63,398</u>	<u>8,323</u>
Individually impaired . . . . .	100	7,297	7,297
		<u>70,695</u>	<u>15,620</u>
Passenger transportation solutions			
Not overdue . . . . .	0	2,630	–
Overdue within 365 days . . . . .	1	1,222	1
Overdue for 366 days to 730 days . . . . .	9	35	–
Overdue for more than 730 days . . . . .	100	2	2
		<u>3,889</u>	<u>3</u>
		<u>74,584</u>	<u>15,623</u>
As at 30 June 2024			
Digitalization and business solutions	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Not overdue . . . . .	5	49,821	2,345
Overdue within 365 days . . . . .	21	6,465	1,387
Overdue for 366 days to 730 days . . . . .	35	3,630	1,278
Overdue for more than 730 days . . . . .	100	4,775	4,775
		<u>64,691</u>	<u>9,785</u>
Individually impaired . . . . .	100	7,416	7,416
		<u>72,107</u>	<u>17,201</u>
Passenger transportation solutions			
Not overdue . . . . .	0	4,110	–
Overdue within 365 days . . . . .	1	1,400	1
Overdue for 366 days to 730 days . . . . .	9	38	–
Overdue for more than 730 days . . . . .	100	2	2
		<u>5,550</u>	<u>3</u>
		<u>77,657</u>	<u>17,204</u>

*Note:*

Expected loss rates are based on actual loss experience over the past 12 months. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables.

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Movement the loss allowance account in respect of trade receivables and contract assets during the Track Record Period is as follows:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1 . . . . .	7,310	10,537	11,298	15,623
Credit loss allowance recognised during the year/period . . . . .	3,689	761	4,325	1,581
Amounts written off . . . . .	(462)	—	—	—
Balance at the end of year/period . .	<u>10,537</u>	<u>11,298</u>	<u>15,623</u>	<u>17,204</u>

**Other receivables**

Based on the nature of other receivables, historical default experience and the collection situation during historical periods, the management believes that there is no significant credit risk for the Group’s other receivables, and has taken into account of the forward-looking information in determining the ECL for remaining other receivables, as appropriate. For ride-hailing services, receivables mainly are due from the aggregation platforms, the Group generally grants a credit period of 30 days. The management believes that the credit risk inherent in the Group’s outstanding other receivables balances due from them is very low.

Movement in the loss allowance account in respect of other receivables during the Track Record Period is as follows:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1 . . . . .	194	259	70	502
Credit loss allowance recognised/(reversed) during the year/period . . . . .	1,383	(189)	432	2
Amounts written off . . . . .	(1,318)	—	—	—
Balance at the end of year/period . .	<u>259</u>	<u>70</u>	<u>502</u>	<u>504</u>

**(b) Liquidity risk**

The Group’s objective when managing liquidity is to maintain sufficient cash and cash equivalents to meet its liabilities when they are due. The Group’s policy is to regularly monitor its liquidity requirements, to ensure that it maintains sufficient reserves of cash, adequate committed lines of funding from major financial institutions, or to retain adequate financing arrangements to meet its liquidity requirements in the short and longer term. Individual operating entities within the Group are responsible for their own cash management, including the raising of loans to cover expected cash demands, subject to approval by the Company’s board when the borrowings exceed certain predetermined levels of authority.

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The following tables show the remaining contractual maturities as at 31 December 2021, 2022 and 2023 and 30 June 2024 of the Group’s financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of each reporting period) and the earliest date the Group can be required to pay:

As at 31 December 2021 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade payables . . . . .	37,486	–	–	37,486	37,486
Accrued expenses and other payables . . . . .	130,157	–	–	130,157	130,157
Lease liabilities . . . . .	3,166	798	–	3,964	3,782
Redemption rights issued to investors . . . . .	1,203,244	–	–	1,203,244	1,203,244
Total . . . . .	<u>1,374,053</u>	<u>798</u>	<u>–</u>	<u>1,374,851</u>	<u>1,374,669</u>

As at 31 December 2022 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade payables . . . . .	44,672	–	–	44,672	44,672
Accrued expenses and other payables . . . . .	96,611	–	–	96,611	96,611
Lease liabilities . . . . .	1,086	463	–	1,549	1,472
Redemption rights issued to investors . . . . .	1,645,281	–	–	1,645,281	1,645,281
Total . . . . .	<u>1,787,650</u>	<u>463</u>	<u>–</u>	<u>1,788,113</u>	<u>1,788,036</u>

As at 31 December 2023 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade payables . . . . .	56,713	–	–	56,713	56,713
Accrued expenses and other payables . . . . .	146,029	–	–	146,029	146,029
Lease liabilities . . . . .	3,368	761	–	4,129	3,970
Redemption rights issued to investors . . . . .	2,109,335	–	–	2,109,335	2,109,335
Total . . . . .	<u>2,315,445</u>	<u>761</u>	<u>–</u>	<u>2,316,206</u>	<u>2,316,047</u>

As at 30 June 2024 Contractual undiscounted cash outflow					
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade payables . . . . .	60,091	–	–	60,091	60,091
Accrued expenses and other payables . . . . .	159,919	–	–	159,919	159,919
Lease liabilities . . . . .	3,960	762	3,261	7,983	7,676
Redemption rights issued to investors . . . . .	2,376,903	–	–	2,376,903	2,376,903
Total . . . . .	<u>2,600,873</u>	<u>762</u>	<u>3,261</u>	<u>2,604,896</u>	<u>2,604,589</u>

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### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group’s interest rate risk arises primarily from lease liabilities. The Group currently does not have an interest rate hedging policy to mitigate interest rate risk; nevertheless, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise. The directors of the Company consider that the exposure of cash flow interest rate risk is insignificant because the current market interest rates are relatively low and stable. Hence, no sensitivity analysis is presented.

### (d) Fair value measurement

#### (i) Financial assets and liabilities measured at fair value

##### Fair value hierarchy

The following table presents the fair value of the Group’s financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

The Group has a team headed by the finance manager performing valuations for the financial instruments. The team reports directly to the chief financial officer and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each reporting date, and is reviewed and approved by the chief financial officer. During the Track Record Period, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group’s policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

	Fair value at 31 December	Fair value measurements as at 31 December 2021 categorised into		
	2021	Level 1	Level 2	Level 3
	RMB’000	RMB’000	RMB’000	RMB’000

#### Recurring fair value measurements

##### Assets:

Other current assets . . .	143,262	–	143,262	–
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	Fair value at 31 December	Fair value measurements as at 31 December 2022 categorised into		
	2022	Level 1	Level 2	Level 3
	RMB’000	RMB’000	RMB’000	RMB’000

#### Recurring fair value measurements

##### Assets:

Other current assets . . .	41,640	–	41,640	–
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	Fair value at 31 December	Fair value measurements as at 31 December 2023 categorised into		
	2023	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Recurring fair value measurements</b>				
<i>Assets:</i>				
Other current assets . . .	55	–	55	–

	Fair value at 30 June	Fair value measurements as at 30 June 2024 categorised into		
	2024	Level 1	Level 2	Level 3
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Recurring fair value measurements</b>				
<i>Assets:</i>				
Other current assets . . .	53,205	–	53,205	–

### Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of other current assets is related to the expected cash flow discounted by required rate of return of the wealth management products according to the contracts signed with the banks.

The carrying amounts of the Group’s financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2021, 2022 and 2023 and 30 June 2024.

### 33 COMMITMENTS

As at 31 December 2021, 2022, 2023 and 30 June 2024, the Group has no material capital commitment.

### 34 MATERIAL RELATED PARTY TRANSACTIONS

#### (a) Name and relationship with related parties

During the Track Record Period, the directors are of the view that the following are related parties of the Group which have material transactions with the Group:

Name of related parties	Relationship with the Group
Zhejiang Ali Travel Investment Co., Ltd 浙江阿里旅行投資有限公司 . . . . .	Shareholder of the Group
Jiangxi Zhiyunjiuzhou Internet Technology Co., Ltd 江西智運九州互聯網科技有限責任公司 . . . . .	Associate
Jilin Changsheng Jixing Technology Co., Ltd 吉林省長盛吉行科技有限公司 . . . . .	Associate
Kunming Quanyu Tourism Operation Service Co., Ltd 昆明全域旅遊運營服務有限公司 . . . . .	Associate
Yunnan Yuetu Technology Co., Ltd 雲南悅途科技有限公司 . . . . .	Associate
Shaanxi Fengxing Jingtu Automobile Service Co., Ltd 陝西豐行景途汽車服務有限公司 . . . . .	Associate
Gansu Public Road Passenger Transport Network Ticketing Operation Service Center Co., Ltd 甘肅公眾道路客運聯網售票運營服務中心有限公司 . . . . .	Associate
Beijing Kaibao Network Technology Co., Ltd 北京凱寶網絡科技有限公司 . . . . .	A company controlled by the spouse of a director of one of the subsidiaries of the Company
PDAGER MOBILITY CO., LTD. 北京易行出行旅遊有限公司 . . . . .	A company controlled by a shareholder
Jiangxi Gan Yixing Technology Co., Ltd 江西贛易行科技有限公司 . . . . .	Associate

\* The official names of these entities are in Chinese. The English translation of the names is for identification only.



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**ACCOUNTANTS’ REPORT**

**(b) Key management personnel remuneration**

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors and supervisors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows.

	Years ended 31 December			Six months ended 30 June	
	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>
Salaries, allowances and other benefits . . . . .	5,311	5,278	5,351	1,903	2,201
Discretionary bonuses . . . . .	1,762	1,552	2,118	–	–
Retirement scheme contributions . . . . .	418	472	427	163	232
Equity-settled share-based payments . . . . .	7,476	148	–	–	–
Total . . . . .	<u>14,967</u>	<u>7,450</u>	<u>7,896</u>	<u>2,066</u>	<u>2,433</u>

Total remuneration is included in “staff costs” (see Note 6(b)).

**(c) Related party transactions**

During the Track Period Record, the Group entered into the following material related party transactions. These transactions were conducted under standard terms in the normal course of business:

	Years ended 31 December			Six months ended 30 June	
	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>
<b>Transaction amounts with related parties:</b>					
<b>Provision of services</b>					
Provision of Digitalization and Business Solutions . . . . .	4,210	34,913	34,945	21,140	9,767
Provision of passenger Transportation Solutions . . . . .	1,793	5,323	5,427	3,580	2,116
<b>Purchase of services</b>					
Purchase of Ride-hailing Services . . . . .	35,844	9,073	74,529	42,414	42,701
Purchase of passenger Transportation Solutions . . . . .	2,477	2,749	2,200	1,118	1,990

## APPENDIX I

## ACCOUNTANTS’ REPORT

### (d) Balance with related parties

As at the end of each reporting period, the Group recorded the following material related party balances:

	As at 31 December			As at 30 June
	2021	2022	2023	2024
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Amounts due from related parties:</b>				
<b>Trade related</b>				
Trade receivables . . . . .	5,040	21,513	22,323	21,916
Prepayments, deposits and other receivables . . . . .	8,732	11,590	15,472	26,964
<b>Non-trade related</b>				
Prepayments, deposits and other receivables . . . . .	2,955	2,721	1,944	1,808
<b>Amounts due to related parties:</b>				
<b>Trade related</b>				
Trade payables . . . . .	235	353	455	384
Accruals expenses and other payables . . . . .	10,958	2,668	946	2,011
Contract liabilities . . . . .	42	301	705	430

The non-trade related balances due from a related party are unsecured, interest-free and have no fixed repayment terms. The balances with related parties that were non-trade in nature had been settled at the end of October 2024.

### 35 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ACCOUNTING PERIOD BEGINNING ON 1 JANUARY 2024

Up to the date of this report, the IASB has issued a number of amendments and new standards, which are not yet effective for the Track Record Period and which have not been adopted in the Historical Financial Information. These developments includes:

	<u>Effective for accounting periods beginning on or after</u>
Amendments to IAS 21, <i>Lack of Exchangeability</i> . . . . .	1 January 2025
Amendments to IFRS 9 and IFRS 7: <i>Amendments to the Classification and Measurement of Financial Instruments</i> . . . . .	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11 . . . . .	1 January 2026
IFRS 18, <i>Presentation and Disclosure in Financial Statements</i> . . . . .	1 January 2027
IFRS 19, <i>Subsidiaries without Public Accountability: Disclosures</i> . . . . .	1 January 2027
Amendments to IFRS 10 and IAS 28, <i>Sale or contribution of assets between an investor and its associate or joint venture</i> . . . . .	Will be determined at a future date

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far, the Group has concluded that the adoptions of them is unlikely to have a significant impact on the Historical Financial Information.

### 36 SUBSEQUENT EVENTS

There were no material subsequent events after 30 June 2024 up to the date of this report.

### SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 30 June 2024.

**APPENDIX II** **UNAUDITED [REDACTED] FINANCIAL INFORMATION**

The following information does not form part of the Accountants’ Report received from KPMG, Certified Public Accountants, Hong Kong, the Company’s reporting accountants, as set out in Appendix I to this document, and is included herein for illustrative purposes only. The unaudited [REDACTED] financial information should be read in conjunction with “Financial Information” in this document and the Accountants’ Report set out in Appendix I to this document.

**A. UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS**

The following unaudited [REDACTED] statement of adjusted net tangible assets of the Group is prepared in accordance with Rule 4.29 of the Listing Rules and is set out below to illustrate the effect of the [REDACTED] on the consolidated net tangible liabilities attributable to equity shareholders of the Company as at 30 June 2024, as if the [REDACTED] had taken place on 30 June 2024.

The unaudited [REDACTED] statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the [REDACTED] been completed as at 30 June 2024 or at any future date.

Consolidated net tangible liabilities attributable to equity shareholders of the Company as at 30 June 2024 <sup>(1)</sup>	Estimated [REDACTED] from the [REDACTED] <sup>(2)</sup>	Estimated impact upon reclassification of redemption rights issued to investors <sup>(3)</sup>	Unaudited [REDACTED] adjusted net tangible assets attributable to equity shareholders of the Company	Unaudited [REDACTED] adjusted net tangible assets per Share <sup>(4)</sup>	
RMB’000	RMB’000	RMB’000	RMB’000	RMB	HK\$ <sup>(5)</sup>

Based on an [REDACTED] of [REDACTED] per H Share . . . . . [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

Based on an [REDACTED] of [REDACTED] per H Share . . . . . [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

*Notes:*

(1) The consolidated net tangible liabilities of the Group attributable to equity shareholders of the Company as of 30 June 2024 is arrived at after (i) deduction of goodwill of RMB[38,323,000] and intangible assets of RMB[8,381,000] and (ii) adjusting the share of intangible assets attributable to non-controlling interests of RMB[3,545,000] from the consolidated total deficit attributable to equity shareholders of the Company as of 30 June 2024 of RMB[2,255,191,000], which is extracted from the Accountants’ Report set out in Appendix I to this document.

**APPENDIX II**

**UNAUDITED [REDACTED] FINANCIAL INFORMATION**

- (2) The estimated [REDACTED] from the [REDACTED] are based on [REDACTED] H Shares to be issued pursuant to the [REDACTED] and the indicative [REDACTED] of HK\$[REDACTED] per H Share and HK\$[REDACTED] per H Share, being the low end and high end of the [REDACTED] respectively, after deduction of the estimated [REDACTED] and other related [REDACTED] paid or payable by the Group (excluding the [REDACTED] that have been charged to profit or loss during the Track Record Period), and do not take into account any H Shares which may be issued upon the exercise of the [REDACTED]. The estimated [REDACTED] from the [REDACTED] are converted to Renminbi at the exchange rate of HK\$1 to RMB0.91356. No representation is made that the Hong Kong dollar amounts have been, could have been or may be converted into Renminbi, or vice versa, at that rate.
- (3) As at 30 June 2024, the carrying amount of the redemption rights issued to investors was RMB[2,376,903,000] (as set out in Note 27 of Appendix I to this document). Upon qualified [REDACTED], the redemption rights will automatically expire, and the redemption rights issued to investors will be reclassified from liabilities to equity accordingly.
- (4) The unaudited [REDACTED] adjusted 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] and the expiration of redemption rights issued to investors had been completed on 30 June 2024, but do not take into account of any H shares which may be issued upon the exercise of the [REDACTED].
- (5) The unaudited [REDACTED] adjusted net tangible assets per Share amounts in RMB are converted into Hong Kong dollar at a rate of RMB1.00 to HK\$[1.09462]. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollar, or vice versa, at that rate.
- (6) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2024.

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**APPENDIX II**

**UNAUDITED [REDACTED] FINANCIAL INFORMATION**

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[REDACTED]

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**APPENDIX II**

**UNAUDITED [REDACTED] FINANCIAL INFORMATION**

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[REDACTED]

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**APPENDIX II**

**UNAUDITED [REDACTED] FINANCIAL INFORMATION**

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[REDACTED]

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**APPENDIX III**

**UNAUDITED PRELIMINARY FINANCIAL INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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## APPENDIX IV

## TAXATION AND FOREIGN EXCHANGE

### PRC TAXATION

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H Shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current law and practice and has not taken into account the expected change or amendment to the relevant laws or policies. The discussion has no intention to cover all possible tax consequences resulting from the investment in H Shares, nor does it take the specific circumstances of any particular investor into account, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the date of the Latest Practicable Date, which is subject to change and may have retrospective effect.

#### **Taxation on Dividends**

##### *Individual Investors*

Under the provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), last amended on August 31, 2018, and the Regulations on Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), last amended on December 18, 2018 (collectively referred to as the “IIT Law”), dividends disbursed by Chinese enterprises are subject to a flat individual income tax rate of 20%. For foreign individuals who are not residents of China, dividends received from a Chinese enterprise are generally taxed at 20%, unless there are specific exemptions granted by the State Council’s tax authority or reductions under an applicable tax treaty.

According to the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》), which came into effect on 1 January 2020, non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of “self-assessment, claiming benefits, retention of the relevant materials for future inspection”. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, simultaneously gather and retain the relevant materials pursuant to the provisions of these Measures for future inspection, and accept follow-up administration by the tax authorities. For withholding at source and designated withholding, a non-resident taxpayer asserting that it satisfies the criteria for claiming treaty benefits and need to claim such benefits shall complete an “Information Report on Non-resident Taxpayers Claiming Treaty Benefits” truthfully, submit to the withholding agent voluntarily, gather and retain the relevant materials pursuant to the relevant provisions.

## APPENDIX IV

## TAXATION AND FOREIGN EXCHANGE

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《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》), signed on August 21, 2006, the PRC Government has the authority to impose taxes on dividends paid by a PRC company to Hong Kong residents, including both natural persons and legal entities. The tax levied shall not exceed 10% of the total dividends payable by the PRC company. However, if a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company and meets certain conditions as the beneficial owner of the equity, the tax imposed shall not exceed 5% of the total dividends payable by the PRC company.

The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<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>第五議定書》), in effect since December 6, 2019, introduces specific criteria determining entitlement to treaty benefits. According to this protocol, treaty benefits will not be granted if, upon careful consideration of all relevant facts and conditions, it is reasonably determined that obtaining these benefits was a primary purpose of the arrangement or transactions, thereby providing direct or indirect benefits under the Arrangement. Exceptions are made when such benefits align with the Arrangement's relevant objectives and goals.

Additionally, the application of the dividend clause of tax agreements is bound by the stipulations outlined in the PRC tax laws and regulations, including the guidelines specified in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax 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》) (Guo Shui Han [2009] No. 81). Compliance with these regulations is essential in determining the taxation applicable to dividends under the Arrangement.

### *Enterprise Investors*

Pursuant to the provisions outlined in the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》), enacted by the National People's Congress of the PRC (NPC) on March 16, 2007, and enforced from January 1, 2008, subsequently amended on February 24, 2017, and December 29, 2018, and in alignment with the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《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, and effective from January 1, 2008, amended in 2019 (collectively referred to as the "EIT Law"), it is established that a non-resident enterprise is generally liable to a 10% enterprise income tax on income sourced within the PRC. Such income includes dividends and bonuses received from a PRC resident enterprise. This taxation applies to non-resident enterprises that lack a physical establishment or premises in the PRC. Alternatively, if an establishment or premise exists within the PRC, but the PRC-sourced income is unrelated to said establishment or premise, it is subject to the aforementioned taxation.

## APPENDIX IV

## TAXATION AND FOREIGN EXCHANGE

The withholding tax for non-resident enterprises is mandated to be deducted at the source, whereby the entity making the payment assumes the role of the withholding agent. Consequently, the withholding agent is obligated to withhold the income tax from the payment or due payment each time it is disbursed or becomes due.

The Circular of the State Taxation Administration (STA) on Issues Relating to the Withholding and Remitting of Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897), which was issued by the STA and implemented on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate flat of 10% on the dividends of 2008 and onwards that it distributes to overseas non-resident enterprise shareholders of H Shares. In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) (Guo Shui Han [2009] No. 394) which was issued by the STA and implemented on July 24, 2009, further provides that any PRC-resident enterprise that is listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprises. Such tax rates may be further changed pursuant to the tax treaty or agreement that China has concluded with relevant jurisdictions, where applicable. Accordingly, dividends paid to non-PRC resident enterprise (including [REDACTED]) shall be subject to withholding enterprise income tax at a rate of 10%.

In accordance with the Arrangement between the Mainland and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《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》) signed on August 21, 2006, the PRC Government is authorized to impose taxes on dividends disbursed by a PRC company to Hong Kong residents, including both individuals and legal entities, not exceeding 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, the tax shall not surpass 5% of the total dividends if the Hong Kong resident qualifies as the beneficial owner of the equity, and specific conditions are met.

Furthermore, the Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<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>第五議定書》), effective from December 6, 2019, introduces additional criteria for qualifying for treaty benefits. While other provisions may exist within the Arrangement, treaty benefits shall not be granted for relevant gains if, based on all relevant facts and conditions, it is reasonably determined that one of the main purposes of the arrangement or transactions, which result in direct or indirect benefits under the Arrangement, is to obtain such treaty benefits. This exception applies unless the grant of benefits aligns with the objectives and goals outlined in the Arrangement.

## APPENDIX IV

## TAXATION AND FOREIGN EXCHANGE

It is important to note that the application of the dividend clause of tax agreements is contingent upon compliance with PRC tax laws and regulations, including the guidelines provided in the Notice of the State Taxation Administration on the Issues Concerning the Application of the Dividend Clauses of Tax 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》) (Guo Shui Han [2009] No. 81).

### *Tax Treaties*

Non-resident investors residing in jurisdictions that have established treaties or arrangements for the avoidance of double taxation with the PRC may qualify for a reduction in the PRC enterprise income tax levied on dividends received from PRC companies. Currently, the PRC has entered into Avoidance of Double Taxation Treaties or Arrangements with several countries and regions, including the Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, and the United States.

Non-PRC resident enterprises eligible for preferential tax rates under these relevant taxation treaties or arrangements are required to submit an application to the PRC tax authorities for a refund of the enterprise income tax that exceeds the agreed tax rate. The approval of the refund application is subject to the evaluation and decision of the PRC tax authorities.

### **Taxation on Share Transfer**

#### *Value-Added Tax and Local Surcharges*

Under the guidelines outlined in the Notice on the Full Implementation of the Pilot Program for Transition from Business Tax to Value-Added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (Cai Shui [2016] No. 36) (referred to as "Circular 36"), effective from May 1, 2016, and subsequently amended on July 11, 2017, December 25, 2017, and March 20, 2019, individuals and entities conducting service transactions within the PRC are obligated to pay Value-Added Tax (VAT). "Sales of services within the PRC" are defined as transactions where either the service provider or the recipient is situated within the PRC.

Furthermore, Circular 36 specifies that the transfer of financial products, including the ownership transfer of marketable securities, is subject to a VAT rate of 6% on the taxable income. Taxable income, in this context, refers to the sales price balance after deducting the purchase price. This VAT obligation applies to both general and foreign VAT taxpayers. Notably, individuals are exempt from VAT obligations when engaging in the transfer of financial products.

## APPENDIX IV

## TAXATION AND FOREIGN EXCHANGE

As per the aforementioned regulations, non-resident individuals selling or disposing of H shares are exempt from VAT in the PRC. However, if the holders are non-resident enterprises, they may avoid VAT in the PRC only if the buyers of the H shares are individuals or entities located outside of the PRC. Conversely, the holders might be subject to VAT in the PRC if the buyers of the H shares are individuals or entities situated within the PRC.

### *Income Taxes*

#### *Individual investors*

Under the IIT Law, gains arising from the transfer of equity interests in PRC resident enterprises are subject to individual income tax at a rate of 20%. However, in accordance with the Circular of the Ministry of Finance (MOF) and the STA on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61), issued jointly by the MOF and STA on March 30, 1998, gains obtained by individuals from the transfer of shares of listed companies have been temporarily exempted from individual income tax since January 1, 1997.

However, on December 31, 2009, the MOF, the STA, and the CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167). This circular, effective from January 1, 2010, stipulates that individuals' income derived from the transfer of listed shares acquired through public offerings and trading on the Shanghai Stock Exchange and the Shenzhen Stock Exchange remains exempt from individual income tax. This exemption applies to shares not subject to sales restrictions, as defined in the Supplementary Notice on Issues Concerning the Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70), jointly issued by the three aforementioned departments and effective from November 10, 2010.

As of the Latest Practicable Date, there are no provisions expressly stating that individual income tax shall be imposed on non-PRC resident individuals for the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

#### *Enterprise investors*

In accordance with the Enterprise Income Tax (EIT) Law and the Implementation Provisions of the Enterprise Income Tax Law of the PRC, non-resident enterprises are typically subject to a 10% enterprise income tax on income sourced within the PRC. This includes gains realized from the disposal of equity interests in a PRC resident enterprise. However, this taxation applies only if the non-resident enterprise does not maintain a physical establishment or premises in the PRC, or if it does have such establishments in the PRC, but its PRC-sourced income is not genuinely connected with those establishments.

## APPENDIX IV

## TAXATION AND FOREIGN EXCHANGE

The withholding of income tax for non-resident enterprises is executed at the source, with the entity making the payment acting as the withholding agent. This withholding agent is obliged to deduct the income tax from each payment or due payment made to the non-resident enterprise. It’s important to note that the tax liability may be reduced or exempted in accordance with applicable tax treaties or agreements on the avoidance of double taxation.

### *Stamp Duty*

In compliance with the PRC Stamp Duty Law (《中華人民共和國印花稅法》), as issued by the SCNPC on June 10, 2021, and enforced from July 1, 2022 (referred to as the “Stamp Duty Law”), all entities and individuals involved in securities transactions within the PRC are obligated to pay stamp duty as per the regulations outlined in the Stamp Duty Law. Consequently, the stipulations concerning stamp duty applied to the transfer of shares of PRC-listed companies do not extend to the transfer and disposal of H Shares by non-PRC investors outside the PRC.

### *Estate duty*

Under prevailing PRC legislation, there is presently no imposition of estate duty within the jurisdiction.

### **Major Taxes on the Company in the PRC**

Please refer to the section headed “Regulatory Overview” of this document.

## **FOREIGN EXCHANGE**

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Regulations of the PRC on the Management of Foreign Exchange (《中華人民共和國外匯管理條例》), the “Regulations on the Management of Foreign Exchange”), which was promulgated by the State Council on January 29, 1996 and effective on April 1, 1996, classifies all international payments and transfers into current items and capital items. Most of the current items are not subject to the approval of foreign exchange administrative authorities, while capital items are subject to the approval of foreign exchange administrative authorities. According to the Regulations on the Management of Foreign Exchange as amended on January 14, 1997 and August 5, 2008, the PRC will not impose any restriction on international current payments and transfers.

## APPENDIX IV

## TAXATION AND FOREIGN EXCHANGE

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》, the "Settlement Regulations"), which was promulgated by the PBOC on June 20, 1996 and effective on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》) (PBOC Announcement [2005] No. 16), which was issued by the PBOC on July 21, 2005 and effective on the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies from July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

On August 5, 2008, the State Council promulgated the revised Regulation on the Management of Foreign Exchange, which has made substantial changes to the foreign exchange supervision system of the PRC. First, it has adopted an approach of balancing the inflow and outflow of foreign exchange. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities; second, it has improved the RMB exchange rate formation mechanism based on market supply and demand; third, in the event that international balance of payment suffer or may suffer a material imbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard or control measures against international balance of payment; fourth, it has enhanced the supervision and administration of foreign exchange transactions and grant extensive authorities to the SAFE to enhance its supervisory and administrative powers.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment from foreign exchange accounts opened at the designated foreign exchange banks, on the strength of valid transaction receipt or proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the Board of Directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange banks or effect exchange and payment at the designated foreign exchange banks.

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## TAXATION AND FOREIGN EXCHANGE

On October 23, 2014, the State Council promulgated the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) (Guo Fa [2014] No. 50), which decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

On December 26, 2014, the SAFE promulgated and implemented the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of 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》) (Hui Fa [2014] No. 54), pursuant to which, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the Administration of Foreign Exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the PRC or deposited overseas, but the use of the proceeds shall be consistent with the contents as specified in the document and other disclosure documents.

According to the Guidelines for the Foreign Exchange Business under the Capital Account (2024) issued by SAFE on April 3, 2024, in principle, the funds raised by overseas listings of domestic companies should be repatriated to China in a timely manner, and can be repatriated in RMB or foreign currency. The use of funds shall be consistent with the relevant contents listed in the document or corporate bond offering documents, shareholder circulars, resolutions of the board of directors or shareholders' meeting and other publicly disclosed documents. Domestic companies using the funds raised from overseas listings to carry out overseas direct investment, overseas securities investment, overseas lending and other businesses shall comply with the relevant foreign exchange management regulations.

According to the Notice of the SAFE on Further Simplifying and 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》) (Hui Fa [2015] No. 13) promulgated by the SAFE on February 13, 2015 and took effect on June 1, 2015, two of the administrative examination and approval items, being the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment have been canceled, the foreign exchange registration under domestic direct investment and overseas direct investment shall be directly examined and handled by banks. The SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Administration of Foreign Exchange Settlement under 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》) (Hui Fa [2016] No. 16) issued by the SAFE and came into effect on June 9, 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement as already specified by relevant policies may be handled at banks based on the domestic institutions' actual requirements for business operation. The proportion of discretionary settlement of domestic institutions' foreign exchange receipts under the capital account is temporarily determined as 100%. The SAFE may, based on the international balance of payments, adjust the aforesaid proportion at appropriate time.



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## TAXATION AND FOREIGN EXCHANGE

On January 26, 2017, the SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (《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》) (Hui Fa [2017] No. 3) to further expand the scope of settlement for domestic foreign exchange loans, allow settlement for domestic foreign exchange loans with export background under goods trading; allow repatriation of funds under domestic guaranteed foreign loans for domestic utilization; allow settlement for domestic foreign exchange accounts of foreign institutions operating in the Free Trade Pilot Zones; and adopt the model of full-coverage RMB and foreign currency overseas lending management, where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and outstanding overseas lending in foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

On October 23, 2019, the SAFE issued the Circular of the State Administration of Foreign Exchange on Further Promoting Cross-border Trade and Investment Facilitation (《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》) (Hui Fa [2019] No. 28), which stipulated that on the basis that investing foreign-funded enterprises may make domestic equity investments with their capital funds in accordance with laws and regulations, non-investing foreign-funded enterprises are permitted to legally make domestic equity investments with their capital funds under the premise that the existing Special Administrative Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》) are not violated and domestic invested projects are true and compliant.

## APPENDIX V

## SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

### PRC LAWS AND REGULATIONS

This Appendix summarizes certain aspects of PRC laws and regulations, which are relevant to the Company’s operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in “Appendix IV — Taxation and Foreign Exchange”. This Appendix also contains a summary of certain Hong Kong legal and regulatory provisions, including summaries of certain material differences between the PRC Company Law and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, certain requirements of the Listing Rules and additional provisions required by the Stock Exchange for inclusion in the articles of association of PRC issuers. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to the Company. This summary is not intended to include all the information which are important to the potential investors. For discussion of laws and regulations which are relevant to the Company’s business, see “Regulatory Overview.”

### The PRC Legal System

The PRC legal system is based on the Constitution of the PRC (the “Constitution”) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC Government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the “Legislation Law”), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people’s congresses of the provinces, autonomous regions and municipalities and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative

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regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations of cities with districts will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries, commissions of the State Council, the PBOC, the National Audit Office, institutions with administrative functions directly under the State Council, and other institutions stipulated by law may formulate rules and regulations within the power of their respective departments based on the laws, administrative regulations, decisions and rulings of the State Council. Matters governed by the departmental rules and regulations should be those for the enforcement of the laws, administrative regulations, decisions and rulings of the State Council. The people's governments of provinces, autonomous regions and municipalities directly under the central government and cities divided into districts and autonomous regions may formulate rules, in accordance with laws, administrative regulations and relevant local regulations of provinces, autonomous regions and municipalities directly under the central government.

Pursuant to the Resolution of the SCNPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on June 10, 1981, issues related to the further clarification or supplement of laws or decrees should be interpreted by the SCNPC or provided by with decrees, issues related to the application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the application of other laws and decrees in matters other than those involved in trial or prosecution process should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws and regulations is vested in the regional legislative and administrative authorities which promulgate such laws and regulations.

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### The PRC Judicial System

Under the Constitution, the Law of Organization of the People's Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People's Procuratorate of the PRC (2018 revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people's courts of the PRC are classified into the Supreme People's Court, the local people's courts at various levels, and other special people's courts. The local people's courts at various levels are divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up a number of people's tribunals based on the facts of the region, population and cases. The Supreme People's Court is the highest judicial authority. The Supreme People's Court shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels. The Chinese People's Procuratorates are divided into the Supreme People's Procuratorate, local people's procuratorates at various levels, and specialized people's procuratorates such as the Military Procuratorate. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of the local people's procuratorates and specialized people's procuratorates at all levels, and the people's procuratorates at higher levels direct the work of the people's procuratorates at lower levels.

The people's court takes the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance of the people's court are final. The parties may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court are final. The first judgments or rulings of the Supreme People's Court are also final. However, if the Supreme People's Court or a people's court at the next higher level discovers an error in the final and binding judgment or ruling which has taken effect in any people's court at a lower level, or the presiding judge of a people's court discovers an error in a final and binding judgment which has taken effect in the court over which he presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "PRC Civil Procedure Law") adopted on April 9, 1991 and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023 prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. Each party to a civil action conducted within the PRC must comply with the relevant provisions of the PRC Civil Procedure Law. A civil case is generally heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court

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having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the places where the contract is executed or signed or the place where the object of the action is located. Meanwhile, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people's court. Should a foreign court limit the litigation rights of citizens, a legal person, and other organizations of the PRC, the PRC court may apply the same limitations to the civil litigation rights to citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgement or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgement which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgement on the party.

Where a party applies for enforcement of a legally effective judgement or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgement or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people's court of the PRC, unless the people's court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of the PRC, national sovereignty, national security or social and public interest, the parties involved may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people's court to recognize and enforce it.

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### **The Company Law of the PRC, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the Guidelines for the Articles of Association of Listed Companies**

The Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “PRC Company Law”) was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised PRC Company Law has been implemented on July 1, 2024.

On February 17, 2023, CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”), which came into effect on March 31, 2023 and is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On December 15, 2023, the CSRC Promulgated the latest amended Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the “Guidelines for the Articles of Association”). According to the Overseas Listing Trial Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules — Overseas Listing Category No. 1, domestic enterprises that are directly listed overseas shall formulate its Articles of Association with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on main provisions of the PRC Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association.

#### ***General Provisions***

A joint stock limited company refers to an enterprise legal person incorporated under the PRC Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

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### *Incorporation*

A joint stock limited company may be incorporated by promotion or raising. A joint stock limited company shall be incorporated by one to 200 promoters, provided that at least more than half of the promoters must reside in the PRC. Where a joint stock limited company is to be established by means of promotion, promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association. If a joint stock limited company is to be established by means of raising, the promoters shall subscribed for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the Articles of Association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

A [REDACTED] shall be published and a subscription letter shall be prepared when the promoters offer shares to the public. The subscriber shall fill in the number of shares subscribed for, amount and domicile and affix his/her signature or seal to the subscription letter. The subscriber shall make full payment for the shares subscribed for. Where a promoter is offering shares to the public, such offer shall be underwritten by security companies established under PRC laws, and an underwriting agreement shall be concluded thereon. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities. After the share capital for a public offering has been paid in full, a capital verification institution established under PRC law must be engaged to conduct a capital verification and furnish a certificate thereof. Where the shares to be issued have not been fully subscribed for at the time of the establishment of a company, or the promoters fail to hold an establishment meeting within 30 days after the full payment has been made for the shares to be issued, subscribers may claim against the promoters for refund of the payment for shares plus the interest on the bank deposits for the same term. The promoters and subscribers may not withdraw their share capital after they have made payment for the shares or delivered non-monetary property as capital contributions, except that the shares have not been fully subscribed for within the time limit, the promoters fail to hold the establishment meeting on schedule, or the establishment meeting decides not to establish the company. The Board of Directors shall, within 30 days after the end of the establishment meeting of a company, authorize a representative to file an application for registration of establishment with the company registration authority.

### *Share Capital*

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights, land use rights, stock rights or creditor's rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

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The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any share subscriber. The issue price of par value stock may be based on the face value or exceed the face value but shall not be lower than the face value.

### *Increase In Share Capital*

Pursuant to the PRC Company Law, an increase in the capital of a company by means of an issue of new shares must be approved by shareholders in a shareholder's meeting. The Articles of Association or the shareholders' meeting may authorize the Board of Directors to decide to issue not more than 50% of the shares that have been issued within three years. However, if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the shareholders' meeting. Where the Board of Directors is authorized and decides to issue shares, and thus results in a change in the registered capital or the number of issued shares of the company, the voting at the shareholders' meeting may not be needed to revise such item set forth in the Articles of Association of the company. Where the Articles of Association or the shareholders' meeting of a company authorizes the Board of Directors to decide on issuing new shares, a resolution of the Board of Directors shall be adopted by two thirds of all the directors. In addition, where a domestic enterprise issuing and listing overseas, the issuer shall file with the CSRC in accordance with the Overseas Listing Trial Measures and submit a filing report, legal opinions and other relevant materials, giving a true, accurate and complete account of shareholders' information and other information.

### *Reduction of Share Capital*

The company shall reduce the registered capital in accordance with the following procedures as stipulated in the PRC Company Law:

- (I) the company shall prepare a balance sheet and an inventory of properties;
- (II) make a resolution at a shareholders' meeting to reduce the registered capital;
- (III) the company shall notify its creditors within 10 days after making the resolution to reduce the registered capital and publish the relevant announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;
- (IV) a creditor may, within 30 days after receipt of the notification, or within 45 days after the date of announcement if he/she has not received the notification, have the right to request the company to repay its debts or provide relevant guarantees; and
- (V) the company must apply to the company registration authority for a change in registration.



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Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or is otherwise prescribed by the Articles of Association of the company.

If a company still has losses after making up for them in accordance with the relevant provisions of the PRC Company Law, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the loss, the company shall not make any distribution to the shareholders, nor shall the shareholders be exempted from their obligation to pay the capital contribution or the share capital. If the registered capital is reduced in accordance with the aforesaid provisions, the item (III) and item (IV) mentioned above shall not apply, but the announcement shall be published in the newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution to reduce the registered capital made by the shareholders' meeting. After a company reduces its registered capital in accordance with the provisions of the preceding paragraphs, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

When a company reduces its registered capital in violation of the provisions of the PRC Company Law, its shareholders shall refund the funds they have received, and if the capital contributions of the shareholders are reduced or exempted, such capital contributions shall be restored to the original status; if any loss is caused to the company, the shareholders and the liable directors, supervisors and senior management shall bear the liability for compensation.

### *Repurchase of Shares*

Under the provisions of the PRC Company Law, a company shall not repurchase its own shares except in the following circumstances:

- (I) reduction of the registered capital of the company;
- (II) merger with another company that holds its shares;
- (III) use of its shares for carrying out an employee stock ownership plan or equity incentive plan;
- (IV) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the company to acquire their shares by the company;
- (V) use of shares for conversion of convertible corporate bonds issued by the listed company; and
- (VI) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

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A resolution of a shareholders' meeting is required for the repurchase of shares by a company under either of the circumstances stipulated in item (I) or item (II) above; for a company's repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) above, a resolution of a meeting of the Board of Directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the Company's Articles of Association or as authorized by the shareholders' meeting.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (I) hereof a company shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (II) or item (IV); and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the Company's total issued shares, and shall be transferred or deregistered within three years.

A company shall not accept its own shares as the subject matter of a mortgage.

No company may provide gifts, loans, guarantees or other financial aids for others to obtain the shares of the company or the parent company thereof unless it carries out an employee stock ownership plan. For the benefits of the company, the company may, upon a resolution by the shareholders' meeting or by the Board of Directors under the Articles of Association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of the company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be adopted by two thirds of all the directors.

Any director, supervisor or senior management who is liable for any loss to the company due to violation of the provisions of the preceding paragraph shall make compensations.

### *Transfer of Shares*

The shares held by a shareholder of a company may be transferred to other shareholders or to persons other than the shareholders of the company. Where the Articles of Association of the company have any restriction on the transfer of shares, the transfer shall be carried out in accordance with the Articles of Association. Under the PRC Company Law, a shareholder should effect a transfer of his shares on the stock exchange established in accordance with laws or by any other means as required by the State Council. The transfer of shares by a shareholder must be conducted by means of an endorsement or by other means stipulated by laws or by administrative regulations. Following the transfer of shares, the company shall enter the names and domiciles of the transferee into its share register. Change of the register of members described in the preceding paragraph shall not be registered within 20 days before the convening of a shareholders' meeting or 5 days prior to the base date on which the company decides to distribute dividends. However, where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

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Pursuant to the PRC Company Law, shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. Directors, supervisors and senior management of the company shall declare to the company the shares they hold and the changes thereof during the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. They shall not transfer the shares they hold within one year of the date of the company's listing on the stock exchange, nor within six months after they leave their positions in the company. The Articles of Association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, the shareholders of its domestic unlisted shares applying to convert its domestic unlisted shares into overseas listed shares and listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and appoint the domestic company to file with the CSRC.

### *Shareholders*

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, the rights of shareholders include the rights:

- (I) to be legally entitled to assets income, participate in significant decision-making and select management personnel;
- (II) to petition the people's court to revoke any resolution of a shareholders' meeting, a shareholders' meeting or a meeting of the Board of Directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the Articles of Association of the company, or any resolution the contents of which is in violation of the laws, administrative regulations or the Articles of Association of the company, provided that such petition shall be submitted to the people's court within 60 days of the passing of such resolution;
- (III) to transfer his/her shares legally;
- (IV) to attend or appoint a proxy to attend shareholders' meeting and exercise the voting rights;

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- (V) to inspect and copy the Articles of Association of the company, share register, the minutes of shareholders' meeting, board resolutions, resolutions of the Board of Supervisors and the financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations;
- (VI) to receive dividends in respect of the number of shares held;
- (VII) to participate in the distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and
- (VIII) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the Articles of Association of the company.

The obligations of shareholders include the obligation to abide by the Articles of Association of the company, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's responsibilities in respect of the shares taken up by them and any other shareholder obligation specified in the Articles of Association of the company.

***Shareholders' meeting***

The shareholders' meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The shareholders' meeting may exercise its powers:

- (I) to elect or replace the directors and supervisors and to decide on their remunerations;
- (II) to consider and approve the reports of the Board of Directors;
- (III) to consider and approve the reports of the Board of Supervisors;
- (IV) to consider and approve the company's profit distribution and loss recovery proposals;
- (V) to decide on any increase or reduction of the company's registered capital;
- (VI) to decide on the issue of corporate bonds;
- (VII) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- (VIII) to amend the Articles of Association of the company; and

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(IX) to exercise any other authority stipulated in the Articles of Association of the company.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, a shareholders' meeting is required to be held once a year within six months after the end of the previous accounting year. An interim shareholders' meeting is required to be held within two months upon the occurrence of any of the following:

- (I) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the Articles of Association of the company;
- (II) the total outstanding losses of the company amounted to one-third of the company's total capital stock;
- (III) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an interim shareholders' meeting;
- (IV) the Board of Directors deems necessary;
- (V) the Board of Supervisors so proposes; or
- (VI) any other circumstances as provided for in the Articles of Associations of the company.

A shareholders' meeting is convened by the Board of Directors and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of directors shall preside over the meeting. If the Board of Directors is unable to or fails to perform its duty of convening the shareholders' meeting, the Board of Supervisors shall convene and preside over such meeting in a timely manner; if the Board of Supervisors fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting. If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the Board of Directors and the Board of Supervisors shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

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In accordance with the PRC Company Law, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting if the shareholders' meeting is convened. Notice of the interim shareholders' meeting shall be given to all shareholders 15 days before the meeting. Shareholders who individually or jointly hold more than one percent of the shares of the company may submit an interim proposal in writing to the Board of Directors ten days before the shareholders' meeting is held. The Board of Directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the shareholder's meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the shareholders' meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward any interim proposal. A company offering shares to the public shall make the notices as mentioned in the preceding paragraphs by way of announcement. The shareholders' meeting shall not make any resolution on any matter not specified in the notice.

According to the PRC Company Law, shareholders present at shareholders' meeting shall have one vote for each share they hold, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

An accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting pursuant to the provisions of the Articles of Association of the company or a resolution of the shareholders' meeting. Under the accumulative voting system, when the shareholders' meeting elects directors or supervisors, each share has the same voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders can be used collectively.

Under the PRC Company Law, the passing of any resolution at the shareholder's meeting requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders who attend the shareholder's meeting except in cases of proposed amendments to a Articles of Association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights held by the shareholders who attend the shareholder's meeting.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

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### *Board of Directors*

A joint stock limited company shall have a board. However, a joint stock limited company with a relatively small scale or relatively small number of shareholders may dispense with the Board of Directors and have one director to exercise the functions and powers of the Board of Directors as prescribed by the PRC Company Law. If the Board of Directors of a company has more than three members, it may include an employees' representative of the company. Where a company has 300 or more employees, the Board of Directors shall include the employees' representatives of the company unless the Board of Supervisors has been established and includes employees' representatives of the company. The employees' representatives in the Board of Directors shall be democratically elected by the employees through the employees' representative congress, employees' congress or by other means.

The term of office of the directors shall be provided for by the Articles of Association, but each term of office shall not exceed three years. A director may seek reelection upon expiry of the said term. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum. Where a director resigns, he/she shall notify the company in written form, and the resignation shall become effective on the day when the company receives the notice.

However, under any of the circumstances as mentioned in the preceding paragraph, the director shall continue performing his/her duties.

Under the PRC Company Law, the Board of Directors may exercise the following powers:

- (I) to convene shareholders' meeting and report on its work to the shareholders' meeting;
- (II) to implement the resolutions passed by the shareholders at the shareholders' meeting;
- (III) to decide on the Company's operational plans and investment proposals;
- (IV) to formulate the Company's proposals for profit distribution and for recovery of losses;
- (V) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of corporate bonds;
- (VI) to formulate proposals for the merger, division, dissolution of the Company or change in the form of the Company;

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- (VII) to decide on the setup of the Company's internal management organs;
- (VIII) to decide on appointment or dismissal the manager of the Company and his/her remuneration matters, and as nominated by the manager, to decide on appointment or dismissal the Company's deputy general manager and financial officer and his/her remuneration matters;
- (IX) to formulate the Company's basic management system; and
- (X) other authority stipulated in the Articles of Association or granted by the shareholders' meeting.

Any restrictions on the functions and powers of the Board of Directors set out in the Articles of Association may not be asserted against any bona fide third party.

Under the PRC Company Law, a company may, under the Articles of Association, set up an audit committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Board of Supervisors. It may not have a Board of Supervisors or supervisors. The audit committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments. Among the members of the Board of Directors of the company, an employees' representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the Articles of Association, unless it is otherwise provided under the PRC Company Law. A company may set up other committees in the Board of Directors under the Articles of Association.

Meeting of the Board of Directors shall be convened at least twice a year. Notice of meeting shall be given to all Directors and Supervisors 10 days before the meeting. Interim board meeting may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors or the Board of Supervisors. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the board meeting. The Board of Directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the Board of Directors.

No meeting of the Board of Directors may be held unless more than half of the directors are present. A resolution made by the Board of Directors shall be adopted by more than half of all the directors. For voting on a resolution of the Board of Directors, each director shall have one vote. The Board of Directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the directors present.



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The directors shall attend the meeting of the Board of Directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall indicate the scope of authorization. The directors shall be responsible for the resolutions made by the Board of Directors. Where a resolution of the Board of Directors is in violation of any law, administrative regulation, Article of Association or resolution of the shareholders' meeting and causes any serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

Under the PRC Company Law, the following person may not serve as a director of the company:

- (I) devoid of or with restricted civil conduct ability;
- (II) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime; within two years after being pronounced for suspension of sentence since the expiration of the suspension of sentence;
- (III) within three years after insolvency and liquidation of such Company or enterprise where the person acted as a directors, factory manager or business manager and has been held accountable for the insolvency;
- (IV) within three years after company or enterprise the person acted as legal representative is revoked business license and ordered to shut down for violating law on which the person is held accountable; and
- (V) being listed as a dishonest person subject to enforcement by the people's court due to large amount of unliquidated mature debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the Company.

Under the PRC Company Law, the Board shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meeting and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

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*Board of Supervisors*

A joint stock limited company shall have a Board of Supervisors composed of three members or more. However, a joint stock limited company (i) with a relatively small scale or relatively small number of shareholders may dispense with the Board of Supervisors, but may have one supervisor, who shall exercise the functions and powers of the Board of Supervisors, and (ii) may not have a Board of Supervisors or supervisors if it sets up an audit committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Board of Supervisors. The Board of Supervisors shall consist of representatives of the shareholders and an appropriate proportion of representatives of the Company's staff, of which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the Articles of Association. Representatives of the Company's staff at the Board of Supervisors shall be democratically elected by the Company's staff at the staff representative assembly, general staff meeting or otherwise.

The Board of Supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the Board of Supervisors shall be elected by more than half of all the supervisors. Directors and senior management shall not act concurrently as supervisors. The chairman of the Board of Supervisors shall convene and preside over the Board of Supervisors meeting. Where the chairman of the Board of Supervisors is incapable of performing or is not performing his/her duties, the vice chairman of the Board of Supervisors shall convene and preside over the Board of Supervisors meeting. Where the vice chairman of the Board of Supervisors is incapable of performing or is not performing his/her duties, a supervisor elected by more than half of the supervisors shall convene and preside over the Board of Supervisors meeting.

The supervisors serve three-year terms. A supervisor may serve consecutive terms if re-elected upon the expiration of his/her term. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The Board of Supervisors may exercise its powers:

- (I) to review the company's financial position;
- (II) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the Articles of Association or resolutions of the shareholders' meeting;

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- (III) when the acts of a director or senior management are detrimental to the company's interests, to require the director and senior management to correct these relevant acts;
- (IV) to propose the convening of extraordinary shareholders' meeting and to convene and preside over shareholders' meeting when the board fails to perform the duty of convening and presiding over shareholders' meeting under the PRC Company Law;
- (V) to submit proposals to the shareholders' meeting;
- (VI) to bring actions against directors and senior management pursuant to the relevant provisions of the PRC Company Law; and
- (VII) to exercise any other authority stipulated in the Articles of Association.

Supervisors may be present at board meeting and make inquiries or proposals in respect of the resolutions of the Board of Directors. The Board of Supervisors may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

### ***Manager and Senior Management***

Pursuant to the relevant provisions of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the Board of Directors. The manager shall be responsible to the Board of Directors and exercise his/her functions and powers according to the Articles of Association or the authorization of the Board of Directors. The manager shall attend the meeting of the Board of Directors as a non-voting member.

According to the relevant provisions of the PRC Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the Board of Directors of a listed company and other personnel as stipulated in the Articles of Association.

### ***Duties of Directors, Supervisors, General Managers and Other Senior Management***

Directors, supervisors and senior management shall comply with laws, administrative regulations and the Articles of Association.

Directors, supervisors and senior management shall assume the obligation of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company and may not seek any improper interests by taking advantage of their powers. The directors, supervisors and senior management shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable care that shall be generally possessed by a manager.

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The provisions of the preceding paragraphs shall apply to the controlling shareholder or actual controller of a company who does not serve as a director but actually executes the affairs of the company.

In the meantime, directors, supervisors and senior management are prohibited from:

- (I) embezzling the property or misappropriating the funds of the company;
- (II) depositing company funds into accounts under their own names or the names of other individuals;
- (III) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- (IV) accept commissions from transactions between others and the company for their own benefits;
- (V) unauthorized divulgence of confidential information of the company; and
- (VI) other acts in violation of their duty of loyalty to the company.

A director, supervisor or senior management who contravenes laws, administrative regulations or Articles of Association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

Where a director, supervisor or senior management is required to attend a shareholders' meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders. The Board of Supervisors may demand the directors or senior management to submit reports on the performance of their duties. The directors and senior management shall truthfully provide relevant information and materials to the Board of Supervisors, none of them may impede the exercise of powers by the Board of Supervisors or supervisors.

Where the directors and senior management violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, the shareholders individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the Board of Supervisors to initiate proceedings in the people's court.

Where the supervisors violate the laws, administrative regulations or the Articles of Association in performance of duties resulting in any loss to the company, the aforementioned shareholder(s) may request in writing that the Board of Directors institute litigation at a people's court. Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Board of Supervisors or the Board of Directors refuses to file a lawsuit or does

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not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the company. For other parties who infringe the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where any director or senior management violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

If a director, supervisor or senior management of a wholly-owned subsidiary of the company violate laws, administrative regulations or the Articles of Association in performance of duties to the company, thereby causing damages to the company, or if the legitimate rights and interests of a wholly-owned subsidiary of the company are impaired by any other person, thus causing any losses, the shareholders of a limited liability company or shareholders of a joint stock limited company individually and jointly holding 1% or more of the total shares of the company for 180 consecutive days or more may request the Board of Supervisors or the Board of Directors of the wholly-owned subsidiary in written form to initiate a lawsuit in the people's court or directly files a lawsuit with the people's court in their own name.

### *Finance, Accounting and Profit Distribution*

According to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial reports at the end of each accounting year which shall be audited by accounting firm according to law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual shareholder's meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory common reserve fund. However, when the cumulative amount of the reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its after-tax profits to the discretionary common reserve fund. After the company has made up its losses and made allocations to its discretionary common reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association. Profit shall not be distributed for a company's shares held by this company.

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Where a company distributes profits to shareholders in violation of the relevant provisions of the PRC Company Law, the shareholders shall refund the profits distributed to the company, and the shareholders and the liable directors, supervisors and senior management shall be held liable for compensation if any loss is caused to the company.

If the shareholders' meeting resolves to distribute profits, the Board of Directors shall do so within six months after the resolution is made.

The premiums received by a company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve of a company shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the company. Where the reserve of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

After a company reduces its registered capital in accordance with the provisions of the PRC Company Law, it shall not distribute profits until the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

### *Appointment and Dismissal of Auditors*

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined by shareholders at a shareholders' meeting, the Board of Directors or the Board of Supervisors in accordance with the Articles of Association. The accounting firm should be allowed to make representations when the shareholders' meeting, the Board of Directors or the Board of Supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or misrepresentation of information.

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### *Amendment to Articles of Association*

Pursuant to PRC Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's Articles of Association requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the Articles of Association approved by the resolution of the shareholder's meeting of shareholders are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations shall be handled according to law. Where the amendments to the Articles of Association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

### *Dissolution and Liquidation*

Pursuant to PRC Company Law, a company shall be dissolved for any of the following reasons:

- (I) upon expiry of term of business stipulated in the Articles of Association or occurrence of other circumstances of dissolution stipulated in the Articles of Association;
- (II) the shareholders' meeting has resolved to dissolve the company;
- (III) the company is dissolved by reason of its merger or division;
- (IV) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or
- (V) Where the company encounters serious difficulties in its operations or management that will lead to significant losses to the benefits of the shareholders if the company continues its existence and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing 10% or more of the voting rights of all shareholders of the company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where a company falls under the circumstance as mentioned in Items (I) or (II) of the paragraph above and it has not distributed the assets to its shareholders yet, it may survive by modifying its articles of association or upon a resolution of the shareholders' meeting.

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To modify its articles of association or make a resolution of the shareholders' meeting according to the provisions of the preceding paragraph, the consent of two thirds or more of the voting rights of the shareholders who attend the meeting of the shareholders' meeting is required.

Where the company is dissolved under the circumstances set forth in item (I), (II), (IV) or (V) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's Articles of Association or it is otherwise elected by the shareholders' meeting.

The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

The liquidation committee may exercise following powers during the liquidation:

- (I) to verify the Company's assets and to prepare a balance sheet and an inventory of assets;
- (II) to inform creditors by notice or announcement;
- (III) to deal with and settle any outstanding business of relevant company;
- (IV) to pay all outstanding taxes and the taxes arising during the liquidation process;
- (V) to settle claims and debts;
- (VI) to distribute the company's remaining assets after its debts have been paid off; and
- (VII) to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification.

The creditors shall explain matters relating to their claims and provide evidential documents. The liquidation committee shall register the creditor's claims. In the claims declaration period, the liquidation committee shall not make repayment to the creditors.



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Upon disposal of the company's property and preparation of the required balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan and submit this plan to a shareholders' meeting or a people's court for endorsement. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Where the liquidation group finds that the property of the company are not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders' meeting or the people's court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

Where, during the period of survival, a company has not incurred any debts or has paid off all the debts, the company may, upon a commitment of all the shareholders, be deregistered under the summary procedures according to the relevant provisions. The deregistration of a company under the summary procedures shall be announced through the National Enterprise Credit Information Publicity System for a period of no less than 20 days. If there is no objection after the expiry of the announcement period, the company may apply for deregistration of the company with the company registration authority within 20 days.

For a company deregistered under the summary procedures, its shareholders shall be jointly and severally liable for the debts incurred before the deregistration if they have made an untrue commitment.

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Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company. Such deregistration of a company will not affect the liability of the original shareholders or liquidation obligors.

### *Overseas Listing*

According to the Overseas Listing Trial Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic companies. The direct overseas offering and listing of domestic companies refer to such overseas offering and listing of a joint stock limited company incorporated in the territory of PRC. The indirect overseas offering and listing of domestic companies refer to such overseas offering and listing made in the name of an offshore entity but based on the equity, assets, earnings, or other similar rights of a domestic company that operates its main business domestically.

The Overseas Listing Trial Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances:

- (I) the listing and financing fall under specific prohibiting in the laws, administrative regulations, and relevant national provisions;
- (II) the overseas offering and listing may constitute endangers to national security as reviewed and determined by competent authorities under the State Council in accordance with law;
- (III) the domestic company and its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;
- (IV) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;
- (V) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

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A domestic enterprise that seeks to offer and list securities in overseas markets shall fulfill the filing procedure with the CSRC, submit relevant materials that contain a filing report and a legal opinion, and provide truthful, accurate and complete information on the shareholders and etc. Where a domestic enterprise seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC. Where a domestic company seeks to indirectly offer and list securities in overseas markets, the issuer shall designate a major domestic operating entity, which shall, as the domestic responsible entity, file with the CSRC.

In addition, under the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the PRC domestic companies shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event:

- (I) change in controlling rights;
- (II) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;
- (III) changing the listing status or transferring the listing board;
- (IV) voluntary or compulsory termination of a listing.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises, which was issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic enterprise that provides or through its overseas listed entity, publicly discloses or provides to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

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### *Loss of Share Certificates*

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

### *Merger and Division*

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies other than in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

### **The PRC Securities Law, Regulations and Regulatory Regimes**

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating, and supervising all securities related institutions in the PRC, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

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On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures for public offerings of shares, issuance of and trading in shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

The Securities Law of the PRC (《中華人民共和國證券法》) (the “PRC Securities Law”) took effect on July 1, 1999, and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised PRC Securities Law took effect on March 1, 2020. The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

### **Arbitration and Enforcement of Arbitral Awards**

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “PRC Arbitration Law”) was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017. The PRC Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties had entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people’s court will refuse to handle a legal proceeding initiated by one of the parties at such people’s court unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people’s court for its enforcement. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee, the making of an award on matters beyond the scope of the arbitration agreement, or the jurisdiction of the arbitration commission).

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Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “New York Convention”) adopted on June 10, 1958, pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC’s accession to the Convention, the SCNPC declared that (I) the PRC would only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (II) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An agreement has been reached between Hong Kong and the Supreme People’s Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People’s Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The Supreme People’s Court of China issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) on November 26, 2020, which went into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by PRC arbitral authorities acknowledged by Hong Kong arbitration rules can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in mainland China. Where a court of the mainland China finds that enforcement in the mainland China of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland China, execution of the ruling may be ignored.

### SUMMARY OF MATERIAL DIFFERENCES BETWEEN HONG KONG AND THE PRC COMPANY LAW

As a joint stock limited company established in the PRC that is seeking an initial listing of shares on the stock exchange, we are governed by the PRC Company Law and all other rules and regulations promulgated pursuant to the PRC Company Law.

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## SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Set out below is a summary of certain material differences between Hong Kong company law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing in accordance with the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

### Corporate Existence

Under the Hong Kong laws, a company with share capital is incorporated by the Registrar of Companies in Hong Kong which issues a certificate of incorporation to the company upon its incorporation, and the company will acquire an independent corporate existence. A company may be incorporated as a public company or a private company. Pursuant to the Companies Ordinance, the articles of association of a private company incorporated in Hong Kong shall contain certain pre-emptive provisions. A public company's articles of association do not contain such pre-emptive provisions.

According to the PRC Company Law, a joint stock limited company may be incorporated by promotion or raising.

Hong Kong laws do not prescribe any minimum registered capital requirements for a Hong Kong company.

### Share Capital

Under the Companies Ordinance, the concept of the nominal value (also known as par value) of shares of a Hong Kong company has been abolished, and the companies have increased flexibility to alter its share capital by (i) increasing its share capital; (ii) capitalizing its profits; (iii) allotting and issuing bonus shares with or without increasing its share capital; (iv) converting its shares into larger or smaller number of shares; and (v) cancelling its shares. The concept of authorized capital no longer applies to a Hong Kong company formed on or after March 3, 2014 as well. Hence, the directors of a Hong Kong company may, with the prior approval of the shareholders if required, issue new shares of the company. The PRC Company Law has no provisions on minimum registered capital of joint stock companies, except that laws, administrative regulations and State Council decisions have separate provisions on paid-in registered capital and the minimum registered capital of joint stock companies, in which case the company should follow such provisions. The Company's registered capital is the amount of its issued share capital. Any increase in the Company's registered capital must be approved at the general meeting and shall be approved by/filed with the relevant PRC governmental and regulatory authorities (if applicable).

Under the PRC Securities Law, an application for listing shall comply with the listing rules of the stock exchange. Hong Kong laws do not prescribe any minimum capital requirements for companies incorporated in Hong Kong.

According to the PRC Company Law, a shareholder may make capital contributions in currency, or in kind, intellectual property, land use right, stock rights, creditor's rights or other non-monetary property that may be assessed in currency and transferred according to law, except the property that may not be used as capital contributions according to any law or administrative regulation. The non-monetary property as capital contributions shall be assessed and verified, which may not be overvalued or undervalued. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail. There is no such restriction on a Hong Kong company under Hong Kong laws.

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### Restrictions on Shareholding and Transfer of Shares

Under the PRC law, the Unlisted Shares, which are denominated and subscribed for in Renminbi, can only be subscribed for and traded by PRC investors, qualified overseas institutional investors or qualified overseas strategic investors. Overseas listed shares, which are denominated in Renminbi and subscribed for in a foreign currency, may only be subscribed for, and traded by, investors from countries and regions outside the PRC or other qualified PRC institutional investors. If the H Shares are eligible securities under the Southbound Trading Link, they are also available for subscription and trading by domestic investors in the PRC pursuant to the rules and restrictions of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

According to the PRC Company Law, the shares issued before a company makes a public offering of shares shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. The directors, supervisors and senior management of the company shall declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the company. The shares of the company held by them shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the company held within six months after he/she leaves office. Any other restrictions on the transfer of company shares held by directors, supervisors or senior executives may be specified in the articles of association. There are no such restrictions on shareholdings and transfers of shares under Hong Kong laws apart from the six-month lockup on the company's issue of shares and the 12-month lockup on controlling shareholders' disposal of shares, as illustrated by the undertakings given by the Company and our Controlling Shareholder Group to the Stock Exchange.

### Notice of Shareholders' Meeting

According to the PRC Company Law, notice of annual shareholder's meeting must be given not less than 20 days before the meeting, while notice of an interim shareholders' meeting must be given not less than 15 days before the meeting.

For a limited company incorporated in Hong Kong, the notice period for an annual general meeting is at least 21 days and in any other case, at least 14 days for a limited company.



## **APPENDIX V**

## **SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS**

### **Quorum for Shareholder's meeting**

The PRC Company Law does not specify any quorum requirement for a shareholder's meeting.

Under the Hong Kong laws, the quorum for a general meeting is two members unless the articles of association of the company otherwise provide. For a single member company, one member is a quorum.

### **Voting at Shareholder's meeting**

According to the PRC Company Law, a resolution made by the shareholders' meeting shall be adopted by the shareholders representing more than half of the voting rights.

A resolution made by the shareholders' meeting on modifying the articles of association, increasing or decreasing the registered capital, as well as merger, division, dissolution or change of corporate form of the company shall be adopted by the shareholders representing more than two thirds of the voting rights.

Under the Hong Kong laws, (i) an ordinary resolution is passed by a simple majority of affirmative votes of the shareholders who attend the shareholders' general meeting in person or by proxy, and (ii) a special resolution is passed by no less than three-fourths of affirmative votes of the shareholders who attend the shareholders' general meeting in person or by proxy.

### **Variation of Class Rights**

According to the PRC Company Law, where any of the matters occurs to a company that issues classified shares and may affect the rights of the classified shareholders, it shall not only be decided by the shareholders' meeting, but also be adopted by shareholders representing two thirds of the voting rights who are present at the classified shareholders' meeting.

Under the Companies Ordinance, no rights attached to any class of shares can be varied except (i) with the passing of a special resolution by the shareholders of the relevant class at a separate meeting sanctioning the variation; (ii) with the consent in writing of shareholders of at least three-fourths of the total voting rights of shareholders of the relevant class or (iii) if there are provisions in the articles of association relating to the variation of those rights, then in accordance with those provisions.

### **Directors**

According to the PRC Company Law, where any director directly or indirectly concludes a contract or conducts a transaction with his/her company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the resolution of the board of directors or

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## APPENDIX V

## SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

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shareholders' meeting according to the articles of association. Where any of the near relatives of the directors, or any of the enterprises directly or indirectly controlled by the directors, or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors, concludes a contract or conducts a transaction with the company, the aforesaid provisions shall apply. Where a director is removed prior to the expiration of term of office without any justifiable reason, the director may require the company to make compensation.

The PRC Company Law, unlike the Companies Ordinance, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' authority in making major dispositions, restrictions on companies providing certain benefits to directors and guarantees in respect of directors' liability and prohibitions against compensation for loss of office without shareholders' approval.

### **Board of Supervisors**

According to the PRC Company Law, if a joint stock limited company has a board of supervisors, the directors and senior management of the company are subject to the supervision of the board of supervisors. There is no mandatory requirement for the establishment of a board of supervisors for a company incorporated in Hong Kong.

### **Derivative Action by Minority Shareholders**

Under Hong Kong company law, a shareholder may, with the leave of the court, start a derivative action on behalf of a company for any misconduct committed by its directors against the company. For example, leave may be granted where the directors control a majority of votes at a general meeting, and could thereby prevent the company from suing the directors in its own name.

According to the PRC Company Law, where any director or senior management violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, shareholders individually or jointly holding over 1% of the shares in the company for more than 180 consecutive days may request in writing the board of supervisors to initiate proceedings in the people's court. If the supervisors violate the relevant provisions of the Company Law, the above shareholders may request in writing the board of directors to initiate litigation at the people's court. Upon receipt of such written request from the shareholders, if the board of supervisors or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irreparable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the people's court in their own name.

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## SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

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The Guidelines for the articles of association of Listed Companies also provide other remedies against the directors, supervisors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director and supervisor of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors and supervisors of the company in default.

### **Protection of Minorities**

Under the Hong Kong laws, a shareholder who alleges that the affairs of a company incorporated in Hong Kong are conducted in a manner unfairly prejudicial to his interests may petition to court to either wind up the company or make an appropriate order regulating the affairs of the company. In addition, on the application of a specified number of members, the Financial Secretary of Hong Kong may appoint inspectors who are given extensive statutory powers to investigate the affairs of a company incorporated in Hong Kong.

The PRC Company Law provides that where a company meets any serious difficulty in its operation or management, and the interests of its shareholders will be subject to heavy loss if the company survives, which cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of the company may request the people's court to dissolve the company.

The Guidelines for the articles of association of Listed Companies also provide other remedies against the directors, supervisors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director and supervisor of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors and supervisors of the company in default.

### **Financial Disclosure**

According to the PRC Company Law, a joint stock limited company is required to make available at the company for inspection by shareholders its financial report 20 days before its shareholders' meeting. In addition, a joint stock limited company of which the public offering Shares are offered should publish its financial report. The Hong Kong laws require a company incorporated in Hong Kong to send to every shareholder a copy of its financial report, auditors' report and directors' report, which are to be presented before the company in its annual general meeting, not less than 21 days before such meeting.

According to the PRC Company Law, a company shall at the end of each accounting year prepare a financial report which shall be audited by the accounting firm in accordance with the laws.

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## SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

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### Information on Directors and Shareholders

The PRC Company Law gives shareholders the right to inspect and copy the articles of association, minutes of the shareholders' meeting, resolutions of meetings of the board of directors or board of supervisors, and financial and accounting reports, which is similar to that available to shareholders of Hong Kong companies under the Hong Kong laws.

### Receiving Agents

According to the Hong Kong laws, dividends once declared by the board of directors will become debts payable to shareholders. Under the Hong Kong laws, the limitation period for an action to demand repayment of a debt is six years, whereas the Civil Code provides that the limitation period for an action to be taken is three years.

### Corporate Reorganization

Corporate reorganization involving a company incorporated in Hong Kong may be effected in a number of ways, such as a transfer of the whole or part of the business or property of the company in the course of voluntary winding up to another company pursuant to section 237 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or a compromise or arrangement between the company and its creditors or between the company and its members pursuant to Section 673 and Section 674 of the Companies Ordinance, which requires the sanction of the court. In addition, subject to the shareholders' approval, an intra-group wholly-owned subsidiary company may also be amalgamated horizontally or vertically under the Companies Ordinance.

According to the PRC Company Law, the merger, demerger, dissolution or change to the forms of a joint stock limited company has to be approved by shareholders at shareholder's meeting.

### Statutory Deductions

According to the PRC Company Law, a company shall draw 10% of the profits as its statutory reserve fund before it distributes any profits after taxation. When the aggregate amount of the company's statutory reserve fund reaches 50% of the company's registered capital, the company may no longer make allocations from the statutory reserve fund. After a company has made an allocation to its statutory reserve fund from its after-tax profit, it may make an allocation to its discretionary reserve fund from its after-tax profit upon a resolution approved at the shareholders' meeting. There are no such requirements under Hong Kong laws.

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## APPENDIX V

## SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

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### Remedies of Company

According to the PRC Company Law, if a director, supervisor or senior management in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director, supervisor or senior management should be responsible to the company for such damages.

The Listing Rules require listed companies' articles of association to provide for remedies of the company similar to those available under Hong Kong laws (including rescission of the relevant contract and recovery of profits from a director, supervisor or senior management).

### Dividend

Under the PRC Company Law, the residual after-tax profits after a company has made up its losses and accrued reserve shall be distributed by the company in proportion to the shares held by its shareholders, except as otherwise provided for in the articles of association.

Under Hong Kong laws, the limitation period for an action to recover a debt (including the recovery of dividends) is six years, whereas under PRC laws, the relevant limitation period is three years. The company shall not exercise its powers to forfeit any unclaimed dividend after the expiry of the applicable limitation period.

### Fiduciary Duties

In Hong Kong, there is the common law concept of the fiduciary duty of directors, including the duty not to act in conflict with the company's interests. Furthermore, the Companies Ordinance has codified the directors' statutory duty of care.

Under the PRC Company Law, directors, supervisors, managers and other senior management personnel of a company have the duty of loyalty and diligence to the company. Such persons shall abide by the articles of association of the company, perform their duties honestly and diligently, safeguard the interests of the company, and shall not use their position and authority in the company for their personal gain.

### Closure of Register of Members

The Companies Ordinance requires that the register of shareholders of a company must not generally be closed for the registration of transfers of shares for more than 30 days (extendable to 60 days in certain circumstances) in a year.

According to the PRC Company Law, the register of shareholders shall not be modified within 20 days before any shareholders' meeting is held, or within 5 days prior to the benchmark date decided by the company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

## **APPENDIX VI**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

*This Appendix sets out summaries of the main clauses of our Articles of Association adopted on November 7, 2024 which shall become effective as at the date on which the H shares are on the Stock Exchange. As the main purpose of this appendix is to provide potential investors with an overview of the Articles of Association, it may not necessarily contain all information that is important to potential investors. As discussed in the appendix headed "Appendix VIII — Documents Delivered to the Registrar of Companies in Hong Kong and Available on Display," the full document of the Articles of Association is available on display.*

### **DIRECTORS AND BOARD OF DIRECTORS**

#### **Power to allocate and issue Shares**

The Articles of Association contain clauses that authorize the Board of Directors to issue shares. The Shareholders' Meeting of our Company may authorize the Board of Directors to decide on the issuance of not more than 50% of the issued shares within 3 years. However, if the capital contribution is made at the price of non-monetary property, it shall be resolved by the Shareholders' meeting.

#### **Power to dispose assets of our Company or any subsidiary**

The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions, external donations, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the Shareholders' Meeting for approval.

#### **Compensation or payments for loss of office**

There are no provisions in the Articles of Association relating to compensation or payments for loss of office.

#### **Loans to Directors**

There are no provisions in the Articles of Association relating to loans to directors.

#### **Provision of financial assistance for acquiring the Shares of the Company or shares of any subsidiary**

There are no provisions in the Articles of Association relating to provide financial assistance for acquiring the Shares of the Company or shares of any subsidiary.

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### Disclosure of interests in contracts with the Company or any subsidiary

Directors shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the Director's Meeting or Shareholder's Meeting.

### Remuneration

The appointment and removal of the members of the Board of Directors as well as their remuneration and payment methods, shall be adopted by the Shareholders' Meeting by ordinary resolution.

### Retirement, appointment, removal

The Board of Directors is composed of nine Directors. The Directors of the Company are elected by the Shareholders' Meeting. At any time, the Board of Directors should have more than one-third independent non-executive directors, and the total number of independent non-executive directors should not be less than three.

The Board of Directors has one chairman and may have a vice chairman. The chairman and the vice chairman of the Board of Directors shall be elected by more than half of all Directors.

Directors serve three-year terms, and the Director can be re-elected and reappointed at the end of the term. The term of office of a Director shall be calculated from the date of appointment until the expiration of the term of office of the current Board of Directors. If the term of office of a Director expires without timely re-election, the original Director shall still perform the duties of a Director in accordance with laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed ("**the Listing Place Rules**") and the provisions of these Articles of Association before the newly elected Director takes office.

None of the following persons shall serve as our Director:

- (I) a person who has no capacity for civil conduct or having limited capacity for civil conduct;
- (II) a person who has been sentenced to criminal punishment for corruption, bribery, encroachment on property, misappropriation of property or sabotage of the order of the socialist market economy, and less than five years have elapsed since the completion of the sentence, or having been deprived of his/her political rights as a result of a criminal conviction and five years have not elapsed since the date on which execution of the sentence was completed, two years have not yet elapsed from the date on which the probationary period of probation has expired;

## APPENDIX VI

## SUMMARY OF ARTICLES OF ASSOCIATION

- (III) a person who has served as a Director, factory chief, or manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the insolvency and liquidation of the company or enterprise is completed;
- (IV) a person who has served as the legal representative of a company or enterprise whose business license has been revoked or ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation occurs;
- (V) a person who is listed by the people's court as a judgment defaulter because the amount of debt he bears is relatively large and the debt is not paid off when it is due;
- (VI) other contents stipulated by laws, administrative regulations, departmental rules, or the Listing Place Rules.

The election, appointment or employment of the Directors shall be invalid if such election, appointment or employment is against the Articles of Association. If a Director falls into the situations provided in the above-mentioned situations during his/her term of office, he/she should report it to the Company and leave the office within one month of the occurrence of such event.

### **Borrowing Powers**

The Board of Directors shall be entitled to make resolutions for our Company to issue bonds and its Shares under the authorization of Shareholders' Meeting.

### **Powers of the Board of Directors**

The Board of Directors shall exercise the following functions and powers:

- (I) to convene Shareholders' Meeting and report to the Shareholders' Meeting;
- (II) to implement resolutions of the Shareholders' Meeting;
- (III) to decide on our Company's business plans and investment plans;
- (IV) to formulate our Company's profit distribution plans and plans on making up losses;
- (V) to formulate proposals for the increase or reduction of our Company's registered capital, the issuance of bonds or other securities of our Company and listing of Shares of our Company;



## APPENDIX VI

## SUMMARY OF ARTICLES OF ASSOCIATION

- (VI) to formulate plans for our Company's major acquisition, selling, repurchase the Shares of our Company, or merger, division, dissolution or change of corporate form of our Company;
- (VII) to make a resolution on the issuance of corporate bonds (including corporate bonds convertible into shares) as authorized by the Shareholders' Meeting;
- (VIII) to decide on establishment of internal management organs of our Company;
- (IX) to decide on the appointment or dismissal of our Company's general manager, secretary of the Board and other members of the senior management and decide on matters of their remuneration and rewards and punishments; to decide to appoint or dismiss our Company's deputy general manager, financial director and other senior management personnel according to the nomination of the general manager, and decide on their remuneration, rewards and punishments;
- (X) to formulate the basic management system of our Company;
- (XI) to formulate proposals to amend the Articles of Association;
- (XII) to manage our Company's disclosures;
- (XIII) to propose to the Shareholders' Meeting the appointment or replacement of the accounting firm that provides audit service to our Company;
- (XIV) to listen to the work report of the general manager of the company and inspect the work of the general manager;
- (XV) to submit to the Shareholders' Meeting for election and replacement of Directors of the company;
- (XVI) to deliberate and approve the external guarantee and external financial assistance outside the scope of the Shareholders' Meeting;
- (XVII) other powers stipulated by laws, regulations, the Listing Place Rules, the Articles of Association, or granted by the Shareholders' Meeting.

Matters beyond the scope of authorization of the Shareholders' Meeting shall be submitted to the Shareholders' Meeting for deliberation.

## **APPENDIX VI**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

### **Secretary of the Board of Directors**

Our Company shall establish a secretary to the Board of Directors, responsible for the preparation of our Company's Shareholders' Meeting and Board of Directors' meeting, retention of documents, management of our Company's Shareholder materials handling of information disclosure matters.

### **ALTERNATIONS TO CONSTITUTIONAL DOCUMENTS**

In any of the following circumstances, the Company shall amend its articles of association:

- (I) after the revision of the PRC Company Law or relevant laws, administrative regulations and the Listing Place Rules, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- (II) the situation of the Company changes and is inconsistent with the matters recorded in the articles of association;
- (III) the Shareholders' Meeting has decided to amend the articles of association.

If the amendment of the articles of association approved by the Shareholders' Meeting resolution requires approval by the competent authority, it must be submitted to the competent authority for approval; if it involves Company registration matters, change registration shall be handled in accordance with the law.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' Meeting and the approval opinions of relevant competent authorities.

The amendment of the Articles of Association constitutes to the information required to be disclosed by laws and regulations and shall be announced in accordance with regulations.

### **VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES**

If at any time our Company's share capital is divided into different classes of shares, the Company's intention to change or abolish the rights of the class shareholders shall be approved by a special resolution of the affected class shareholders at a separately convened Shareholders' meeting.



## **APPENDIX VI**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

### **ACCOUNTING AND AUDITS**

#### **Financial and accounting policies**

The Company formulates its financial and accounting system in accordance with laws, administrative regulations, the Listing Place Rules and the provisions of the Chinese accounting standards.

The Company shall prepare a financial report at the end of each fiscal year, which shall be reviewed and verified in accordance with the law.

The Company shall not establish other accounting books except for statutory accounting books. The assets of the Company shall not be deposited in any account opened in the name of any individual.

#### **Appointment and Dismissal of Accountants**

The Company engages accounting firms that comply with the provisions of the Securities Law and the Listing Place Rules to conduct accounting statement auditing, net asset verification, and other related consulting services. The term of employment is one year and can be renewed. The appointment of an accounting firm by the Company must be decided by a majority of Shareholders at the Shareholders' Meeting, and the Board of Directors shall not appoint an accounting firm before the decision is made at the Shareholders' Meeting. The Company guarantees to provide the accounting firm it engages with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or falsely report.

The remuneration of an accounting firm or the method of determining remuneration shall be determined by the Shareholders' Meeting. When the Company dismisses or no longer renews the appointment of an accounting firm, the Shareholders' Meeting shall make a decision and notify the accounting firm 10 days in advance. When the Company's Shareholders' Meeting votes on the dismissal of an accounting firm, the accounting firm is allowed to state its opinions. If the accounting firm proposes to resign, it shall explain to the Shareholders' Meeting whether the Company has any improper circumstances.

### **NOTICE AND AGENDA OF GENERAL SHAREHOLDERS' MEETING**

The Shareholders' Meeting is the organ of authority of the Company. The Company shall convene an extraordinary Shareholders' Meeting within two months from the date of the fact:

- (I) the number of Directors is less than two-thirds of the number specified in the PRC Company Law or the Articles of Association;
- (II) where the Company's unfunded losses reach one-third of the total Share capital paid in;

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- (III) where the Shareholder(s) who individually or jointly hold no less than 10% of the Company's Shares (excluding treasury shares) request(s) holding of such a meeting;
- (IV) when deemed necessary by the Board of Directors;
- (V) when the Board of supervisors proposes to convene such a meeting;
- (VI) in other circumstances stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, or the Articles of Association.

The Supervisory Committee has the right to propose to the Board of Directors the convening of an extraordinary Shareholders' Meeting and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders' Meeting within ten days after receiving the proposal. If the Board of Directors agrees to convene an extraordinary Shareholders' Meeting, a notice of convening the Shareholders' Meeting shall be issued within five days after the Board of Directors' resolution is made. Any changes to the original proposal in the notice shall require the consent of the Supervisory Committee. If the Board of Directors does not agree to convene an extraordinary Shareholders' Meeting or fails to provide feedback within ten days after receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to fulfill its duty to convene a Shareholders' Meeting, and the Supervisory Committee may convene and preside over it on its own.

Shareholders who individually or collectively hold 10% or more of the Company's Shares (excluding treasury shares) have the right to request the convening of an extraordinary Shareholders' Meeting from the Board of Directors and shall submit it in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree or disagree with the convening of an extraordinary Shareholders' Meeting within ten days after receiving the request. If the Board of Directors agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice of convening the Shareholders' Meeting within five days after making the Board resolution. Any changes to the original request in the notice shall be subject to the consent of the relevant Shareholders. If the Board of Directors does not agree to convene an extraordinary Shareholders' Meeting or fails to provide feedback within ten days after receiving the request, Shareholders who individually or collectively hold 10% or more of the Company's Shares have the right to propose to the Supervisory Committee to convene an extraordinary Shareholders' Meeting and shall submit a request in writing to the Supervisory Committee. If the Supervisory Committee agrees to convene an extraordinary Shareholders' Meeting, it shall issue a notice of convening the Shareholders' Meeting within five days after receiving the request. Any changes to the original proposal in the notice shall be approved by the relevant Shareholders. If the Supervisory Committee fails to issue a notice of the Shareholders' Meeting within the prescribed period, it shall be deemed that the Supervisory Committee has not convened and presided over the Shareholders' Meeting. Shareholders who individually or collectively hold 10% or more of the Company's Shares for more than 90 consecutive days may convene and preside over the Shareholders' Meeting on their own.

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## SUMMARY OF ARTICLES OF ASSOCIATION

The Company holds a Shareholders' Meeting, and the Board of Directors, Supervisory Committee, and Shareholders who individually or jointly hold more than 1% of the Company's Shares have the right to submit proposals to the Company. Shareholders who individually or collectively hold more than 1% of the Company's Shares may submit temporary proposals and submit them in writing to the convener ten days prior to the convening of the Shareholders' Meeting. The convener shall issue a supplementary notice of the Shareholders' Meeting within two days after receiving the proposal, announcing the content of the temporary proposal.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of the Shareholders' Meeting or add new proposals after issuing the notice of the Shareholders' Meeting. Proposals that are not listed in the notice of the Shareholders' Meeting or do not comply with the provisions of the Articles of Association shall not be voted on and a resolution shall not be made by the Shareholders' Meeting.

The convener will notify all Shareholders by announcement 20 days before the annual Shareholders' Meeting is held, and the extraordinary Shareholders' Meeting will notify all Shareholders by announcement 15 days before the meeting is held. The notice of the Shareholders' Meeting shall be in writing and include the following contents:

- (I) the time, location, and duration of the meeting;
- (II) submit matters and proposals for review at the meeting;
- (III) clearly state in writing that all Shareholders have the right to attend the Shareholders' Meeting and may appoint a proxy in writing to attend and vote at the meeting. The proxy does not need to be a Shareholder of the Company;
- (IV) share registration date of the Shareholders entitled to attend the Shareholders' Meeting;
- (V) name and phone number of the permanent contact person for conference affairs;
- (VI) online or other voting time and voting procedure;
- (VII) other requirements stipulated by laws, administrative regulations, departmental rules, the Listing Place Rules, and the Articles of Association.

The notice and supplementary notice of the Shareholders' Meeting shall fully and completely disclose all specific contents of all proposals, as well as all the materials or explanations required to enable the Shareholders to make a reasonable judgment on the matters to be discussed. If the matter to be discussed requires independent non-executive directors to express their opinions, the independent non-executive directors' opinions and reasons will be disclosed simultaneously when the notice of the Shareholders' Meeting or supplementary notice is issued.

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The resolutions of the Shareholders' Meeting are divided into ordinary resolutions and special resolutions.

The following matters shall be passed by ordinary resolution at the Shareholders' Meeting:

- (I) appointment or dismissal of the members of the Board of Directors and the Supervisory Committee, and formulate their salary plans;
- (II) work reports of the Board of Directors;
- (III) work reports of the Supervisory Committee;
- (IV) the profit distribution plan and loss recovery plan formulated by the Board of Directors;
- (V) to make decisions on the issuance of corporate bonds;
- (VI) to make decisions on the hiring and dismissal of accounting firms and the determination of remuneration for our Company;
- (VII) to review and approve the guarantee matters stipulated in Article 43 of the Articles of Association;
- (VIII) to review our Company's purchase, sale, and provision of guarantees within one year of material assets exceeding 30% of the company's latest audited total assets; to review and approve the change of the use of raised funds;
- (IX) to review and approve the change of the purposes of proceeds;
- (X) to review the Company's equity incentive plan(s) and employee shareholding schemes;
- (XI) other matters other than those required by laws, administrative regulations, the Listing Place Rules, or the Articles of Association to be passed through special resolutions.

The following matters shall be passed by special resolution of the Shareholders' Meeting:

- (I) the increase or decrease in registered capital of the company;
- (II) the mergers, divisions, dissolutions, liquidations and change corporate form of our Company;
- (III) the amendment to the Articles of Association;
- (IV) other matters required by laws, administrative regulations, the Listing Place Rules or the Articles of Association, as well as those determined by ordinary resolutions of the Shareholders' Meeting with significant impact on the Company, and which require special resolutions to be passed.

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## **SUMMARY OF ARTICLES OF ASSOCIATION**

### **TRANSFER OF SHARES**

The Shares of our Company issued before the company's public offering shall not be transferred within one year from the date of listing and trading of the Company's shares on the stock exchange.

The Directors, Supervisors, and senior management of our Company shall declare, to our Company, information on their holdings of the Shares of our Company and the changes thereto. The Shares transferrable by them during each year of their term of office shall not exceed 25% of their total holdings of a single class of Shares of our Company. The Shares that they hold in our Company shall not be transferred within one year from the date of listing and trading of the Company's shares. The aforesaid persons shall not transfer their Shares of our Company within half a year from the date of their resignation.

If the Shares are pledged within the period of restriction on transfer stipulated by relevant laws and regulations, the pledgee shall not exercise the pledge within the period of restriction on transfer.

### **POWER OF THE COMPANY TO PURCHASE ITS OWN SHARES**

The Company shall not acquire its own Shares. However, except for one of the following situations:

- (I) to reduce the registered capital of the Company;
- (II) to merger with other companies holding Shares in the Company;
- (III) to use Shares for employee shareholding schemes or as equity incentives;
- (IV) to acquire the Shares of shareholders (upon their request) who vote against any resolution adopted at any Shareholders' Meeting regarding the merger or division of the Company;
- (V) to use the Shares to satisfy the conversion of the convertible corporate bonds into Shares issued by the Company;
- (VI) to safeguard corporate value and Shareholders' interests as the Company deems necessary.
- (VII) other situations permitted by laws, administrative regulations, and Listing Place Rules.



## **APPENDIX VI**

## **SUMMARY OF ARTICLES OF ASSOCIATION**

The Company may choose one of the following ways to purchase its shares:

- (I) public centralized trading;
- (II) the manner of the offer;
- (III) other ways permitted by laws, administrative regulations, the Listing Place Rules and other methods recognized by the CSRC.

### **POWER OF ANY SUBSIDIARY OF THE ISSUER TO OWN SHARES IN ITS PARENT**

The Company's holding subsidiaries are not allowed to acquire the Company's shares. If a holding subsidiary of the Company holds shares of the Company due to the merger of the Company, the exercise of pledge rights, etc., it shall not exercise the voting rights corresponding to the shares it holds, and shall dispose of the shares of the Company in a timely manner.

### **PROXIES**

Any Shareholder who has the right to attend and vote at the Shareholders' Meeting may attend the meeting in person or entrust one or more (who may not be a shareholder) as their proxy to attend and vote on their behalf. The power of attorney issued by Shareholders authorizing others to attend the Shareholders' Meeting shall include the following contents:

- (I) the name of the proxy;
- (II) whether the proxy is authorized to vote;
- (III) respective instructions on affirmative, negative or abstention voting on each item for consideration listed in the Shareholders' Meeting's agenda;
- (IV) date of issuance and validity period of the power of attorney;
- (V) signature (or seal) of the Shareholder; If the Shareholder is a corporate Shareholder, the seal of the legal entity shall be affixed.

The power of attorney shall indicate whether the Shareholder's proxy can vote according to its own will if the Shareholder does not provide specific instructions.

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Where a Shareholder authorizes another person to sign a proxy statement for voting, the power of attorney for such signing authority or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents, as well as the voting proxy authorization letter, shall be logged at our Company's residence or other designated place in the notice convening the meeting. If the principal is a legal person, the legal representative or person authorized by the Board of Directors or other decision-making body shall attend the Shareholders' Meeting of our Company as a representative.

### **CALLS ON SHARES AND FORFEITURE OF SHARES**

There are no provisions in the Articles of Association relating to calls on Shares and forfeiture of Shares of the Company.

### **INSPECTION OF REGISTER OF MEMBERS**

Our Company establishes a register of members based on the vouchers provided by the securities registration and settlement institution, which is sufficient evidence to prove that shareholders hold our Company's Shares. Shareholders shall enjoy rights and assume obligations according to the types of Shares they hold. Shareholders holding the same type of Shares shall have equal rights and assume the same obligations.

The transfer of Shares must be recorded in the register of members. In the register of shareholders of overseas listed foreign shares, the original part of the register of shareholders of holders of shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong.

When our Company convenes a Shareholders' Meeting, distributes dividends, liquidates, or engages in other activities that require confirmation of Shareholder identity, the Board of Directors or the convener of the Shareholders' Meeting shall determine the share registration date. After the share registration date is closed, the registered Shareholders shall be the Shareholders who enjoy the relevant rights and interests.

### **QUORUM FOR SHAREHOLDERS' MEETING**

There are no provisions in the Articles of Association relating to quorum for Shareholders' Meeting of the Company.

### **RIGHTS OF THE MINORITIES IN RELATION TO FRAUD OR OPPRESSION THEREOF**

If Directors and senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association while performing their duties, causing losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days have the right to request in writing that the Supervisory Committee file a lawsuit with the people's court; If the Supervisory Committee violates laws, administrative regulations, or the provisions of the Articles of Association while

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## **SUMMARY OF ARTICLES OF ASSOCIATION**

performing its duties, causing losses to our Company, the aforementioned Shareholders may request in writing that the Board of Directors file a lawsuit with the people's court. If the Supervisory Committee or the Board of Directors refuses to file a lawsuit after receiving a written request from the Shareholders specified in the preceding paragraph, or fails to file a lawsuit within 30 days from the date of receiving the request, or if the situation is urgent and the failure to file a lawsuit immediately will cause irreparable damage to our Company's interests, the Shareholders specified in the preceding paragraph have the right to directly file a lawsuit in their own name to the people's court for the benefit of our Company. If another person infringes on the legitimate rights and interests of our Company and causes losses to our Company, Shareholders who individually or jointly hold more than 1% of our Company's Shares for more than 180 consecutive days may file a lawsuit with the people's court in accordance with the provisions of the preceding two paragraphs.

If Directors, general managers, and other senior management personnel violate laws, administrative regulations, or the provisions of the Articles of Association and harm the interests of Shareholders, Shareholders may file a lawsuit with the people's court.

### **PROCEDURES ON LIQUIDATION**

Under the PRC Company Law, a company shall be dissolved for any of the following reasons:

- (I) the expiration of the business term specified in these articles of association or the occurrence of other dissolution reasons specified in the Articles of Association;
- (II) the Shareholders' Meeting resolves for dissolution;
- (III) dissolution is required due to the merger or division of our Company;
- (IV) the business license has been revoked, ordered to close down or dissolved in accordance with the law; and
- (V) the Company is dissolved by a people's court in response to the request of Shareholders holding Shares that represent more than 10% of the voting rights of all Shareholders, on the grounds that there are serious difficulties in the operation and management of our Company and its continued existence will cause significant losses to the interests of Shareholders, which cannot be resolved through other means.

If our Company has the reasons for dissolution provided for in the preceding paragraph, it shall publicize the reasons for dissolution through the national enterprise credit information publicity system within 10 days.

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The liquidation group shall notify creditors within 10 days of its establishment, and make an announcement in a newspaper or the national enterprise credit information publicity system within 60 days. Creditors shall declare their claims to the liquidation team within 30 days from the date of receiving the notice, or within 45 days from the date of announcement if they have not received the notice.

When applying for creditor's rights, creditors shall explain the relevant matters of the creditor's rights and provide proof materials. The liquidation committee shall register the creditor's rights. During the period of declaring creditor's rights, the liquidation committee shall not pay off the creditor.

After clearing our Company's assets, preparing a balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the Shareholders' Meeting or the people's court for confirmation. The remaining assets of our Company after paying the liquidation expenses, employee salaries, social insurance expenses, and statutory compensation, paying the outstanding taxes, and paying off our Company's debts shall be distributed by our Company according to the proportion of Shares held by Shareholders. During the liquidation period, our Company exists but cannot carry out business activities unrelated to liquidation. Our Company's assets will not be distributed to Shareholders until they have been paid off in accordance with the provisions of the preceding paragraph.

Upon liquidation of the Company's property and preparation of the required statement of financial position and inventory of assets, if the liquidation committee becomes aware that the Company does not have sufficient assets to meet its liabilities, it must apply to a people's court for a declaration of bankruptcy in accordance with the laws. Following such declaration of bankruptcy by the people's court, the people's court shall take over the administration of the liquidation procedure from the liquidation committee.

After the liquidation of our Company is completed, the liquidation committee shall prepare a liquidation report, submit it to the Shareholders' Meeting or the people's court for confirmation, and submit it to our Company registration authority to apply for deregistration of our Company, and announce the termination of our Company. Members of the liquidation committee are required to discharge their duties in good faith and perform their obligation in compliance with laws. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the company's properties. Members of the liquidation committee are liable to indemnify the company and its creditors in respect of any loss arising from their willful or gross negligence.

Liquidation of a company which is declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

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## **SUMMARY OF ARTICLES OF ASSOCIATION**

### **OTHER PROVISIONS MATERIAL TO THE ISSUER OR THE SHAREHOLDERS THEREOF**

#### **General Provisions**

Our Company is a permanently existing joint stock limited company.

All the assets of our Company are divided into Shares of equal value. The Shareholders are responsible for our Company to the extent of their subscribed Shares, and our Company is responsible for our Company's debts with all its assets.

From the effective date, this Articles of Association shall become a legally binding document regulating the organization and behavior of our Company, the rights and obligations between our Company and its Shareholders, and between Shareholders, and shall have legal binding force on our Company, Shareholders, Directors, Supervisors, and senior management.

#### **Share and Transfer**

In light of our Company's operational and developmental needs, our Company may increase its capital in accordance with the laws and regulations and subject to a resolution of the Shareholders' Meeting, by any of the following methods:

- (I) a public offering of shares;
- (II) a private placement of shares;
- (III) allotment of bonus shares to existing shareholders;
- (IV) conversion of reserve funds to share capital;
- (V) other methods permitted by laws, regulations, and Listing Place Rules.

Our Company may reduce its registered capital. Any reduction of our Company's registered capital shall be subject to the procedures prescribed in the PRC Company Law and other relevant regulations, as well as the Articles of Association.

#### **Shareholders**

Shareholders are entitled to rights and assumes obligations pursuant to the classification of their shares.

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## APPENDIX VI SUMMARY OF ARTICLES OF ASSOCIATION

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Shareholders holding the same classified Share have the same rights and assume the same obligations. Shareholders of our Company shall enjoy the following rights:

- (I) the right to dividends and other distributions in proportion to the number of Shares held;
- (II) the right to apply for, convene, preside, attend or appoint proxies to attend Shareholders' Meeting and to exercise the corresponding right to speak and vote;
- (III) the right to supervise, present proposals or raise enquiries in respect of our Company's business operations;
- (IV) the right to transfer, give as a gift or pledge the Shares it holds in accordance with laws, administrative regulations, the Listing Place Rules and the Articles of Association;
- (V) the right to inspect and copy the Articles of Association, Register of Shareholders, minutes of Shareholders' Meeting, resolutions of the Board of Directors and resolutions of the Board of Supervisors and accounting reports of Our Company and its subsidiaries and eligible shareholders can check the accounting books and accounting vouchers of our Company and its wholly-owned subsidiaries;
- (VI) in the event of the termination or liquidation of our Company, the right to participate in the distribution of the remaining property of our Company in proportion to the number of Shares held;
- (VII) Shareholders who object to resolutions of merger or division made by the Shareholders' Meeting may request our Company to purchase Shares held;
- (VIII) other rights provided for by laws, administrative regulations, departmental rules, the Listing Place Rules or the Articles of Association.

Where any Shareholder demands to read the relevant information or obtain any of the aforesaid materials, he shall submit to our Company written documents proving the class(es) and number of Shares he holds. Our Company shall provide the relevant information or materials in accordance with the Shareholder's demand after verifying the Shareholder's identity.

Shareholders of our Company shall have the following obligations:

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay the Share subscription price based on the Shares subscribed for by them and the method of acquiring such Shares;

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- (III) not to return Shares unless prescribed otherwise in laws and administrative regulations;
- (IV) not to abuse Shareholders' rights to infringe upon the interests of our Company or other Shareholders; not to abuse our Company's status as an independent legal entity or the limited liability of Shareholders to harm the interests of our Company's creditors;
- (V) to assume other obligations required by laws, administrative regulations, the Listing Place Rules and the Articles of Association.

Any Shareholder who abuses Shareholders' rights and causes our Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Any Shareholder who abuses the status of our Company as an independent legal entity or the limited liability of Shareholders to evade debts and severely harm the interests of our Company's creditors shall assume joint and several liability for our Company's debts;

Where a shareholder uses two or more companies under its control to carry out the acts specified in the preceding paragraph, each company shall be jointly and severally liable for the debts of either company.

### **Board of Supervisors**

Our Company has a Supervisory Committee. The Supervisory Committee consists of three supervisors, including one chairman. The chairman of the Supervisory Committee shall be elected by more than half of all supervisors. The chairman of the Supervisory Committee convenes and presides over meeting of the Supervisory Committee; If the chairman of the Supervisory Committee is unable or fails to perform his duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over the Supervisory Committee meeting.

The proportion of employee representatives in the Supervisory Committee shall not be less than 1/3 of the number of the Supervisory Committee. The employee representative in the Supervisory Committee shall be democratically elected by our Company's employees through the employee representative assembly, employee assembly, or other forms.

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## APPENDIX VI SUMMARY OF ARTICLES OF ASSOCIATION

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The Supervisory Committee shall exercise the following functions and powers:

- (I) to examine our Company's financial matters;
- (II) to supervise the performance by the Directors and senior management of their duties to our Company and when necessary, require the Directors and senior management to submit a report on the performance of their duties, propose the dismissal of the Directors and senior management who violates laws, administrative regulations, the Articles of Association, the Listing Place Rules or the resolutions of the Shareholders' Meeting;
- (III) to demand rectification from the Directors and senior management when the acts of such persons are harmful to our Company's interests;
- (IV) to propose the convening of extraordinary Shareholders' Meeting; to convene and preside the Shareholders' Meeting in the event that the Board of Directors fails to perform its duties to convene and preside the Shareholders' Meeting in accordance with the PRC Company Law;
- (V) to submit proposals to the Shareholders' Meeting;
- (VI) to file lawsuits against Directors and senior management on behalf of our Company in accordance with the provisions of laws, administrative regulations or the Articles of Association;
- (VII) in case of any queries or any abnormal matters during the business operation of our Company, to investigate, and if necessary, to engage professionals such as accounting firms or law firms to assist its work with expenses being borne by our Company;
- (VIII) to review and give written opinions on the periodic reports of our Company prepared by the Board of Directors;
- (IX) other functions and powers as specified in the Articles of Association or granted by the Shareholders' Meeting.



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### General Manager

Our Company has one general manager and may have one deputy general manager, appointed or dismissed by the Board of Directors. The general manager, deputy general manager, financial director, secretary of the Board of Directors and other senior management personnel determined by the Board of Directors of the Company are the senior management personnel of the Company. The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (I) to be in charge of the production, operation and management of our Company, to organize the implementation of the resolutions of the Board of Directors, and to report his/her works to the Board of Directors;
- (II) to organize the implementation of our Company's annual business plans and investment plans;
- (III) to draft plans for the establishment of our Company's internal management organization;
- (IV) to draft our Company's basic management system;
- (V) to formulate the specific rules and regulations of our Company;
- (VI) to propose to the Board of Directors appointment or dismissal of deputy general manager or other senior managers of our Company;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (VIII) to decide to purchase raw materials, fuels and power, sell products, provide services, daily business affairs, and daily administrative and personnel management affairs, but the purchase or sale of such assets is a matter that must be deliberated and approved by the Shareholders' Meeting and the Board of Directors, the corresponding procedures shall still be carried out in accordance with other provisions of this Articles of Association;
- (IX) to review and approve the provisions of this Articles of Association that the Shareholders' Meeting and the Board of Directors shall deliberate on transactions, investment and related party transactions other than those approved;
- (X) such other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager shall attend the Board meeting as a nonvoting delegate.

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The general manager shall be responsible to the Board of Directors and shall exercise his powers in accordance with the provisions of the Articles of Association or the authorization of the Board of Directors. The general manager attends the meeting of the Board of Directors.

When the general manager decides on a related party transaction, if the general manager has a related party relationship with the related party transaction, the related party transaction shall be deliberated and approved by the Board of Directors.

The general manager may delegate the functions and powers specified in item (VIII) to other departments and personnel of the Company.

### **Reserves**

In distributing its current-year after-tax profits, our Company shall allocate 10% of its profit to its statutory reserve fund.

Allocations to Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of our Company's registered capital.

Where the statutory reserve fund is not sufficient to cover any loss made by Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph.

After an allocation to the statutory reserve fund has been made from the after-tax profit of our Company, and subject to the adoption of a resolution by the Shareholders' Meeting, an allocation may be made to the discretionary reserve fund.

The remaining after-tax profit after our Company makes up for losses and withdraws provident fund shall be distributed according to the proportion of Shares held by Shareholders, unless prohibited by the Articles of Association.

If our Company distributes profits to shareholders in violation of laws, administrative regulations, regulatory rules of the place where the company's shares are listed, and the regulations of the relevant national competent authorities such as the CSRC, the shareholders shall return the profits distributed in violation of the provisions to the Company; if losses are caused to the Company, the shareholders and the directors, supervisors and senior managers who are responsible shall be liable for compensation.

Profits shall not be distributed to Shares held by the Company itself.

Our Company's provident fund is used to compensate for its losses, expand its production and operation, or convert it into an increase in our Company's capital.

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**APPENDIX VI**

**SUMMARY OF ARTICLES OF ASSOCIATION**

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The provident fund to make up for the Company's losses should first use the arbitrary provident fund and the statutory provident fund; if it still cannot be made up, the capital reserve may be used in accordance with the regulations.

After converting statutory reserve funds into capital, the amount remaining in the statutory reserve fund shall be no less than 25% of the Company's registered capital.

## APPENDIX VII

## STATUTORY AND GENERAL INFORMATION

### 1. FURTHER INFORMATION ABOUT OUR COMPANY

#### A. Incorporation

The predecessor of our Company, Beijing Shengwei Nanling Information Technology Co., Ltd.\* (北京盛威南凌信息科技有限公司), was established as a limited liability company in the PRC on September 28, 2012. In 2016, we were renamed as Beijing Shengwei Times Technology Co., Ltd.\* (北京盛威時代科技有限公司), and in 2019, we were renamed as Shengwei Times Technology Group Limited\* (盛威時代科技集團有限公司). On September 26, 2022, we were converted into a joint stock limited liability company and renamed as Shengwei Times Technology Co., Ltd. (盛威時代科技股份有限公司) under the laws of the PRC. Our registered office is located at 4/F, No. 3 Building, No. 1 Courtyard, Shangdi East Road, Haidian District, Beijing, PRC.

We have established a place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, No. 248 Queen’s Road East, Wanchai, Hong Kong and were registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●]. Ms. AU Wai Ching (區慧晶女士) has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. 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 our Company was established in the PRC, we are subject to relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in Appendices V and VI to this document respectively.

#### B. Changes in the Share Capital of Our Company

On September 28, 2012, our Company was established as a limited liability company with a registered capital of RMB1,000,000. On September 26, 2022, our Company was converted into a joint stock company with limited liability. As of the Latest Practicable Date, our registered share capital was RMB69,205,066. Saved as disclosed in section headed “History, Development and Corporate Structure — Corporate Development of Our Group — Share Transfer in November 2024”, there has been no change to our Company’s registered capital in the last two years up to the Latest Practicable Date.

Upon completion of the [REDACTED], but without taking into account any H Shares which may be issued pursuant to the exercise of the [REDACTED], our registered capital will be increased to approximately [REDACTED], comprising [REDACTED] Shares and [REDACTED] H Shares fully paid up or credited as fully paid up, representing [REDACTED] and [REDACTED] of our registered capital, respectively.

## APPENDIX VII STATUTORY AND GENERAL INFORMATION

### C. Shareholders’ Resolutions

Pursuant to the Shareholders’ meeting held on November 7, 2024, the following resolutions, among others, were duly passed:

- (a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued before the exercise of the [REDACTED] shall not be more than 25% of the total issued share capital of our Company as enlarged by the [REDACTED], and granting the [REDACTED] the [REDACTED] of no more than 15% of the number of H Shares issued pursuant to the [REDACTED];
- (c) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on [REDACTED], the authorization to the Board and its authorized person(s) to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations, the Listing Rules and the actual situation of the Company; and
- (d) authorisation of the Board and its authorised persons to handle all matters relating to, among other things, the [REDACTED], the issue and [REDACTED] of the H Shares.

### D. Further Information About Our Subsidiaries

The list of our principal subsidiaries is set out in the section headed “History, Development and Corporate Structure — Principal Subsidiaries and Operating Entities” in this document. Save as disclosed below, there has been no alteration in the share capital of any of our Principal Subsidiaries within the two years immediately preceding the date of this document.

#### (a) *Beijing Hongbo*

On December 5, 2023, (i) Henan Shengwei agreed to transfer 46% of equity interest in Beijing Hongbo, representing RMB920,000 of registered capital of Beijing Hongbo, to our Company; (ii) Henan Shengwei agreed to transfer 5% of equity interest in Beijing Hongbo, representing RMB100,000 of registered capital of Beijing Hongbo, to Tianjin Yilian Haoyue Technology Partnership (Limited Partnership) (天津易聯皓月科技合夥企業(有限合夥)) (“**Yilian Haoyue**”); and (iii) Mr. FU Junchen (傅浚宸先生) (an employee of our Group) agreed to transfer 34% of equity interest in Beijing Hongbo, representing RMB680,000 of registered capital of Beijing Hongbo, to our Company.

On January 25, 2024, the registered capital of Beijing Hongbo was increased from RMB2,000,000 to RMB11,000,000.

On September 4, 2024, Yilian Haoyue agreed to transfer 20% of equity interest in Beijing Hongbo, representing RMB2,200,000 of registered capital of Beijing Hongbo, to Shengda Chuanba Technology Co., Ltd. (天津盛達船吧科技有限公司) (an Independent Third Party).

## APPENDIX VII STATUTORY AND GENERAL INFORMATION

### 2. FURTHER INFORMATION ABOUT OUR BUSINESS

#### A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this document, which are or may be material and a copy of each has been delivered to the Registrar of Companies in Hong Kong for registration:




- (a) a [REDACTED] investment agreement dated [●] entered into between our Company and [●], pursuant to which [●] agreed to subscribe for our H Shares in the amount of [●]; and
- (b) [REDACTED]

#### B. Our Intellectual Property Rights












As of the Latest Practicable Date, our Company has registered the following intellectual property rights, which are material in relation to our Company's business.

##### *Trademarks*

As of the Latest Practicable Date, we have registered the following trademarks, which we consider to be material in relation to our business:

No.	Trademark registered	Owner	Place of registration	Registration No.	Class <sup>(1)</sup>	Validity Period
1 . . .		Our Company	PRC	21575654	9	November 28, 2017 – November 27, 2027
2 . . .		Our Company	PRC	21575753	35	November 28, 2017 – November 27, 2027
3 . . .		Our Company	PRC	21575846	39	November 28, 2017 – November 27, 2027
4 . . .		Our Company	PRC	21575872	42	November 28, 2017 – November 27, 2027

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**













No.	Trademark registered	Owner	Place of registration	Registration No.	Class <sup>(1)</sup>	Validity Period
5 . . .		Our Company	PRC	21575720	9	November 28, 2017 – November 27, 2027
6 . . .		Our Company	PRC	21575822	39	November 28, 2017 – November 27, 2027
7 . . .		Our Company	PRC	21575892	42	November 28, 2017 – November 27, 2027
8 . . .		Our Company	PRC	21575733A	35	February 28, 2018 – February 27, 2028
9 . . .		Our Company	PRC	24048424	39	May 7, 2018 – May 6, 2028
10 . . .		Our Company	PRC	24048432	42	May 7, 2018 – May 6, 2028
11 . . .		Our Company	PRC	24049578	35	May 7, 2018 – May 6, 2028
12 . . .		Our Company	PRC	24055637	39	May 7, 2018 – May 6, 2028
13 . . .		Our Company	PRC	24055608	36	May 14, 2018 – May 13, 2028
14 . . .		Our Company	PRC	24053235	35	May 21, 2018 – May 20, 2028
15 . . .		Our Company	PRC	24053242	36	June 7, 2018 – June 6, 2028
16 . . .		Our Company	PRC	24051759	9	July 14, 2018 – July 13, 2028

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

No.	Trademark registered	Owner	Place of registration	Registration No.	Class <sup>(1)</sup>	Validity Period
17. . .		Our Company	PRC	24051757	9	July 14, 2018 – July 13, 2028
18. . .		Our Company	PRC	37828922	9	January 7, 2020 – January 6, 2030
19. . .		Our Company	PRC	37822488	35	January 7, 2020 – January 6, 2030
20. . .		Our Company	PRC	37814975	36	January 7, 2020 – January 6, 2030
21. . .		Our Company	PRC	37809509	39	January 7, 2020 – January 6, 2030
22. . .		Our Company	PRC	37822405	42	January 7, 2020 – January 6, 2030
23. . .		Our Company	PRC	40928267	9	August 14, 2020 – August 13, 2030
24. . .		Our Company	PRC	41458887	9	October 21, 2020 – October 20, 2030
25. . .		Our Company	PRC	44243038	39	November 7, 2020 – November 6, 2030
26. . .		Our Company	PRC	51353090	39	August 7, 2021 – August 6, 2031
27. . .		Our Company	PRC	51321163	42	August 7, 2021 – August 6, 2031
28. . .		Our Company	PRC	51340609	42	August 14, 2021 – August 13, 2031
29. . .		Our Company	PRC	51333635	39	August 28, 2021 – August 27, 2031



## APPENDIX VII STATUTORY AND GENERAL INFORMATION

No.	Trademark registered	Owner	Place of registration	Registration No.	Class <sup>(1)</sup>	Validity Period
30. . .		Our Company	PRC	53964994	42	September 21, 2021 – September 20, 2031
31. . .		Our Company	PRC	55351704	39	November 14, 2021 – November 13, 2031
32. . .		Our Company	PRC	55343279	39	November 21, 2021 – November 20, 2031
33. . .		Our Company	PRC	55367497	42	March 21, 2022 – March 20, 2032
34. . .		Our Company	PRC	61206806	39	June 7, 2022 – June 6, 2032
35. . .		Our Company	PRC	61214554	42	June 7, 2022 – June 6, 2032
36. . .		Our Company	PRC	70911921	9	October 14, 2023 – October 13, 2033
37. . .		Our Company	PRC	70916408	35	October 14, 2023 – October 13, 2033
38. . .		Our Company	PRC	70926783	39	October 14, 2023 – October 13, 2033
39. . .		Our Company	PRC	70911188	42	October 14, 2023 – October 13, 2033
40. . .		Our Company	PRC	70899896	9	October 14, 2023 – October 13, 2033
41. . .		Our Company	PRC	70910793	39	October 21, 2023 – October 20, 2033

(1) The class number represents the specifications of products or services that have already been registered. Detailed specifications of products or services represented by that class number are set out in the relevant registration certificates.

## APPENDIX VII STATUTORY AND GENERAL INFORMATION

### *Domain names*

As of the Latest Practicable Date, we have registered or been authorised to use the following domain names which we consider to be material in relation to our business:

No.	Domain name	Registered Owner	Website		Expiry Date
			Registration Number	Registration Date	
1. . .	shengweitimes.com	Our Company	Jing ICP Bei No. 13034942-5 (京 ICP 備13034942 號-5)	June 24, 2016	June 24, 2025
2. . .	chuxing365.com	Our Company	Jing ICP Bei No. 13034942-9 (京 ICP 備13034942 號-9)	March 1, 2019	February 28, 2025
3. . .	365chuxing.com	Shengzhi Yilian	Dian ICP Bei No. 19003869-1 (滇 ICP 備19003869 號-1)	October 29, 2014	October 29, 2025
4. . .	bus365.com	Our Company	Jing ICP Bei No. 13034942-1 (京 ICP 備13034942 號-1)	March 24, 2012	March 24, 2028
5. . .	bababus.cn	Hengsheng Changyun	Zhe ICP Bei No. 15036586 -1 (浙 ICP 備15036586 號-1)	December 11, 2014	December 11, 2025
6. . .	bbkbd.cn	Hengsheng Changyun	Zhe ICP Bei No. 15036586-2 (浙 ICP 備15036586 號-2)	April 16, 2019	April 16, 2027
7. . .	bababus.com	Hengsheng Changyun	Zhe ICP Bei No. 15036586-1 (浙 ICP 備15036586 號-1)	December 11, 2014	December 11, 2025

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

*Patents*

As of the Latest Practicable Date, we have registered the following patents in the PRC, which we consider to be material to the business of our Group:

No.	Name of Patent	Patentee	Patent Number	Category	Application Date
1. . . .	A method of recommending routes for ticket purchase based on historical data of users (一種基於用戶歷史數據的車票購買線路推薦方法)	Our Company	ZL201910379698.5	Invention	May 6, 2019
2. . . .	A method of processing enquiry of road passenger transport information based on Internet of Things technology (基於物聯網技術的道路客運售票信息查詢處理方法)	Our Company	ZL202010648150.9	Invention	July 7, 2020
3. . . .	An application method of passenger travel analysis based on cloud computing technology (基於雲計算技術的旅客出行分析應用方法)	Our Company	ZL202010647109.X	Invention	July 7, 2020
4. . . .	A method of temporary redeployment of transport resources based on cloud computing technology (基於雲計算技術對交通資源進行臨時調配的方法)	Our Company	ZL202010648147.7	Invention	July 7, 2020
5. . . .	Ticket inspection processing method based on Internet of Things technology (基於物聯網技術的檢票處理方法)	Our Company	ZL202010692177.8	Invention	July 17, 2020

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

No.	Name of Patent	Patentee	Patent Number	Category	Application Date
6. . . .	An intelligent management method of online ride hailing (智能化的網約車管理方法)	Our Company	ZL202010692153.2	Invention	July 17, 2020
7. . . .	Method to deploy transport resources based on cloud computing technology (基於雲計算技術對交通資源進行配置的方法)	Our Company	ZL202010719227.7	Invention	July 23, 2020
8. . . .	Method to deploy online ride hailing based on cloud computing technology (基於雲計算技術對網約車進行調配的方法)	Our Company	ZL202010719211.6	Invention	July 23, 2020
9. . . .	A route-optimizing matching method, electronic device and storage medium (一種路徑順路的匹配方法、電子設備和存儲介質)	Our Company	ZL202010918439.8	Invention	September 4, 2020
10. . .	A method and device, computing facility and storage medium for planning driving routes (一種行駛路線規劃的方法及裝置、計算設備和存儲介質)	Our Company	ZL202011114841.7	Invention	October 19, 2020
11. . .	A method and device for intelligent deployment of sites and vehicles (一種站點車輛智能調度方法及裝置)	Our Company	ZL202011573567.X	Invention	December 28, 2020

## APPENDIX VII STATUTORY AND GENERAL INFORMATION

No.	Name of Patent	Patentee	Patent Number	Category	Application Date
12. . .	A method, system, device and storage medium for automatic station announcement and intelligent ticketing coordination (自動報站和智能售票聯動方法、系統、設備及存儲介質)	Our Company	ZL202110568553.7	Invention	May 25, 2021
13. . .	A method, device, facility, medium and product for data transfer (一種數據傳輸方法、裝置、設備、介質和產品)	Our Company	ZL202111118794.8	Invention	September 24, 2021
14. . .	Real-time collection method, server and customer end for system operation information (系統運行信息實時採集方法、服務器及客戶端)	Our Company	ZL202111608260.3	Invention	December 27, 2021

### *Software Copyrights*

As of the Latest Practicable Date, our Group had registered the following software copyrights which we consider to be material to our Group's business:

No.	Name of Software	Registered Owner	Registration Number	Development Completion Date
1. . .	Road Passenger Transport Integrated Travel Service Platform Software V2.0 (道路客運綜合出行服務平台軟件V2.0)	Henan Shengwei	2022SR1544236	July 12, 2022
2. . .	Road Passenger Network Ticketing Big Data Platform V5.8 (道路客運聯網售票大數據平台V5.8)	Our Company	2022SR0456703	May 15, 2021
3. . .	Comprehensive Travel Big Data Analysis Platform V1.0 (綜合出行大數據分析平台V1.0)	Our Company	2021SR1266131	May 31, 2021

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

No.	Name of Software	Registered Owner	Registration Number	Development Completion Date
4. . .	Shengwei Passenger Network Ticketing Comprehensive Information Platform V2.0 (盛威客運聯網售票綜合信息平台V2.0)	Our Company	2016SR125124	March 1, 2016
5. . .	Shengwei Times Customized Passenger Transportation System V5.0 (盛威時代定制客運系統V5.0)	Our Company	2022SR0456770	May 12, 2021
6. . .	Shengwei Times Keyunda Enterprise Management System V1.0 (盛威時代客運達企業管理系統V1.0)	Our Company	2020SR0887838	April 20, 2020
7. . .	Shengwei Times CloudStation Information Management System V2.0 (盛威時代雲站務信息管理系統V2.0)	Our Company	2022SR0596492	March 20, 2019
8. . .	Shengwei Intelligent Station Management System V5.5 (盛威智慧站務管理系統V5.5)	Our Company	2019SR0093318	October 20, 2018
9. . .	Provincial Clearing and Settlement Management System V2.6 (省級清分結算管理系V2.6)	Our Company	2023SR1247086	November 17, 2022
10. .	Shengwei Electronic Ticketing Diversified Ticketing Website System V4.0 (盛威電子客票多元化售票網站系統V4.0)	Our Company	2023SR1256800	November 17, 2022
11. .	Shengwei Times Electronic Invoice Management System V1.0 (盛威時代電子發票管理系統V1.0)	Our Company	2022SR0634809	June 15, 2019
12. .	Real-name Ticketing System V2.0 (實名制售檢票系統V2.0)	Hengsheng Changyun	2023SR0241845	January 31, 2022
13. .	Transportation Enterprise Small Package Express Information Management Platform V3.0 (運輸企業小件快運信息管理平台V3.0)	Henan Shengwei	2022SR1544211	July 12, 2022
14. .	Smart Tourism Big Data Platform V2.0 (智慧旅遊大數據平台V2.0)	Henan Shengwei	2021SR1110506	March 5, 2021
15. .	365 Ride-hailing Car Owner Platform V2.0 (365約車車主端平台V2.0)	Shengzhi Yilian	2019SR0716428	March 13, 2019
16. .	Aggregated Travel Passenger-side Software V1.1 (聚合出行乘客端軟件V1.1)	Shengzhi Yilian	2020SR1196244	April 15, 2020

## APPENDIX VII STATUTORY AND GENERAL INFORMATION

No.	Name of Software	Registered Owner	Registration Number	Development Completion Date
17.	Aggregated Travel Management System V1.1 (聚合出行管理系統 V1.1)	Shengzhi Yilian	2020SR1195899	February 1, 2019
18.	Customer Service Work Order Management System V1.1 (客服工單管理系統V1.1)	Shengzhi Yilian	2020SR1197353	February 1, 2019
19.	Shengzhi Yilian Car Owner Software V1.1.0 (盛智易聯車主軟件V1.1.0)	Shengzhi Yilian	2022SRE030931	June 24, 2022
20.	Data Statistics System V1.1 (數據統計系統V1.1)	Shengzhi Yilian	2020SR1197358	February 1, 2019
21.	Driver Management System V1.1 (司機管理系統V1.1)	Shengzhi Yilian	2020SR1197363	February 1, 2019
22.	Peer Dispatching System V1.1 (同行派單系統V1.1)	Shengzhi Yilian	2020SR1196277	March 1, 2019

### 3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUPERVISORS

#### A. Particulars of Directors' and Supervisors' Service Contracts and Appointment Letters

Each of the Directors and Supervisors entered into a service contract or appointment letter with our Company. The principal particulars of these service contracts comprise (a) the term of the service, subject to termination in accordance with their respective term; and (b) a dispute resolution provision. The principal particulars of these appointment letters comprise the term of the service. The service contracts and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors or Supervisors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation other than statutory compensation).

#### B. Remuneration of Directors and Supervisors

Save as disclosed in the section headed "Directors, Supervisors and Senior Management" and Note 8. Directors' and Supervisors' Emoluments to the Accountants' Report in Appendix I to this document for the three years ended December 31, 2021, 2022 and 2023, and the six months ended June 30, 2023 and 2024, none of our Directors or Supervisors received other remunerations or benefits in kind from us.

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

**4. DISCLOSURE OF INTERESTS**

**A. Disclosure of Interests of Directors and Supervisors**

Save as disclosed below, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), so far as our Directors are aware, none of our Directors or Supervisors has any interest and/or short position in our Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the [REDACTED] pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position 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 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, once the Shares are [REDACTED] on the Hong Kong Stock Exchange.

Up to the Latest Practicable Date, none of the Directors or Supervisors or their respective spouses and children under 18 years of age had been granted by the Company or had exercised any rights to subscribe for shares or debentures of the Company or any of its associated corporations.

<u>Name</u>	<u>Position</u>	<u>Nature of Interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding in the total share capital of our Group immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)<sup>(2)</sup></u> (%)
Mr. Jiang <sup>(3)</sup>	Executive Director, chairman of the Board	Beneficial owner/ Interest of controlled corporation/ Interest held jointly with other persons	[REDACTED] Shares	[REDACTED]



**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

*Notes:*

- (1) All interests are long positions.
- (2) The calculation is based on the total number of [REDACTED] Shares and [REDACTED] H Shares in issue immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised).
- (3) For details, see section headed “Substantial Shareholders” in this document.

**B. Disclosure of Interests of Substantial Shareholders**

Save as disclosed below and in the section headed “Substantial Shareholders” in this document, immediately following the completion of the [REDACTED], our Directors are not aware of any person (other than our Directors or Supervisors or chief executive of our Company) who will have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong 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 general meetings of any other members of our Group.

*Interests of substantial shareholders in members of our Group (excluding our Company)*

<u>Our subsidiaries</u>	<u>Registered capital</u>	<u>Name of substantial shareholder</u>	<u>Approximate percentage of shareholding (%)</u>
Beijing Hongbo . . . . .	RMB11,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%
Hengsheng Changyun . . . . .	RMB32,727,273	Zhejiang Changyun Investment	33.4583%
Shanxi Changjie Transportation Technology Co., Ltd.* (山西暢捷交通科技有限公司) . . . . .	RMB10,000,000	Shanxi Venhicle Transportation Group Co., Ltd.* (山西汽車運輸集團有限公司) Taiyuan Jihaoan Technology Partnership (Limited Partnership)* (太原吉浩安科技合夥企業(有限合夥))	22.95% 22.05%
Changxing (Dalian) City Operation Technology Co., Ltd.* (暢行(大連)城市運營科技有限公司) . . . . .	RMB2,000,000	Liaoning Zhongheng Shengtong Technology Co., Ltd.* (遼寧中恒盛通科技有限公司) Harbin Qianjing Electronics Equipment Co., Ltd.* (哈爾濱乾景電力設備有限公司)	20% 15%

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

<b>Our subsidiaries</b>	<b>Registered capital</b>	<b>Name of substantial shareholder</b>	<b>Approximate percentage of shareholding (%)</b>
Changxing (Yichang) City Operation Service Co., Ltd.* (暢行(宜昌)城市運營服務有限公司) . . . . .	RMB2,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%
		Liaoning Zhongheng Shengtong Technology Co., Ltd.* (遼寧中恒盛通科技有限公司)	20%
Changyou (Huanggang) City Operation Service Co., Ltd.* (暢游(黃岡)城市運營服務有限公司) . . . . .	RMB2,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%
		Liaoning Zhongheng Shengtong Technology Co., Ltd.* (遼寧中恒盛通科技有限公司)	20%
Changyou (Dali) City Operation Service Co., Ltd.* (暢游(大理)城市運營服務有限公司) . . . . .	RMB2,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	40%
Changyou (Linfen) City Operation Service Co., Ltd.* (暢游(臨汾)城市運營服務有限公司) . . . . .	RMB2,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	25%
		Linfen Mingdian Xinyu Culture Technology Co., Ltd.* (臨汾市名典新語文化科技有限公司)	15%
Changyou (Shangqiu) City Operation Service Co., Ltd.* (暢游(商丘)城市運營服務有限公司) . . . . .	RMB2,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	25%
		Henan Baichang City Operation Service Co., Ltd.* (河南百暢城市運營服務有限公司)	15%
Changyou (Hubei) City Operation Service Co., Ltd.* (暢游(湖北)城市運營服務有限公司) . . . . .	RMB2,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%
		Liaoning Zhongheng Shengtong Technology Co., Ltd.* (遼寧中恒盛通科技有限公司)	20%

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

<b>Our subsidiaries</b>	<b>Registered capital</b>	<b>Name of substantial shareholder</b>	<b>Approximate percentage of shareholding (%)</b>
Changyou (Yuncheng) City Operation Service Co., Ltd.* (暢游(運城)城市運營服務有限公司) . . . . .	RMB1,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%
		Liaoning Zhongheng Shengtong Technology Co., Ltd.* (遼寧中恒盛通科技有限公司)	20%
Changyou (Lanzhou) City Operation Service Co., Ltd.* (暢游(蘭州)城市運營服務有限公司) . . . . .	RMB2,000,000	Beijing Maicuikesi Technology Co., Ltd.* (北京麥萃克斯科技有限公司)	40%
Changyou (Harbin) City Operation Service Co., Ltd.* (暢游(哈爾濱)城市運營服務有限公司) . . . . .	RMB2,000,000	Harbin Zhichaotongchang Technology Co., Ltd.* (哈爾濱至超通暢科技有限公司)	20%
		Harbin Qianjing Electronics Equipment Co., Ltd.* (哈爾濱乾景電力設備有限公司)	20%
Changyou (Jingzhou) City Operation Service Co., Ltd.* (暢游(荊州)城市運營服務有限公司) . . . . .	RMB1,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%
		Liaoning Zhongheng Shengtong Technology Co., Ltd.* (遼寧中恒盛通科技有限公司)	20%
Changyou (Luohe) City Operation Service Co., Ltd.* (暢游(漯河)城市運營服務有限公司) . . . . .	RMB1,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	40%
Changyou (Changchun) Technology Co., Ltd.* (暢游(長春)科技有限公司) . . . . .	RMB2,000,000	Harbin Qianjing Electronics Equipment Co., Ltd.* (哈爾濱乾景電力設備有限公司)	20%
		Liaoning Zhongheng Shengtong Technology Co., Ltd.* (遼寧中恒盛通科技有限公司)	20%
Changyou (Huaibei) Technology Co., Ltd.* (暢游(淮北)科技有限公司) . . . . .	RMB2,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

<b>Our subsidiaries</b>	<b>Registered capital</b>	<b>Name of substantial shareholder</b>	<b>Approximate percentage of shareholding (%)</b>
Changqinyou (Qinhuangdao) Technology Co., Ltd.* (暢秦游(秦皇島)科技有限公司) . . . . .	RMB1,000,000	Duolanwan Hotel Management (Beijing) Co., Ltd.* (朵蘭灣酒店管理(北京)有限公司)	40%
Qingyang Changxing Longdong Information Technology Co., Ltd.* (慶陽暢行隴東信息科技有限公司) . . . . .	RMB1,000,000	Gansu Youan Information Technology Co., Ltd.* (甘肅佑安信息科技有限公司)	20%
		Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	10%
Changxingyou (Handan) Business Operation Management Co., Ltd.* (暢行游(邯鄲)商業運營管理有限公司) . . . . .	RMB1,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%
		Liaoning Zhongheng Shengtong Technology Co., Ltd.* (遼寧中恒盛通科技有限公司)	20%
Changyou (Tianshui) City Operation Service Co., Ltd.* (暢游(天水)城市運營服務有限公司) . . . . .	RMB1,000,000	Beijing Maicuikesi Technology Co., Ltd.* (北京麥萃克斯科技有限公司)	40%
Changyou (Qingdao) City Service Co., Ltd.* (暢游(青島)城市服務有限公司) . . . . .	RMB1,000,000	Beijing Maicuikesi Technology Co., Ltd.* (北京麥萃克斯科技有限公司)	40%
Changyou (Tianjin) City Operation Management Co., Ltd.* (暢游(天津)城市運營管理有限公司) . . . . .	RMB2,000,000	Beijing Maicuikesi Technology Co., Ltd.* (北京麥萃克斯科技有限公司)	20%
		Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%
Changyou (Mudanjiang) City Operation Service Co., Ltd.* (暢游(牡丹江)城市運營服務有限公司) . . . . .	RMB2,000,000	Harbin Qianjing Electronics Equipment Co., Ltd.* (哈爾濱乾景電力設備有限公司)	40%
Changxing (Xianning) City Operation Service Co., Ltd.* (暢行(咸寧)城市運營服務有限公司) . . . . .	RMB1,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%
		Liaoning Zhongheng Shengtong Technology Co., Ltd.* (遼寧中恒盛通科技有限公司)	20%

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

<b>Our subsidiaries</b>	<b>Registered capital</b>	<b>Name of substantial shareholder</b>	<b>Approximate percentage of shareholding (%)</b>
Changyou (Zibo) City Service Co., Ltd.* (暢游(淄博)城市服務有限公司)	RMB1,000,000	Tianjin Shengda Chuanba Technology Co., Ltd.* (天津盛達船吧科技有限公司)	20%
		Shengrong Times (Jinan) Smart Technology Co., Ltd.* (盛榮時代(濟南)智能科技有限公司)	15%

**C. Disclaimers**

Save as disclosed in this document:

- (a) none of our Directors, Supervisors or any of the parties listed in “— 5. Other Information — F. Qualifications of Experts” of this Appendix is:
  - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or
  - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (b) save in connection with the [REDACTED] and the [REDACTED], none of the parties listed in “— 5. Other Information — F. Qualification of Experts” of this Appendix:
  - (i) is interested legally or beneficially in any shares in any member of our Group; or
  - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (c) save as disclosed in this section, none of our Directors or Supervisors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are listed on the Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO; and

## APPENDIX VII

## STATUTORY AND GENERAL INFORMATION

- (d) save as disclosed in the section headed "Business" this document, none of our Directors or Supervisors or their respective close associates (as defined under the Listing Rules) or Shareholders who owns more than 5% of the issued shares of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

### 5. OTHER INFORMATION

#### A. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration or claim of material importance and, so far as our Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of our Group, which would have a material adverse effect on our financial condition or results of operations, taken as a whole.

#### B. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor has made an application on our behalf to the [REDACTED] for the [REDACTED] of, and permission to deal in, our H Shares to be issued as mentioned in this document. All necessary arrangements have been made to enable the securities to be admitted into [REDACTED].

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of RMB4.0 million to act as a sponsor of our Company in connection with the [REDACTED].

#### C. Compliance Adviser

Our Company has appointed Somerley Capital Limited as the compliance adviser in compliance with Rule 3A.19 of the Listing Rules.

#### D. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

**APPENDIX VII STATUTORY AND GENERAL INFORMATION**

**E. Promoters**

Information of our promoters as of the time of our Company's conversion is as follows:

No.	Name
1 . . .	Alibaba Travel
2 . . .	Mr. Jiang
3 . . .	Chengdu Yingchuang
4 . . .	Haidai Zhushi
5 . . .	Ningbo SoftBank
6 . . .	Dayou No.1
7 . . .	Anyang Zhanxin
8 . . .	Times Zhongcheng
9 . . .	Shanghai Minghe
10 . .	Times Xincheng
11 . . .	Jiangsu Jiequan Jingshifeng
12 . .	Dongzheng Fuxiang
13 . .	Shanghai Jianyuan Equity
14 . .	Mr. WANG Jiawei
15 . .	Guiyang SoftBank
16 . .	Guangzhou DSQ
17 . .	Shanghai Yuanhong
18 . .	Hundsun Technologies
19 . .	State Development Technology Venture
20 . .	Meishijia Technology
21 . .	Hangzhou Zhengtu
22 . .	Mr. LI Chen
23 . .	Shanghai Jianyuan Enterprise
24 . .	Mr. LI Yifeng
25 . .	Huajin Consulting

Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

## APPENDIX VII STATUTORY AND GENERAL INFORMATION

### F. Qualification of Experts

The qualifications of the experts, as defined under the Hong Kong Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance), who have given opinions and/or advice in this document, are as follows:

Name	Qualification
China Securities (International) Corporate Finance Company Limited . . . . .	A licensed corporation to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities (as defined under SFO)
KPMG . . . . .	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Haiwen & Partners . . . . .	Company’s PRC legal advisors
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. . . . .	Independent industry consultant

### G. Consents of Experts

Each of the experts named in paragraph headed “— 5. Other Information — F. Qualification of Experts” of this Appendix has given and has not withdrawn its respective written consent to the issue of this document with the inclusion of its certificates, reports, letters, opinions or the references to its name included herein in the form and context in which it is respectively included.

None of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

### H. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer is effected on the H Share register of members of our Company, including in circumstances where such transaction is effect on the Hong Kong Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred. For further information in relation to taxation, see “Appendix IV — Taxation and Foreign Exchange”.

### I. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to “Appendix VI — Summary of Articles of Association” to this document.



## APPENDIX VII

## STATUTORY AND GENERAL INFORMATION

### J. Binding Effect

This document shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

### K. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or any of our subsidiaries under the laws of the PRC.

### L. Miscellaneous

- (a) within the two years immediately preceding the date of this document:
  - (i) no share or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued, or is proposed to be fully or partly paid either for cash or a consideration other than cash;
  - (ii) no share or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iii) save as disclosed in the section headed "[REDACTED]." in this document, no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries;
  - (iv) save as disclosed in the section headed "[REDACTED]." in this document, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company; and
  - (v) no listing document of our Company has been issued;
- (b) there are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries;
- (c) 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;
- (d) our Company has no outstanding convertible debt securities or debentures;





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**APPENDIX VIII**

**DOCUMENTS DELIVERED TO THE REGISTRAR OF  
COMPANIES AND AVAILABLE ON DISPLAY**

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- (h) the PRC legal opinions issued by Haiwen & Partners, our PRC Legal Advisor, in respect of our general matters and property interests of our Group under the PRC laws;
- (i) the PRC Company Law together with unofficial English translations thereof; and
- (j) the industry report issued by Frost & Sullivan referred to in the section headed "Industry Overview" in this document.