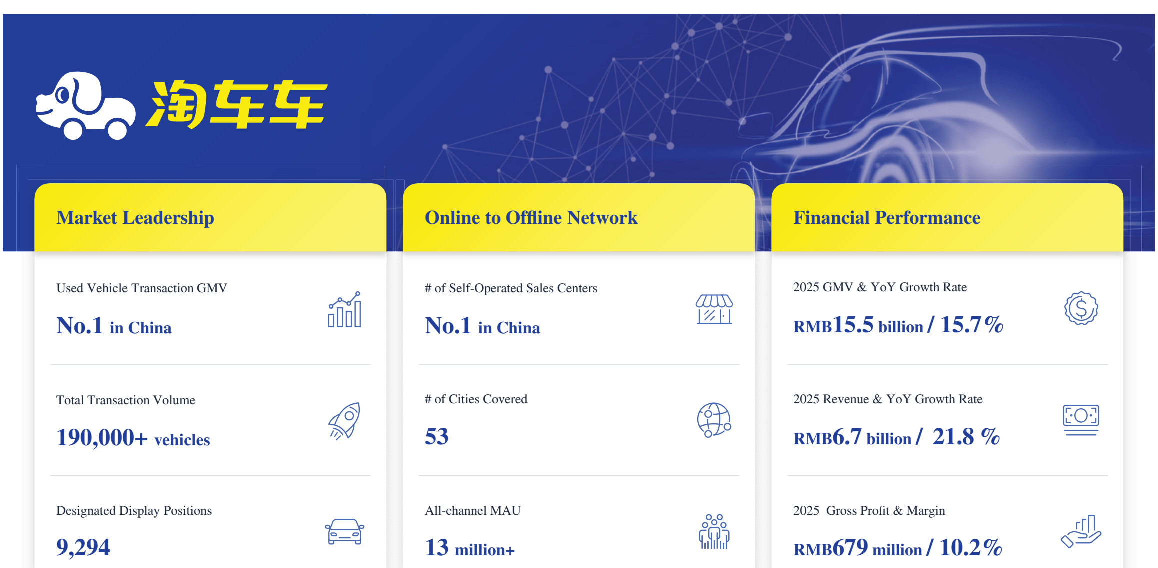
This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document carefully before you decide to **[REDACTED]** *in the* **[REDACTED]**.

There are risks associated with any **[REDACTED]**. *Some of the particular risks in* **[REDACTED]** *in the* **[REDACTED]** *are set out in the section headed "Risk Factors." You should read that section carefully before you decide to* **[REDACTED]** *in the* **[REDACTED]**.

OVERVIEW

We are a leading used vehicle transaction platform in China, committed to becoming the most trusted company in the industry. We ranked first among Chinese used vehicle transaction platforms based on GMV in 2025, capturing a market share of 3.8%, according to Frost & Sullivan. In response to the structural challenges of a fragmented market, non-standardized transaction processes and subpar customer service in China's used vehicle industry, we have developed Taocheche Cooperation Network (TCN), a proprietary, data-driven smart operational framework that integrates online and offline experiences. Embedded within TCN is our proprietary "AI Brain," a suite of purpose-built AI tools spanning intelligent dialogue, analytics, content generation, vehicle support systems, and dynamic pricing, which collectively integrate perception, decision-making, and execution capabilities across the entire transaction workflow. This closed-loop framework standardizes processes and enables scalable, intelligent operations across the entire transaction process, providing customers with reliable access to quality used vehicles.

Since our founding in 2018, we have rapidly grown into a leader in China's used vehicle industry, with total transaction volume through our platform in 2025 exceeding 190,000 vehicles. We have established an omni-channel network integrating 62 offline sales centers in China with a total of 9,294 designated display positions as of December 31, 2025 — both the largest nationwide — and an online platform supported by a matrix of new media channels, driving monthly active user (MAU) across all channels to over 13 million for the year ended December 31, 2025. We also have presence overseas with sales centers in Dubai and Nigeria. Our strong presence across online and offline touchpoints has laid a solid foundation for continued scaling both in China and overseas. Our revenue grew by more than 20% from 2024 to 2025.



Note: (1) Data and ranking as of December 31, 2025 or for the full year ending December 31, 2025, unless otherwise specified.

OUR BUSINESS MODEL

As a leading used vehicle transaction platform in China, we have built an integrated online-to-offline self-operated system, aggregating a wide range of vehicle sources from both individual and institutional sellers, with our mobile app and a nationwide network of sales centers. Beyond used vehicle sales, we deliver value-added services, offering end-to-end solutions that enhance and streamline the entire used-vehicle transaction experience. During the Track Record Period, we generated revenue from (i) used vehicle retail business, (ii) wholesale vehicle sales, and (iii) platform services.

- ***Used vehicle retail business.*** Our retail business serves individual consumers looking to purchase used vehicles. We offer a curated selection of quality checked vehicles, supported by online advertising, competitive pricing, and a range of value-added services, all delivered through a click-to-showroom experience. During the Track Record Period, retail business accounted for a majority of our revenue and is expected to remain a significant revenue contributor in the foreseeable future.

- ***Wholesale vehicle sales.*** Our wholesale business complements our operations by enhancing sourcing flexibility and inventory turnover. Leveraging our large-scale vehicle inspection capabilities, strong capital base, and nationwide sales coverage — built through our retail business — we purchase used vehicles from institutional sellers and sell them to auto dealers across China and overseas markets in bulk.

- ***Platform services.*** We provide platform services to ecosystem partners across the vehicle transaction value chain, creating synergies among vehicle purchasers, third-party auto financing service providers and auto dealers that strengthen our ecosystem and drive long-term growth.

KEY OPERATING METRICS

To assess our business performance, we regularly review a number of key operating metrics that are presented in the following table for the years or as of the dates indicated.

	For the Year Ended December 31,		
	2023	2024	2025
Total transaction volume	**105,937**	**139,504**	**191,487**
Number of vehicles sold	**47,112**	**61,521**	**85,418**
Retail	38,310	53,998	71,162
Wholesale	8,802	7,523	14,256
Number of vehicles under service coverage[(1)]	**58,825**	**77,983**	**106,069**

	As of December 31,		
	2023	2024	2025
Vehicle display positions	**5,779**	**7,665**	**9,294**

Note:

(1) Represents vehicles under our value-added services in connection with retail business and platform services.

Revenue from used vehicle retail business accounted for 64.5%, 69.2% and 65.4% of our total revenue in 2023, 2024 and 2025, the growth of which was primarily driven by growing retail sales volume. The number of vehicles sold through our retail business was 38.3 thousand, 54.0 thousand and 71.2 thousand vehicles in 2023, 2024 and 2025, respectively. This growth was primarily supported by (i) our efforts to upgrade existing sales centers into higher-capacity flagship centers, which increased our vehicle display positions to 9.3 thousand as of December 31, 2025, (ii) a broader selection of vehicles offered to customers, and (iii) our continued expansion across new media channels, which broadened our customer reach.

Revenue from wholesale vehicle sales accounted for 20.4%, 12.2% and 17.9% of our total revenue in 2023, 2024 and 2025, respectively. Fluctuations in wholesale revenue were primarily attributable to changes in wholesale volume, with 8.8 thousand, 7.5 thousand and 14.3 thousand vehicles sold to wholesale customers in 2023, 2024 and 2025, respectively. The decrease in wholesale volume in 2024 was mainly due to our strategic scaling back of our wholesale vehicle sales in both domestic and overseas markets amid an overall decline in vehicle market prices. The rebound in 2025 was primarily driven by our efforts to establish business relationships with large institutional sellers and buyers.

In addition to vehicle sales, we generated revenue from value-added services and platform services. Revenue from service offerings increased during the Track Record Period, primarily attributable to an increase in the number of successful referrals to third-party auto financing providers regarding leads of financing demand. This was reflected in the growth in the number of vehicles under our service coverage, which increased from 58.8 thousand in 2023 to 78.0 thousand in 2024, and further to 106.1 thousand in 2025.

OUR MARKET OPPORTUNITIES AND COMPETITIVE LANDSCAPE

China's used vehicle market represents a vast and growing opportunity. According to Frost & Sullivan, the market reached approximately RMB1.3 trillion in 2025 and is expected to grow to RMB2.0 trillion by 2030. Despite this strong growth, the industry continues to face structural challenges, particularly in customer trust, customer experience, and pricing. In response to these pain points, the industry is witnessing the emergence of platforms that offer standardized, end-to-end processes.

According to Frost & Sullivan, the market size of used vehicle transaction platforms in China is projected to grow from RMB461.9 billion in 2026 to RMB739.9 billion in 2030, representing a CAGR of 12.5%. We are the largest used vehicle transaction platform in China in terms of total GMV in 2025, according to Frost & Sullivan. In 2025, our platform recorded a total GMV of RMB15.5 billion, representing a 3.8% market share nationwide. Nonetheless, we face challenges in the highly competitive used vehicle transaction platform market despite our leadership in the industry. China's used vehicle transaction platform market remains highly fragmented based on 2025 GMV, with the top five players collectively holding only 14.5% market share. For details, see the section headed "Industry Overview." We may not be able to compete successfully against current or future competitors, and competitive pressures may harm our revenue, business, and financial results. For details, see "Risk Factors — Used car marketplace is a highly competitive industry. Pressure from existing and new companies may adversely affect our business and operating results."

OUR STRENGTHS

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors: (i) largest used vehicle transaction platform in China; (ii) self-operated, vertically integrated nationwide infrastructure; (iii) streamlined operations driven by closed-loop workflow; (iv) proprietary "AI Brain" built on wealth of full-process data; and (v) seasoned, execution-focused leadership and marquee investors. For details, see "Business — Our Strengths."

OUR STRATEGIES

We plan to implement the following targeted strategies: (i) to deepen self-operated network and strengthen core transaction capabilities; (ii) to advance intelligent capabilities: from execution assistance to self-optimization; (iii) to expand business scope and geographic footprint to build a comprehensive used vehicle platform; and (iv) to pursue targeted strategic collaborations and acquisitions. For details, see "Business — Our Strategies."

SALES AND MARKETING

Our sales efforts are primarily focused on educating potential sellers and buyers as to the benefits of our service offerings, attracting new sellers and buyers and maintaining relationship with existing ones, all supported by standardized processes and AI-enabled tools embedded in our TCN. Our sales team is divided into retail sales team focusing on individual sellers and buyers and wholesale sales team responsible for developing and maintaining relationships with institutional sellers and our dealer partners. For details, see "Business — Sales and Marketing — Sales."

We enhance the awareness of our brand and promote our platforms through both offline and online channels. Offline channels include, among others, industry conferences, product launches and industry salons. Online channels include social media platforms and livestreaming. For details, see "Business — Sales and Marketing — Marketing."

OUR CUSTOMERS AND SUPPLIERS

We sell used vehicles to individual consumers in the retail market and to auto dealers in the wholesale market. We also charge third-party auto financing service providers and auto dealers for various services we provide to them. The revenue attributable to our five largest customers for each year during the Track Record Period was RMB990.1 million, RMB1,404.8 million and RMB1,495.7 million, respectively, accounting for 22.4%, 25.7% and 22.5% of our total revenue, respectively. The revenue attributable to our largest customer for each year during the Track Record Period was RMB647.0 million, RMB912.4 million and RMB1,016.3 million, respectively, accounting for 14.6%, 16.7% and 15.3% of our total revenue, respectively. See "Business — Customers."

Our suppliers primarily included auto dealers and other third-party service providers. The purchases attributable to our five largest suppliers for each year during the Track Record Period were RMB725.2 million, RMB801.1 million and RMB874.7 million, respectively, accounting for 18.3%, 15.5% and 14.5% of our total purchases, respectively. The purchases attributable to our largest supplier for each year during the Track Record Period were RMB189.0 million, RMB257.9 million and RMB515.6 million, respectively, accounting for 4.8%, 5.0% and 8.5% of our total purchase. See "Business — Suppliers."

RISK FACTORS

Our business faces risks including those set out in the section headed "Risk Factors." As different [**REDACTED**] 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 Shares. Some of the major risks that we face include:

- Our business is subject to risks related to the larger automotive ecosystem, including consumer demand and other macroeconomic issues;

- Our rapid growth may not be indicative of our future growth and, if we continue growing rapidly, we may not be able to manage our growth and profitability effectively;

- The ongoing armed conflict involving Iran and the resulting disruption to maritime traffic through the Strait of Hormuz have adversely affected, and may continue to adversely affect, our overseas operations and results of operations;

- If we fail to provide a differentiated and superior customer experience, the size of our customer base and the number of transactions on our platform could decline, and our business would be materially and adversely affected;

- We depend on our proprietary technology for critical functions of our business. Failure to properly maintain or promptly upgrade our technology may result in disruptions to or lower quality of our services, and our business, results of operations and financial condition may be materially and adversely affected;

- Our failure to maintain our reputation and to otherwise maintain and enhance our customer service quality and brand could adversely affect our business, sales, and results of operations;

- Used car marketplace is a highly competitive industry. Pressure from existing and new companies may adversely affect our business and operating results;

- Our expansion into overseas markets may involve significant risks and uncertainties, which could adversely affect our business, financial condition and results of operations.

- We face risks related to changes in global and regional macroeconomic conditions, geopolitical tensions, regional conflicts, and other force majeure events, any of which could materially and adversely affect our business operations, financial condition, results of operations and prospects.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Profit or Loss

The following table sets forth our profit or loss, both in absolute amounts and as a percentage of our revenue, for the years indicated.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)					
Revenue	**4,428,805**	**100.0**	**5,470,571**	**100.0**	**6,662,372**	**100.0**
Cost of revenues	(4,011,751)	(90.6)	(4,882,458)	(89.2)	(5,983,104)	(89.8)
Gross profit	**417,054**	**9.4**	**588,113**	**10.8**	**679,268**	**10.2**
Other income and expenses, net	4,910	0.1	6,421	0.1	4,555	0.1
Selling and marketing expenses	(524,405)	(11.8)	(601,727)	(11.0)	(667,335)	(10.0)
General and administrative expenses	(58,463)	(1.3)	(77,183)	(1.4)	(219,362)	(3.3)
Research and development expenses	(38,485)	(0.9)	(44,862)	(0.8)	(44,132)	(0.7)
Credit loss on guarantee liabilities and trade and other receivables	(5,867)	(0.1)	(15,494)	(0.3)	(47,231)	(0.7)
Loss from operations	**(205,256)**	**(4.6)**	**(144,732)**	**(2.6)**	**(294,237)**	**(4.4)**
Financing related expenses	(311,657)	(7.0)	(225,676)	(4.1)	(403,887)	(6.1)
Changes in the carrying amount of redemption liabilities	(174,989)	(4.0)	(202,662)	(3.7)	(219,019)	(3.3)
Loss before taxation	**(691,902)**	**(15.6)**	**(573,070)**	**(10.4)**	**(917,143)**	**(13.8)**
Income tax (expense)/benefit	(3,634)	(0.1)	(906)	–	218	–
Loss for the year	**(695,536)**	**(15.7)**	**(573,976)**	**(10.4)**	**(916,925)**	**(13.8)**

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS Accounting Standards, we also use EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted net loss (non-IFRS measure) as additional financial measures. We believe these non-IFRS measures facilitate comparisons of operating performance from year to year and company to company by eliminating potential impacts of items.

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

We define EBITDA (non-IFRS measure) as loss for the year excluding interest on lease liabilities, interest on borrowings, accrued financial charges of convertible notes, changes in fair value on the derivative components of convertible notes, other financial charges, income tax expense/(benefit), and depreciation and amortization. We define adjusted EBITDA (non-IFRS measure) as EBITDA (non-IFRS measure) excluding share-based payment expenses, [**REDACTED**] expenses and changes in the carrying amount of redemption liabilities. We define adjusted net loss (non-IFRS measure) as loss for the year adjusted for share-based payment expenses, [**REDACTED**] expenses, changes in the carrying amount of redemption liabilities, accrued financial charges of convertible notes and changes in fair value on the derivative components of convertible notes.

The following table reconciles our EBITDA (non-IFRS measure), adjusted EBITDA (non-IFRS measure) and adjusted net loss (non-IFRS measure) for the years indicated to our loss for the same years.

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Loss for the year	**(695,536)**	**(573,976)**	**(916,925)**
Add:	–	–	–
Interest on lease liabilities	3,186	4,054	2,668
Interest on borrowings	20,237	28,880	35,466
Accrued financial charges of convertible notes	48,327	56,711	64,688
Changes in fair value on the derivative components of convertible notes	229,520	120,616	285,560
Other financial charges	11,415	12,075	12,736
Income tax expense/(benefit)	3,634	906	(218)
Depreciation and amortization	202,103	186,034	163,245
EBITDA (non-IFRS measure)	**(177,114)**	**(164,700)**	**(352,780)**
Add:			
Share-based payment expenses	–	–	141,148
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Changes in the carrying amount of redemption liabilities	174,989	202,662	219,019
Adjusted EBITDA (non-IFRS measure)	**(2,125)**	**37,962**	**9,186**
Loss for the year	**(695,536)**	**(573,976)**	**(916,925)**
Add:			
Share-based payment expenses	–	–	141,148
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Changes in the carrying amount of redemption liabilities	174,989	202,662	219,019
Accrued financial charges of convertible notes	48,327	56,711	64,688
Changes in fair value on the derivative components of convertible notes	229,520	120,616	285,560
Adjusted net loss (non-IFRS measure)	**(242,700)**	**(193,987)**	**(204,711)**

Key Components of Our Consolidated Statements of Profit or Loss and Other Comprehensive Income

Revenue

Our revenue totaled RMB4,428.8 million, RMB5,470.6 million and RMB6,662.4 million in 2023, 2024 and 2025, respectively.

We generate revenue from (i) used-vehicle retail business (including used-vehicle sales and related value-added services), (ii) wholesale vehicle sales, and (iii) platform services. The following table sets forth a breakdown of our revenue by business line for the years indicated.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except percentages)					
Revenue						
Used vehicle retail business	2,856,453	64.5	3,785,883	69.2	4,355,014	65.4
Wholesale vehicle sales	903,541	20.4	669,687	12.2	1,194,224	17.9
Platform services	668,811	15.1	1,015,001	18.6	1,113,134	16.7
Total	**4,428,805**	**100.0**	**5,470,571**	**100.0**	**6,662,372**	**100.0**

Revenue from used vehicle retail business increased by 32.5% from RMB2,856.5 million in 2023 to RMB3,785.9 million in 2024, and further increased by 15.0% to RMB4,355.0 million in 2025. This was primarily driven by an increase in retail sales volume, from 38.3 thousand units in 2023 to 54.0 thousand units in 2024, and further to 71.2 thousand units in 2025. The increase was partially offset by a decline in revenue per unit, as intensified competition in China's new vehicle market further suppressed used vehicle market prices.

Revenue from wholesale vehicle sales decreased by 25.9% from RMB903.5 million in 2023 to RMB669.7 million in 2024, primarily attributable to a decrease in the number of vehicles sold to wholesale customers, from 8.8 thousand units in 2023 to 7.5 thousand units in 2024 as we scaled back wholesale vehicle sales in both domestic and overseas markets amid an overall decline in the vehicle market prices. Revenue from wholesale vehicle sales increased by 78.3% from RMB669.7 million in 2024 to RMB1,194.2 million in 2025. This was mainly driven by an increase in wholesale sales volume from 7.5 thousand units in 2024 to 14.3 thousand units in 2025. This growth resulted from our efforts to establish business relationships with large institutional sellers and buyers to secure more stable vehicle supply, as well as our continued focus on driving sales growth in the Middle East and African markets.

Revenue from platform services increased by 51.8% from RMB668.8 million in 2023 to RMB1,015.0 million in 2024, and further increased by 9.7% to RMB1,113.1 million in 2025, primarily attributable to an increase in the number of successful referrals to third-party auto financing service provider regarding leads of financing demand vehicle purchasers seeking auto financing options.

During the Track Record Period, we primarily derived revenue from sales in Chinese mainland, while expanding our overseas sales through wholesale vehicle sales, primarily in the Middle East and African markets. The following table sets forth a breakdown of our revenue by geographical location of customers for the years indicated.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*
	(RMB in thousands, except for percentages)					
Revenue						
Chinese mainland	4,088,279	92.3	5,215,606	95.3	6,270,809	94.1
Other jurisdictions	340,526	7.7	254,965	4.7	391,563	5.9
Total	**4,428,805**	**100.0**	**5,470,571**	**100.0**	**6,662,372**	**100.0**

Cost of Revenues

Our cost of revenues primarily consists of (i) vehicle procurement costs, including vehicle purchasing, warehousing, reconditioning and logistic expenses, (ii) leads acquisition costs related to successful referrals to third-party auto financing service providers, and (iii) others, primarily including payroll and employee benefits for personnel responsible for vehicle procurement, as well as depreciation and amortization. Our cost of revenues increased by 21.7% from RMB4,011.8 million in 2023 to RMB4,882.5 million in 2024 and further by 22.5% to RMB5,983.1 million in 2025, primarily in line with the change in our transaction volumes, as more than 80% of cost of revenues was attributable to vehicle procurement costs.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit was RMB417.1 million, RMB588.1 million and RMB679.3 million in 2023, 2024 and 2025, respectively, representing gross margin of 9.4%, 10.8% and 10.2% in the respective years.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 14.7% from RMB524.4 million in 2023 to RMB601.7 million in 2024, primarily due to (i) an increase in payroll and employee benefits expenses associated with a greater number of sales and marketing personnel as we opened more sales centers in 2024, and (ii) an increase in marketing expenses associated with our livestreaming initiatives. Our selling and marketing expenses increased by 10.9% from RMB601.7 million in 2024 to RMB667.3 million in 2025, primarily because our increased number of display positions required more staff and caused higher staff costs, and we promoted livestreaming service which also triggered an increase in staff costs.

General and Administrative Expenses

Our general and administrative expenses increased by 32.0% from RMB58.5 million in 2023 to RMB77.2 million in 2024, primarily due to an increase in administrative headcount. Our general and administrative expenses increased by 184.2% from RMB77.2 million in 2024 to RMB219.4 million in 2025, primarily due to (i) the recognition of share-based payment expenses of RMB141.1 million in 2025, compared to nil in 2024, and (ii) due to the increase of management and administrative headcount for business expansion.

Research and Development Expenses

Our research and development expenses increased by 16.6% from RMB38.5 million in 2023 to RMB44.9 million in 2024, primarily due to an increase in payroll and employee benefits expenses associated with a greater number of research and development personnel. Our research and development expenses remained relatively stable with RMB44.1 million in 2025.

Loss From Operations

Our loss from operations narrowed from RMB205.3 million in 2023 to RMB144.7 million in 2024, primarily because the growth in revenue outpaced the increase in costs and expenses in 2024. Our loss from operations increased from RMB144.7 million in 2024 to RMB294.2 million in 2025, primarily due to the recognition of share-based payment expenses in 2025.

Financial Position

The following table sets forth our financial position as of the dates indicated.

	As of December 31,		
	2023	2024	2025
		(RMB in thousands)	
Total non-current assets	1,242,957	1,119,537	979,262
Total current assets	1,497,657	1,635,544	1,730,708
Total assets	**2,740,614**	**2,755,081**	**2,709,970**
Total current liabilities	5,659,227	6,308,719	6,936,109
Total non-current liabilities	91,999	71,874	96,644
Total liabilities	**5,751,226**	**6,380,593**	**7,032,753**
Net current liabilities	**(4,161,570)**	**(4,673,175)**	**(5,205,401)**
Total deficits	**(3,010,612)**	**(3,625,512)**	**(4,322,783)**

We had net current liabilities of RMB4.2 billion, RMB4.7 billion and RMB5.2 billion as of December 31, 2023, 2024 and 2025, respectively. Our net current liabilities were mainly attributable to (i) redemption liabilities, and (ii) convertible notes.

Our redemption liabilities primarily represent our obligation to redeem all or part of the convertible redeemable preferred shares issued to investors, upon their request, when a specific triggering event occurs. These convertible redeemable preferred shares will be reclassified from liabilities to equity upon automatic conversion into ordinary shares at the time of the [**REDACTED**]. Our redemption liabilities increased from RMB2,324.6 million as of December 31, 2023 to RMB2,554.6 million as of December 31, 2024, and further increased to RMB2,728.2 million as of December 31, 2025, primarily due to the continuous increase in the carrying amount from the existing series of financing recognized. For more details, see "Financial Information — Discussion of Certain Key Items on Consolidated Statements of Financial Position — Liabilities — Redemption Liabilities" and Note 23 to the Accountants' Report included in Appendix I to this document.

Our convertible notes primarily represent our obligation under several convertible note purchase agreements we entered into with Yixin. Our convertible notes amounted to RMB2,217.8 million, RMB2,429.9 and RMB2,720.6 million as of December 31, 2023, 2024 and 2025, respectively. For more details, see "Financial Information — Discussion of Certain Key Items on Consolidated Statements of Financial Position — Liabilities — Convertible Notes" and Note 24 to the Accountants' Report included in Appendix I to this document. As of the Latest Practicable Date, all of our convertible notes with Yixin had been converted into convertible redeemable preferred shares in full.

Cash Flows

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash (used in)/generated from operating activities	(570,115)	87,770	35,115
Net cash used in investing activities	(22,554)	(21,244)	(15,451)
Net cash generated from/(used in) financing activities	607,694	(89,588)	137,511
Net increase/(decrease) in cash and cash equivalents	**15,025**	**(23,062)**	**157,175**
Cash and cash equivalents at the beginning of the year	85,790	103,307	81,419
Effect of foreign exchange rate changes	2,492	1,174	(3,095)
Cash and cash equivalents at the end of the year	**103,307**	**81,419**	**235,499**

Key Financial Indicators

The following table sets forth our selected financial indicators for the years and as of the dates indicated.

	For the Year Ended December 31,		
	2023	2024	2025
	%		
Revenue growth(1)	N/A	23.5	21.8
Gross margin(2)	9.4	10.8	10.2

Notes:

(1) Revenue growth equals the revenue for the relevant year minus the revenue for the previous year, divided by the revenue for the previous year, and multiplied by 100%.

(2) Gross margin equals gross profit divided by revenue for the same year and multiplied by 100%.

PATH TO PROFITABILITY

We achieved rapid revenue growth during the Track Record Period, while recording losses of RMB695.5 million, RMB574.0 million and RMB916.9 million in 2023, 2024 and 2025, respectively. On an adjusted EBITDA basis (non-IFRS measure), our results improved from negative RMB2.1 million in 2023 to positive RMB38.0 million in 2024 and remained positive at RMB9.2 million in 2025.

We plan to achieve profitability by generating scale-driven operating leverage across three strategic measures: (i) accelerating revenue growth by capturing the structural expansion of China's used-vehicle market and increasing platform penetration, further scaling our integrated online-offline network, and expanding our overseas presence; (ii) expanding gross margin by strengthening our purchasing leverage with institutional sellers as volumes grow, broadening and stabilizing our vehicle sourcing, and further deploying our proprietary AI pricing agent to improve pricing precision, accelerate inventory turnover, reduce holding costs, and increase gross profit per vehicle; and (iii) improving operating efficiency through a standardized operating framework and continued offline network optimization, with AI-enabled process automation that compresses inspection, listing and customer-service cycle times — driving operating leverage and supporting a sustained reduction in selling and marketing expenses as a percentage of revenue.

See "Business — Path to Profitability" for more details.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Jiang was entitled to exercise approximately 23.61% of the voting rights in our Company through (i) 3,257,246 Ordinary Shares (representing approximately 18.24% of the voting rights in the Company) held by East Success Ventures Limited, an entity wholly-owned by Mr. Jiang; (ii) 957,427 Ordinary Shares (representing approximately 5.36% of the voting rights in the Company) held by VehiclePro LP, whose general partner is East Success Ventures Limited. Mr. Jiang, East Success Ventures Limited and VehiclePro LP was a group of single largest shareholders of our Company. Pursuant to the Proxy Arrangement, subject to compliance with the applicable Listing Rules (including requisite corporate approvals of Yixin (as applicable)), Yixin was expected to entrust 60.00% of the voting rights in our Company held by it to Mr. Jiang upon completion of the conversion of the Preferred Shares held by Yixin into the Ordinary Shares before the [**REDACTED**].

Immediately following the completion of the Share Subdivision and the [**REDACTED**] (on the basis that all the Preferred Shares are converted into Ordinary Shares on a one-to-one basis and assuming that the [**REDACTED**] is not exercised), Mr. Jiang will be entitled to exercise approximately [**REDACTED**]% of the voting rights in the Company through: (i) [**REDACTED**] Shares (representing approximately [**REDACTED**]% of the voting rights in the Company) held by East Success Ventures Limited; (ii) [**REDACTED**] Shares (representing approximately [**REDACTED**]% of the voting rights in the Company) held by VehiclePro LP; (iii) [**REDACTED**] Shares (representing approximately [**REDACTED**]% of the voting rights in the Company) held by Yixin, which were conferred to Mr. Jiang to exercise the voting rights attached thereto through the Proxy Arrangement. Accordingly, Mr. Jiang, East Success Ventures Limited and VehiclePro LP will be a group of controlling shareholders of the Company upon the completion of the [**REDACTED**].

We adopted our Pre-[**REDACTED**] Share Incentive Scheme on July 16, 2018, as further amended on August 19, 2025. Since shares underlying share awards and options under the Pre-[**REDACTED**] Share Incentive Scheme have been issued to HorizonWay Holdings Limited and Carvia Holdings Limited, the issued and outstanding shareholding of the Shareholders immediately following the completion of the [**REDACTED**] will not be diluted.

For details of the background and relationship among the Controlling Shareholders, their shareholding in the Company, and Proxy Arrangement, see "History, Reorganization and Corporate Structure" and "Substantial Shareholders."

OUR PRE-[REDACTED] INVESTORS

We have completed several rounds of equity financing in the past few years. See "History, Reorganization and Corporate Structure — Pre-[**REDACTED**] Investments."

CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transactions after the completion of the [**REDACTED**] which will constitute our non-exempt continuing connected transactions under Chapter 14A of Listing Rules upon [**REDACTED**]. See "Connected Transactions" and "Waivers and Exemption — Waiver in relation to Continuing Connected Transactions" for details.

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our business continued to progress normally subsequent to the Track Record Period. Our Directors confirm that, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 and up to the date of this document and there is no event since December 31, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set out in Appendix I to this document.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the [**REDACTED**] of the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**] in our Shares in issue (including the Ordinary Shares in issue and the Ordinary Shares to be converted from the Preferred Shares upon the [**REDACTED**]) and to be issued pursuant to the [**REDACTED**] (including the additional Shares which may be issued pursuant to the exercise of the [**REDACTED**]).

We applied on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules.

DIVIDEND

We did not declare or pay any dividends during the Track Record Period, and we cannot assure you that we will pay any cash dividends in the foreseeable future. [**REDACTED**] should not purchase our Shares with the expectation of receiving cash dividends. Under Cayman Islands law, the financial position of accumulated losses does not necessarily prohibit us from declaring and paying dividends to our Shareholders, as dividends may be declared and paid out of our share premium account notwithstanding our profitability, provided that this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business. As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board.

[**REDACTED**]

[**REDACTED**] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**], and other fees incurred in connection with the [**REDACTED**]. The estimated total [**REDACTED**] expenses (based on the mid-point of the [**REDACTED**] range and assuming that the [**REDACTED**] is not exercised) for the [**REDACTED**] are approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]), accounting for approximately [**REDACTED**]% of the gross [**REDACTED**] from the [**REDACTED**]. These expenses consist of (i) [**REDACTED**]-related expenses of approximately RMB[**REDACTED**] (approximately HK$[**REDACTED**]), and (ii) non-[**REDACTED**] related expenses of approximately RMB[**REDACTED**] (approximately HK$[**REDACTED**]), which consist of fees and expenses of legal advisors and Reporting Accountants of approximately RMB[**REDACTED**] (approximately HK$[**REDACTED**]), and other fees and expenses of approximately RMB[**REDACTED**] (approximately HK$[**REDACTED**]). Approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) of the estimated [**REDACTED**] expenses is directly attributable to the [**REDACTED**] of new Shares to the public and will be accounted for as a deduction from equity upon completion of the [**REDACTED**]. Approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) is expected to be charged in profit or loss before or upon completion of the [**REDACTED**], including RMB[**REDACTED**] (equivalent to HK$[**REDACTED**]) having been charged to profit or loss during Track Record Period. This calculation is subject to adjustment based on the actual amount incurred or to be incurred. The [**REDACTED**] expenses above are the best estimate as of the Latest Practicable Date and are for reference only. The actual amount may differ from such an estimate.

FUTURE PLANS AND USE OF [**REDACTED**]

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

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

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be allocated to establishing new sales centers in core domestic and overseas used car consumer markets to expand our self-operated network coverage.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be allocated to the comprehensive upgrade of our marketing system and brand promotion capabilities.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be allocated to investment in technological research and development to further enhance our data analysis and AI algorithm capabilities, aiming to optimize and upgrade our Taocheche AI Brain.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], will be allocated to strategic acquisitions and investments in China and overseas.

- Approximately [**REDACTED**]% of the [**REDACTED**], or HK$[**REDACTED**], is expected to be used for working capital and general corporate purposes to support liquidity needs for daily operations and business development.

For details, see "Future Plans and Use of [**REDACTED**]."