OVERVIEW

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on April 11, 2018. Following the 2018 reorganization as further disclosed below, our Company became the offshore holding entity of our Group, with business operations carried out through our subsidiaries. Since then, Mr. Jiang, who has profound industry knowledge and insights, has been leading our Group. For the biography and relevant industry experience of Mr. Jiang, see "Directors and Senior Management."

Through years of the development under the leadership of Mr. Jiang, 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.

OUR KEY MILESTONES

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

Year	Event
2018	Our Company was incorporated in the Cayman Islands.
	Our first sales center was officially launched.
	We completed Series A financing.
2019	We were awarded the China Used Car Circulation Industry Model Innovation Award (中國二手車流通行業模式創新獎) by the China Automobile Dealers Association (中國汽車流通協會).
2020	We developed the proprietary, data-driven Taocheche Cooperation Network (TCN), an omni-channel, closed-loop system that integrates online and offline operations.
	We completed Series B financing.
2021	We were recognized as a National High-Tech Enterprise (國家級高新技術企業).
	We completed the first cross-region vehicle delivery, achieving a breakthrough in cross-region car purchasing services.
2022	We were awarded the 2022 Most Competitive Used Car New Retail Platform (年度最具競爭力二手車新零售平台) at the Liechebang Awards hosted by National Business Daily (《每日經濟新聞》).

Year	Event
2023	We were recognized as a Beijing "Specialized, Sophisticated, Unique and New" Small and Medium-sized Enterprise ("專精特新"中小企業).
	We were awarded Top 10 Enterprises in New Retail for Automobiles by the All-China Federation of Industry and Commerce Automobile Dealers Chamber (全國工商聯汽車經銷商商會).
	We established an overseas wholesale business by launching the Taocars brand and building a professional overseas B2B platform.
	We completed Series C financing.
2024	We launched our self-developed Taocheche AI Brain, the industry's first AI-driven operational system covering the entire used car transaction process, according to Frost & Sullivan.
	We built a 100-person new media live broadcast matrix and established a standardized, replicable live-streaming operation system.
	We achieved cross-city delivery coverage nationwide.
2025	We won second place in the Top 100 Used Car Dealers of the Year (年度二手車經銷商百強第二名) issued by the China Automobile Dealers Association.
	We launched our AI Pricing Agent, adopting fully automated AI pricing in part of business scenarios and shifting from AI-assisted pricing to AI-independent pricing.

OUR MAJOR SUBSIDIARIES

The following sets forth the information on our major subsidiaries as of the Latest Practicable Date:

Name of subsidiary	Place of incorporation	Date of incorporation	Principal business activities
Haoche Kuku Tianjin	PRC	February 6, 2018	Vehicle inspection, sales and services
Taoche Technology . .	PRC	June 6, 2018	Technology service development
Chetaotao	PRC	November 24, 2020	Vehicle inspection, sales and services

Name of subsidiary	Place of incorporation	Date of incorporation	Principal business activities
Taoche Hulian	PRC	September 13, 2018	Holding company
Taocars Automobile Harbour Trading FZE	United Arab Emirates	October 30, 2025	Used vehicle sales and export

CORPORATE DEVELOPMENT

Our Group's history can be traced back to 2018. The actual operation of our Group began in June 2018 following the 2018 reorganization as detailed below. Mr. Jiang has been leading the operation of the Group since then.

2018 Reorganization

1. Establishment of the offshore corporate structure

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on April 11, 2018, with an authorized share capital of US$1.00 of a par value of US$1.00 each. Upon incorporation, one Ordinary Share was allotted and issued to the initial subscriber at par value, and was subsequently transferred, on the same day, to Yusheng Holdings (BVI) Limited ("**Yusheng Holdings BVI**"), a limited liability company incorporated in the British Virgin Islands, which was wholly-owned by Ms. Wong Yuen Ching ("**Ms. Wong**"), an independent third party. On the same day, 49,999 Ordinary Shares were allotted and issued to Yusheng Holdings BVI at nil consideration.

On April 24, 2018, Yusheng Holdings Hong Kong Limited ("**Yusheng Hong Kong**") was incorporated under the laws of Hong Kong as a wholly-owned subsidiary of our Company.

On May 25, 2018, Yusheng Holdings BVI entered into a share transfer agreement with Summer River Limited ("**Summer River**"), pursuant to which Yusheng Holdings BVI transferred 40,625 Ordinary Shares to Summer River at a consideration of US$40,625 (the "**2018 Share Transfer**"). Mr. Jiang was one of the proposed grantees under a share incentive plan of our Group (the "**2018 Share Incentive Plan**").

Summer River was a special purpose vehicle incorporated in the BVI as a nominee to hold shares under the 2018 Share Incentive Plan in trust for the management trust of our Company (the "**Management Trust**"). It was wholly-owned by the trustee of the Management Trust, a private trust company wholly-owned by an independent professional trust service provider in Cook Islands (the "**Trustee**"). The proposed grantees under the 2018 Share Incentive Plan (including Mr. Jiang) are the beneficiaries of the Management Trust. Pursuant to the trust deed constituting the Management Trust (the "**Trust Deed**"), the Management Trust is administered by the Trustee, which should act in accordance with the instructions of the settlor of the Management Trust ("**Settlor**"). Ms. Wong acted as the sole director of Summer River and the Trustee, and also the Settlor of the Management Trust.

2. *Yixin's investment and issuance of Yixin Convertible Bonds*

On June 13, 2018, Yixin and the Company entered into a series of agreements, pursuant to which Yixin and its applicable affiliates agreed to provide certain transaction facilitation services for used automobile purchase, sale, and trade-in to the Group. On the same day, our Company and Yixin entered into a convertible bond purchase agreement, pursuant to which our Company issued 2018 Convertible Bonds in the principal amount of US$260,000,000 for an aggregate consideration consisting of a cash payment of US$21,000,000 and provision of the above services. 2018 Convertible Bonds are convertible into the Series Pre-A Shares at a conversion price of US$20.0 per Share, as adjusted appropriately for share splits, share dividends, share combinations, recapitalizations and similar events.

3. *Entry into the 2018 Contractual Arrangements*

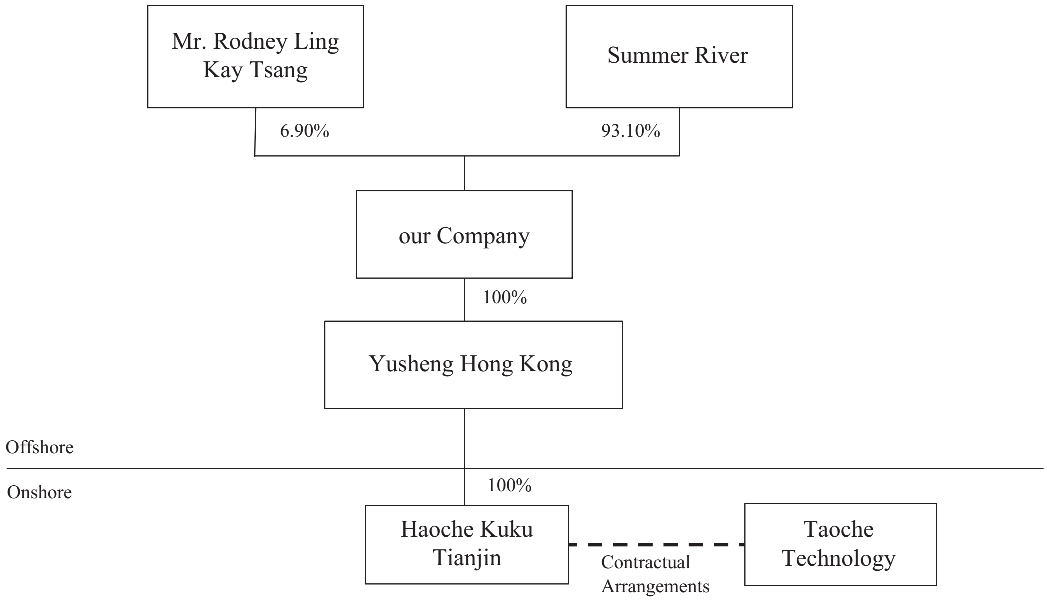
Taoche Technology, holding the value-added telecommunications business operating license for internet information service ("ICP license"), and Radio and Television Program Production and Operation License, was involved in businesses such as value-added telecommunications business, radio and television program production and operation business, which were subjected to foreign investment restrictions or prohibitions (the "**Restricted Businesses**"). On June 26, 2018, Haoche Kuku Tianjin entered into a series of contractual arrangements with Taoche Technology and the nominee shareholders of Taoche Technology (the "**2018 Contractual Arrangements**"). Through the 2018 Contractual Arrangements, the financial results of Taoche Technology had been consolidated into those of Haoche Kuku Tianjin, and our Company was able to exercise control over the economic interest in and the operations of Taoche Technology through Haoche Kuku Tianjin. As a result, we were able to operate the Restricted Businesses through the 2018 Contractual Arrangements. To align with our business development and corporate strategy, the 2018 Contractual Arrangements were unwound on April 24, 2026, accordingly. For details, see "— 2025 Reorganization — 3. Unwinding of the 2018 Contractual Arrangements and the 2020 Contractual Arrangements" in this section.

4. *Share subdivision, share repurchase and early share allotment*

On July 16, 2018, our Company underwent a share subdivision, pursuant to which each of our Ordinary Shares with nominal value of US$1.00 was subdivided into 10,000 Ordinary Shares with nominal value of US$0.0001 each.

Immediately after the share subdivision, our Company repurchased and cancelled 399,921,875 Ordinary Shares held by Summer River and all 93,750,000 Ordinary Shares held by Yusheng Holdings BVI at nil consideration. On July 16, 2018, to attract and incentivize Mr. Rodney Ling Kay Tsang, our non-executive Director, who has extensive investment experience in the automobile industry and has maintained a long-standing professional relationship with our senior management, our Company allotted and issued 468,750 Ordinary Shares to him at a consideration of US$9,375,000.

The following diagram illustrates the simplified corporate structure of our Company immediately after the 2018 reorganization as detailed above:



Series A Financing

On June 13, 2018, our Company entered into an investment agreement with, among others, Image Frame Investment (HK) Limited ("**Image Frame**"), Hammer Capital Private Equity Limited ("**Hammer Capital**") and Ambilight Ruby Limited ("**Ambilight Ruby**"), pursuant to which our Company allotted and issued (i) 3,865,390 Series A-1 Shares and 1,134,610 Series A-2 Shares to Image Frame at respective consideration of US$77,307,805 and US$22,692,195, (ii) 1,666,667 Series A-1 Shares to Hammer Capital at a consideration of US$33,333,333, and (iii) 1,000,000 Series A-1 Shares to Ambilight Ruby at a consideration of US$20,000,000. For further details, see "— Pre-[**REDACTED**] Investments" in this section.

Share Repurchase, Share Allotment and Issuance of Yixin Convertible Bonds in 2019

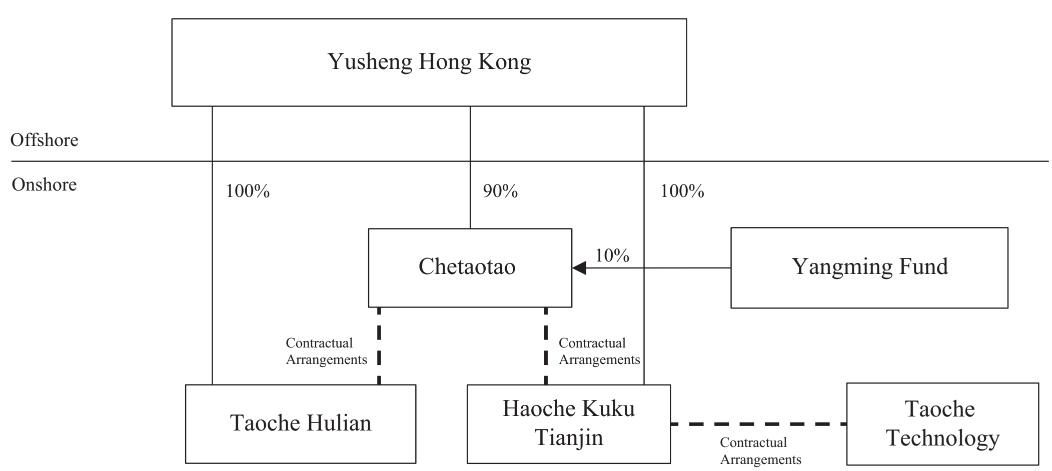
On October 29, 2019, Hammer Capital transferred all 1,666,667 Series A-1 Shares to Sun Isle Limited, a designated entity of Hammer Capital, at the consideration of US$0.0001 per share, which was later repurchased at a consideration US$36,340,707 by our Company on the same day primarily due to Sun Isle Limited's liquidity needs at the time and such Shares were cancelled subsequently. On October 29, 2019, to incentivize our core management and consultants, our Company allotted and issued 1,666,667 Ordinary Shares to Summer River.

On November 15, 2019, our Company and Yixin entered into a convertible bond purchase agreement, pursuant to which our Company issued 2019 Convertible Bonds in the principal amount of US$43,000,000 for a consideration of equivalent cash payment and were convertible into the Series Pre-A Shares at a conversion price of US$20.0 per share, as adjusted appropriately for share splits, share dividends, share combinations, recapitalizations and similar events.

Series B Financing, 2020 Contractual Arrangements and Issuance of Yixin Convertible Bonds in 2020

Due to the regulatory complexity associated with outbound investment, Yuyao Yangming Equity Investment Fund Co., Ltd. (余姚陽明股權投資基金有限公司) ("**Yangming Fund**"), series B financing investor, was unable to directly hold Shares in our Company at the time of its investment. Therefore, on December 14, 2020, among others, Chetaotao, which served as the onshore holding entity exercising control over our Company's principal onshore operating entities, and Yangming Fund entered into an investment agreement, pursuant to which Yangming Fund subscribed for RMB10,000,000 of newly-issued registered capital of Chetaotao at a consideration of RMB500,000,000, representing 10% of the equity interests in Chetaotao. To facilitate the series B financing, on December 15, 2020, Chetaotao (i) entered into a series of contractual arrangements with Yusheng Hong Kong and its wholly-owned subsidiary, Haoche Kuku Tianjin, which in turn controlled Taoche Technology through the 2018 Contractual Arrangements; and (ii) entered into a series of contractual arrangements with Yusheng Hong Kong and Taoche Hulian, a wholly-owned subsidiary of Yusheng Hong Kong (the "**2020 Contractual Arrangements**"). Through the 2020 Contractual Arrangements, Chetaotao was able to exercise control over the economic interest in and the operations of Haoche Kuku Tianjin and Taoche Hulian. The 10% of the equity interests was determined based on Yangming Fund's investment amount relative to the then-overall valuation of our Company in the series B financing taking into account the value corresponding to shares held by the then-shareholders and Yixin's convertible bonds issued in the series Pre-A financing and series B financing. Therefore, especially considering Chetaotao was acting as the onshore holding company of the operation of the Group and Yangming Fund had 10% voting rights in Chetaotao, Yangming Fund in effect exercised voting rights proportionate to its investment amount based on the share purchase price in the series B financing. Upon completion of the Yangming Offshore Conversion (as defined below) when Yangming Fund held Series B Shares of our Company directly, the 2020 Contractual Arrangements were unwound on March 19, 2026, accordingly. For details, see "— 2025 Reorganization — 3. Unwinding of the 2018 Contractual Arrangements and the 2020 Contractual Arrangements" in this section.

The following diagram illustrates the simplified onshore corporate structure of our Group immediately after the 2020 Contractual Arrangements:



On December 18, 2020, our Company and Yixin entered into a convertible bond purchase agreement, pursuant to which Yixin purchased from the Company 2020 Convertible Bonds at the consideration of US$ equivalent of RMB80,000,000 in cash, which are convertible into the Series B Shares at a conversion price of US$22.32 per share, as adjusted appropriately for share splits, share dividends, share combinations, recapitalizations and similar events.

Series C Financing and Issuance of Yixin Convertible Bonds in 2023 and 2026

On June 13, 2023, our Company entered into an investment agreement with, among others, Bitauto Holdings Limited ("**Bitauto**") and Suzhou Xinjing Fuying Venture Capital Partnership (Limited Partnership) (蘇州新景富盈創業投資合夥企業(有限合夥)) ("**Suzhou Fuying**"), pursuant to which our Company allotted and issued an aggregate of 1,390,834 Series C-2 Shares to Bitauto at a consideration of US$36,049,027 (the US$ equivalent of RMB250,000,000), and 111,267 Series C-1 Shares to Suzhou Fuying at a consideration of US$2,883,922 (the US$ equivalent of RMB20,000,000). Pursuant to the investment agreement, the consideration payable by Bitauto shall be settled by provision of services under a business cooperation agreement entered into between Bitauto and our Company.

On March 6, 2024, pursuant to a supplementary agreement to the above investment agreement, Suzhou Fuying assigned all its rights and obligations therein to Beijing Xinjing Fuying Technology Management Partnership (Limited Partnership) (北京新景富盈科技管理合夥企業(有限合夥)) ("**Beijing Fuying**"), an associate of Suzhou Fuying, and Beijing Fuying then subscribed 108,385 Series C-1 Shares at a consideration of US$2,809,219 (the US$ equivalent of RMB20,000,000).

On June 16, 2023, our Company and Yixin entered into a convertible bond purchase agreement, pursuant to which our Company issued 2023 Convertible Bonds in the principal amount of US$12,000,000 for a consideration of equivalent US dollars and were convertible into Series C-2 Shares at a conversion price of US$25.92 per share, as adjusted appropriately for share splits, share dividends, share combinations, recapitalizations and similar events.

On the same day, our Company, Chetaotao, and Shanghai Chelianlian Automotive Technology Partnership (Limited Partnership) (上海車連連汽車科技合夥企業(有限合夥)) ("**Chelianlian**") entered into a loan agreement (the "**Chelianlian Onshore Loan Agreement**") pursuant to which Chelianlian agreed to provide a loan in the principal amount of US$14,419,611 (the US$ equivalent of RMB100,000,000) (the "**Chelianlian Loan**") to Chetaotao, the outstanding principal balance of which was convertible into Series C-1 Shares at a conversion price of US$25.92 per share. Pursuant to the termination agreement between Chelianlian, Chetaotao and our Company on March 11, 2026, the principal amount of the Chelianlian Loan was reduced to RMB37,000,000.

On April 7, 2026, pursuant to a supplementary agreement entered into among our Company, Chelianlian, Fuying HR X Fund L. P. ("**Fuying**") and Angus Investment Company Limited ("**Angus**"), Chelianlian assigned all its rights and obligations under the Chelianlian Onshore Loan Agreement to Fuying and Angus, and Fuying and Angus converted Chelianlian Loan by subscribing for 96,451 Series C-1 Shares and 109,384 Series C-1 Shares at the consideration of USD2,500,000 and USD2,835,243, respectively.

Series D Financing and Allotment and Issuance of Shares to the Employee Share Incentive Platforms

For the purpose of recognizing and acknowledging the contributions or potential contributions of the employees of our Group, on March 31, 2026, 873,525 Ordinary Shares and 1,598,958 Ordinary Shares were issued and allotted to Carvia Holdings Limited and HorizonWay Holdings Limited (the "**Employee Share Incentive Platforms**"), respectively. For details, please see "— Share Incentive Scheme" and "Statutory and General Information — Pre-[**REDACTED**] Share Incentive Scheme" in Appendix IV to this document.

On April 10, 2026, pursuant to an investment agreement entered into our Company, our then-shareholders and Angus, Angus subscribed for 78,948 Series D Shares at the consideration of USD2,164,757.

2025 Reorganization

1. Dismantlement of Summer River and share allotment in August 2025

The Management Trust in connection with Summer River was established as a transitional arrangement to hold Shares in our Company on behalf of the grantees under the 2018 Share Incentive Plan (the "**Grantee(s)**"), i.e., the management of our Group, with the intention that each Grantee's economic and voting interests would correspond to the respective allocation percentage. Such transitional arrangements allowed the Grantees to retain a portion of unallocated equity interest for subsequent allocation. Each of the Grantees independently and separately instructed Summer River (through Ms. Wong) to exercise its voting rights in our Company strictly in proportion to its respective shareholding percentage calculated based on its trust interest. In addition, there is no agreement, arrangement, understanding nor intention among the Grantees to act in concert with Mr. Jiang or to either exercise their voting rights jointly or under the instruction from Mr. Jiang. Thus, although Mr. Jiang was the beneficial owner of 52.72% of the trust interests in the Management Trust immediately before the 2024 Proposed Allocation (as defined below), he did not have the full control over the voting rights of Summer River in our Company.

In anticipation of the proposed [**REDACTED**] and to facilitate future financing arrangements, in November 2024, our Company proposed to the Shareholders an allocation of trust interests corresponding to the share awards granted to the Grantees pursuant to the 2018 Share Incentive Plan (the "**2024 Proposed Allocation**"). There were no material changes in the order or relative proportions among the proposed grantees between the 2024 Proposed Allocation and the final allocation implemented in connection with the dismantlement of Summer River in August 2025 (the "**Final Allocation**"). Mr. Jiang remained the Grantee with the largest share.

On August 19, 2025, Summer River surrendered all the Ordinary Shares it held at nil consideration to our Company, and our Company allotted and issued total 6,225,434 underlying Ordinary Shares to the Grantees and/or their holding vehicles. Upon completion, Summer River was dismantled, and all interests of the Grantees were reflected directly at the Company level. The percentage of voting rights in our Company upon the completion of the series C financing reflecting the Final Allocation did not materially differ from the percentage of voting rights in our Company pursuant to the 2024 Proposed Allocation, except for the cancellation of certain unallocated portions. The shareholding structure of our Company upon completion of the dismantlement of Summer River was as follows:

Shareholders	Number of Shares	Shareholding Percentage	Number of Voting Shares	Voting Percentage
East Success Ventures Limited(1)	3,257,246 Ordinary Shares	18.48%	3,257,246 Ordinary Shares	21.57%
VehiclePro LP(1)	957,427 Ordinary Shares	5.43%	957,427 Ordinary Shares	6.34%
Mr. Andy Xuan Zhang(2)	805,594 Ordinary Shares	4.57%	805,594 Ordinary Shares	5.34%
East Rising Stars Limited(3)	322,237 Ordinary Shares	1.83%	322,237 Ordinary Shares	2.13%
Pinnacle Legacy Limited(4)	322,237 Ordinary Shares	1.83%	322,237 Ordinary Shares	2.13%
Mr. Rodney Ling Kay Tsang	1,029,443 Ordinary Shares	5.84%	1,029,443 Ordinary Shares	6.82%
Image Frame Investment (HK) Limited	3,865,390 Series A-1 Shares	21.93%	3,865,390 Series A-1 Shares	25.60%

Shareholders	Number of Shares	Shareholding Percentage	Number of Voting Shares	Voting Percentage
	1,134,610 Series A-2 Shares	6.44%	–	–
Ambilight Ruby Limited	1,000,000 Series A-1 Shares	5.67%	1,000,000 Series A-1 Shares	6.62%
Yangming Fund	3,429,753 Series B Shares(5)	19.46%	3,429,753 Series B Shares	22.72%
Bitauto Holdings Limited	1,390,834 Series C-2 Shares	7.89%	–	–
Beijing Fuying	108,385 Series C-1 Shares	0.62%	108,385 Series C-1 Shares	0.72%
Total	**17,623,156**	**100.00%**	**15,097,712**	**100.00%**

Notes:

(1) East Success Ventures Limited is wholly-owned by Mr. Jiang and East Success Ventures Limited is the general partner of VehiclePro LP, a limited partnership under our Company's share incentive plan.

(2) Mr. Andy Xuan Zhang is a consultant of our Company.

(3) East Rising Stars Limited is wholly-owned by Mr. Xinyu Pu, our executive Director and chief financial officer.

(4) Pinnacle Legacy Limited is wholly-owned by Mr. Zhifeng Jia, our non-executive Director.

(5) Yangming Fund became a registered Shareholder of our Company on March 19, 2026. For details, please refer to "— 2025 Reorganization — Conversion of Yixin Convertible Bonds and Yangming Offshore Conversion."

2. *Conversion of Yixin Convertible Bonds and Yangming Offshore Conversion*

On March 19, 2026, in order to reflect Yangming Fund's investment in our Group, among others, our Company and Yangming Fund entered into a warrant subscription agreement, pursuant to which, our Company issued a warrant to Yangming Fund, and Yangming Fund is entitled to the right to convert all its equity interests in Chetaotao into 3,429,753 Series B convertible redeemable preferred shares of our Company based on the price of US$22.32 per share. Yangming Fund exercised the warrant concurrently (the "**Yangming Offshore Conversion**"). Upon completion of the Yangming Offshore Conversion on March 19, 2026, Yangming Fund no longer held any equity interests in Chetaotao and became a registered Shareholder of our Company.

On April 21, 2026, upon the conversion of the Yixin Convertible Bonds, our Company allotted and issued 15,150,000 Series Pre-A Shares, 548,718 Series B Shares and 462,981 Series C-2 Shares to Yixin by converting the aggregate outstanding balance. Upon completion, Yixin became a registered Shareholder of our Company, holding 15,150,000 Series Pre-A Shares, 548,718 Series B Shares and 462,981 Series C-2 Shares.

3. *Unwinding of the 2018 Contractual Arrangements and the 2020 Contractual Arrangements*

In line with our business development and corporate strategy, we initiated a streamline of our corporate structure to concentrate resources on our core business which businesses are not subject to foreign investment restrictions or prohibitions except for the value added telecommunications services related business. Pursuant to Negative List, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication enterprise (except for e-commerce, domestic multi-party communications, storage forwarding, and call centers). According to the Announcement of the Ministry of Industry and Information Technology on Carrying Out Pilot Work for Expanding Opening-up of Value-Added Telecommunications Services (《工業和信息化部關於開展增值電信業務擴大對外開放試

點工作的通告》), pilot programs are launched first in the Beijing Comprehensive Demonstration Zone for Further Opening up the Service Sector and other three areas to remove the foreign equity ratio restrictions on information services including information release platforms and delivery services (excluding Internet news information, online publishing, online audio-visual services, and Internet cultural operations). Therefore, Haoche Shuaishuai, our wholly-owned subsidiary, has obtained the approval for Value-Added Telecommunications Services for foreign-invested enterprises in accordance with the Announcement of the Ministry of Industry and Information Technology on Carrying Out Pilot Work for Expanding Opening-up of Value-Added Telecommunications Services (《工業和信息化部關於開展增值電信業務擴大對外開放試點工作的通告》). As advised by our PRC Legal Adviser, except for the aforementioned value added telecommunications services related business operated by Haoche Shuaishuai, our businesses and operations were not subject to foreign investment restriction or prohibition as of the Latest Practicable Date pursuant to the applicable foreign investment laws in the PRC. Accordingly, we commenced the unwinding and termination of the 2018 Contractual Arrangements by, among other steps: (i) terminating the businesses that are subject to foreign investment restrictions or prohibitions, including radio and television program production and operation services related business, (ii) acquiring Taoche Technology from its existing shareholders at nil consideration, and (iii) transferring Taoche Technology's value-added telecommunications business to Haoche Shuaishuai and cancelling Taoche Technology's ICP license and Radio and Television Program Production and Operation License. Upon completion of the unwinding of the 2018 Contractual Arrangements on April 24, 2026, we indirectly hold Taoche Technology via our onshore entity.

The 2020 Contractual Arrangements were originally established to facilitate Yangming Fund's investment in the series B financing in our PRC operating entities. Upon completion of the Yangming Offshore Conversion, we began unwinding the 2020 Contractual Arrangements. Each of Taoche Hulian and the Haoche Kuku Tianjin entered into a termination agreement with Yangming Fund and Chetaotao, respectively, to terminate the 2020 Contractual Arrangements on March 19, 2026.

Our Directors confirmed to the best of their knowledge, that the Unwinding of the 2018 Contractual Arrangements and 2020 Contractual Arrangements did not have any material impact on our business operations, manufacturer capacities, customer relationship or financial position.

Upon the completion of the 2025 Reorganization and Pre-[**REDACTED**] Investments as mentioned above, the shareholding structure of our Company is as follows:

Shareholders	Number of Shares	Type of Shares	Shareholding Percentage	Number of Voting Rights	Voting Rights Percentage
Yixin	15,150,000	Series Pre-A Shares	41.46%	–	–
	548,718	Series B Shares	1.50%	–	–
	462,981	Series C-2 Shares	1.27%	–	–
East Success Ventures Limited .	3,257,246	Ordinary Shares	8.91%	3,257,246	18.24%
VehiclePro LP	957,427	Ordinary Shares	2.62%	957,427	5.36%
Mr. Andy Xuan Zhang	805,594	Ordinary Shares	2.20%	805,594	4.51%
East Rising Stars Limited	322,237	Ordinary Shares	0.88%	322,237	1.80%
Pinnacle Legacy Limited	322,237	Ordinary Shares	0.88%	322,237	1.80%

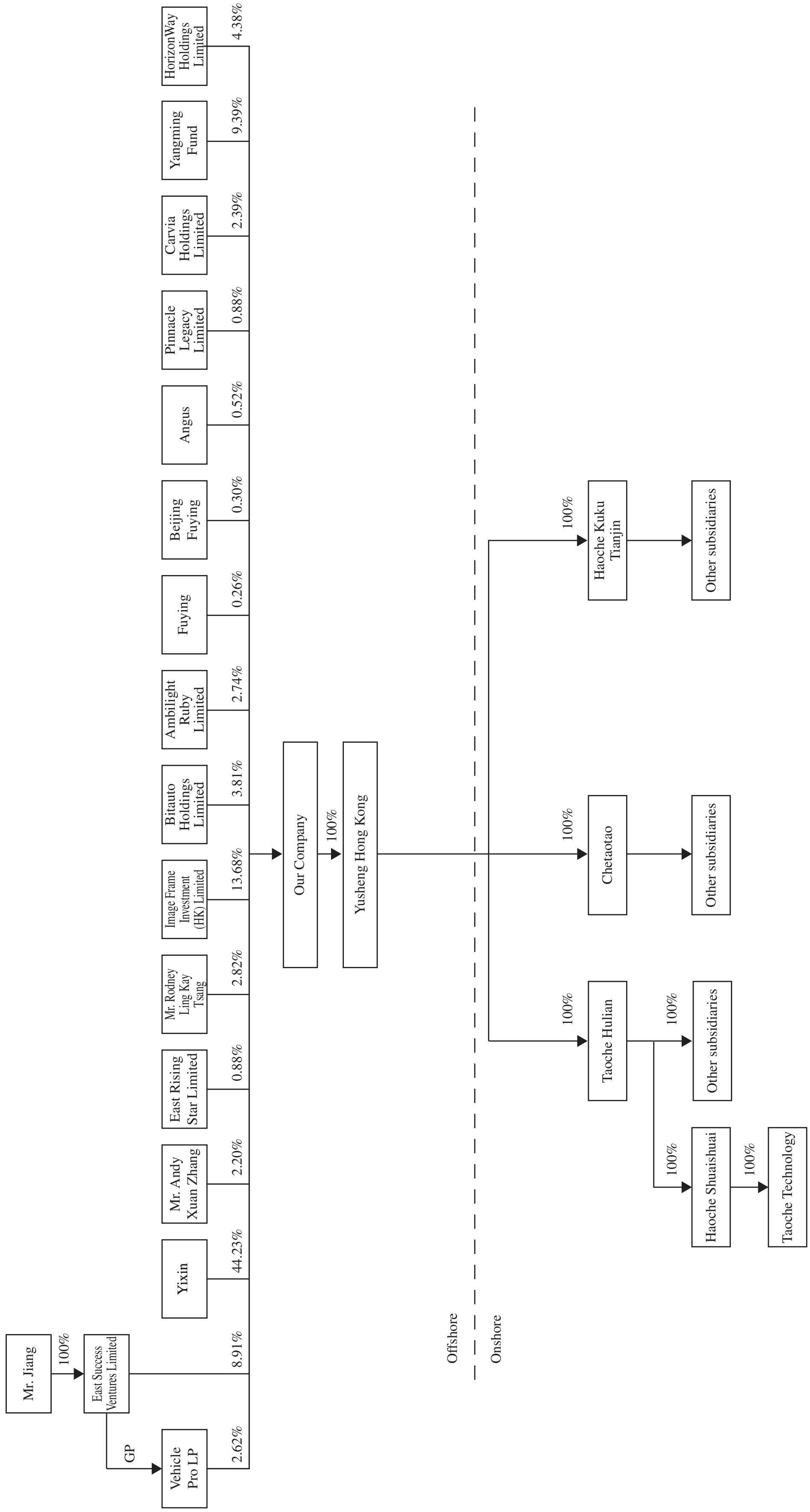
Shareholders	Number of Shares	Type of Shares	Shareholding Percentage	Number of Voting Rights	Voting Rights Percentage
Mr. Rodney Ling Kay Tsang	1,029,443	Ordinary Shares	2.82%	1,029,443	5.77%
Image Frame Investment (HK) Limited	3,865,390	Series A-1 Shares	10.58%	3,865,390	21.65%
	1,134,610	Series A-2 Shares	3.10%	–	–
Yangming Fund	3,429,753	Series B Shares	9.39%	3,429,753	19.21%
Ambilight Ruby Limited	1,000,000	Series A-1 Shares	2.74%	1,000,000	5.60%
Bitauto Holdings Limited	1,390,834	Series C-2 Shares	3.81%	–	–
Beijing Fuying	108,385	Series C-1 Shares	0.30%	108,385	0.61%
Carvia Holdings Limited	873,525	Ordinary Shares	2.39%	873,525	4.89%
HorizonWay Holdings Limited	1,598,958	Ordinary Shares	4.38%	1,598,958	8.96%
Fuying	96,451	Series C-1 Shares	0.26%	96,451	0.54%
Angus	109,384	Series C-1 Shares	0.30%	109,384	0.61%
	78,948	Series D Shares	0.22%	78,948	0.44%
Total	**36,542,121**		**100.00%**	**17,854,978**	**100.00%**

SHARE INCENTIVE SCHEME

To attract, retain and incentivize selected employees, directors, and consultants of our Company and to further promote the success of our Company's business, we adopted our Pre-[**REDACTED**] Share Incentive Scheme on July 16, 2018, as further amended on August 19, 2025. On March 31, 2026, 873,525 Ordinary Shares and 1,598,958 Ordinary Shares were issued to Carvia Holdings Limited and HorizonWay Holdings Limited, respectively. Carvia Holdings Limited and HorizonWay Holdings Limited are trust platforms set up by our Company to facilitate the administration of the Pre-[**REDACTED**] Share Incentive Scheme.

For details, please see "Statutory and General Information — Pre-[**REDACTED**] Share Incentive Scheme" in Appendix IV to this document.

The simplified chart below depicts our corporate and shareholding structure immediately following the 2025 reorganization:



ACQUISITIONS, MERGERS AND DISPOSALS

We had no major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

PROXY ARRANGEMENT

As of the Latest Practicable Date, Yixin confirmed the proposed arrangement that, subject to compliance with the applicable Listing Rules (including requisite corporate approvals of Yixin (as applicable)), (i) Yixin is expected to entrust 60.00% of the voting rights in the Company held by it to Mr. Jiang upon the completion of the conversion of the preferred Shares held by Yixin into Ordinary Shares of the Company (the "**Proxy Arrangement**"), and (ii) Yixin and Mr. Jiang are expected to enter into a legally binding proxy and power of attorney in favor of Mr. Jiang pursuant to the Proxy Arrangement, which, if entered to, shall come into effect in accordance with the Proxy Arrangement. Upon the [**REDACTED**], all Shares held by Mr. Jiang, including portions under the Proxy Arrangement, will be subject to lock-up requirements in accordance with Rule 10.07 of the Listing Rules.

SHARE SUBDIVISION AND SHARE CONVERSION

The Preferred Shares will be converted into Ordinary Shares on a 1:1 basis by way of re-designation upon the [**REDACTED**] becoming unconditional. Pursuant to the Shareholders' resolutions on [●], each ordinary Share (whether issued or unissued) in the then-authorized share capital of the Company with a par value of US$0.0001 each will be subdivided into [**REDACTED**] Shares with a par value of US$[**REDACTED**] each, such that immediately following the Share Subdivision, the authorized share capital of the Company is US$50,000 divided into [**REDACTED**] Shares with a par value of US $[**REDACTED**] each.

PRE-[REDACTED] INVESTMENTS

We have received several rounds of Pre-[**REDACTED**] Investments since our establishment. The following table sets forth a summary of the details of the Pre-[**REDACTED**] Investments:

	Series Pre-A Financing	Series A Financing	Series B Financing	Series C Financing	Series D Financing
Amount of consideration paid	US$303,000,000	US$153,333,333	RMB580,000,000	US$56,193,489	US$2,164,757
Number of Shares subscribed	15,150,000 Series Pre-A Shares	6,532,057 Series A-1 Shares and 1,134,610 Series A-2 Shares	3,978,471 Series B Shares	314,220 Series C-1 Shares and 1,853,815 Series C-2 Shares	78,948 Series D Shares
Date of investment agreement	June 13, 2018, and November 15, 2019(5)	June 13, 2018	December 14, 2020, and December 18, 2020	June 13, 2023, June 16, 2023, March 6, 2024 and April 7, 2026	April 10, 2026
Date of payment of full consideration	November 15, 2019	August 22, 2018	December 31, 2020	April 21, 2026	February 28, 2026(4)
Post-money valuation(1)	US$453,000,000	US$606,333,333(5)	US$688,968,843	US$945,089,095	US$1,001,984,958
Cost per Share	US$20.00	US$20.00	US$22.32	US$25.92	US$27.42
Adjusted Cost per Share(2)	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]	US$[REDACTED]
[REDACTED] **to the** [REDACTED](3)	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Basis of consideration	The consideration for each round of the Pre-[**REDACTED**] Investments was determined based on arm's-length negotiations among the relevant parties taking into consideration the timing of the investments and our Company's development stage.				

	Series Pre-A Financing	Series A Financing	Series B Financing	Series C Financing	Series D Financing
Use of proceeds and whether they have been fully utilized	We utilized the proceeds from the Pre-[**REDACTED**] Investments for our principal business, including but not limited to the growth and expansion of our Company's business and general working capital purposes. As of the Latest Practicable Date, approximately 100.00% of the net proceeds from the Pre-[**REDACTED**] Investments had been utilized.				
Strategic benefits	At the time of the Pre-[**REDACTED**] Investments, the Directors were of the view that (i) our Company would benefit from the additional capital provided by the Pre-[**REDACTED**] Investors and their market influence, knowledge and experience and (ii) the Pre-[**REDACTED**] Investments demonstrated the Pre-[**REDACTED**] Investors' confidence in the operation and development of our Group.				
Lock-up period	Six months from the [**REDACTED**]				

Notes:

(1) The post-money valuation changed due to the continuous development of the Company's business, including the increase in transaction volume and the expansion of sales centers.

(2) The adjusted cost per Share paid by the Pre-[**REDACTED**] Investors was calculated based on the amount of investment made by the relevant Pre-[**REDACTED**] Investors and number of Shares held by them immediately after the completion of the Share Subdivision.

(3) The discount to the [**REDACTED**] is calculated based on (i) the assumption that the [**REDACTED**] is HK$[**REDACTED**] per Share, which is the mid-point of the indicative [**REDACTED**], assuming the conversion of the Preferred Shares into Shares on a one-to-one basis and the Share Subdivision has completed before completion of the [**REDACTED**], and (ii) the exchange rate as set out in the section headed "Information about this document and the [**REDACTED**]."

(4) In consideration of Angus's annual financial planning arrangements and the negotiations between Angus and our Company regarding the Series D Financing, Angus made an early payment of the Series D financing proceeds in February 2026.

(5) The post-money valuation of Series A Financing took into account Yixin's investment by convertible bonds in November 2019.

Rights of the Pre-[REDACTED] Investors

The Pre-[**REDACTED**] Investors were granted certain special rights, including but not limited to redemption right, director appointment right, registration right, protective provisions and information and inspection right. The redemption rights and any other similar rights granted to the Pre-[**REDACTED**] Investors were terminated immediately prior to the first filing of the [**REDACTED**] to the Stock Exchange (the "[**REDACTED**]"). Notwithstanding the foregoing, such redemption rights shall resume automatically upon the earliest of the occurrence of the following events: (i) the withdrawal of [**REDACTED**] by our Company; (ii) the rejection or return of the [**REDACTED**] by the Stock Exchange; (iii) the [**REDACTED**] lapses but is not renewed by our Company within twelve months; or (iv) the failure of the completion of the [**REDACTED**] by December 31, 2027. All other special rights of the Pre-[**REDACTED**] Investors granted shall cease to be effective and be discontinued upon the [**REDACTED**] in accordance with Chapter 4.2 of the Guide. No special rights granted to the Pre-[**REDACTED**] Investors will survive after the [**REDACTED**].

All of the Preferred Shares will be converted into Ordinary Shares on a one-to-one basis immediately upon completion of the [**REDACTED**], at which time our share capital will comprise of one class of Shares, namely the Ordinary Shares. For further information on the rights attached to the Shares, see "Share Capital."

Compliance with the Pre-[REDACTED] Investment Guidance

On the basis that (i) the [**REDACTED**] will take place more than 120 clear days after the completion of the Pre-[**REDACTED**] Investment; and (ii) the termination of special rights granted to the Pre-[**REDACTED**] Investors as disclosed in "– Rights of the Pre-[**REDACTED**] Investors" above, the Sole Sponsor confirms that the Pre-[**REDACTED**] Investments are in compliance with the guidance in Chapter 4.2 of the Guide.

Information about the Pre-[REDACTED] Investors

The background information of our Pre-[**REDACTED**] Investors as of the Latest Practicable Date is set out below. To the best knowledge of the Directors, saved as disclosed below, each of the Pre-[**REDACTED**] Investors is independent from and not connected with any Director, chief executive or substantial shareholder of the Company, or its subsidiaries, or any of their respective close associates, and each of such Pre-[**REDACTED**] Investors is independent from each other:

Pre-[REDACTED] Investors	Background
Yixin	Yixin Group Limited (易鑫集團有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2858).
Mr. Andy Xuan Zhang	Mr. Andy Xuan Zhang is the chairman of the board of directors, an executive director and the chief executive officer of Yixin, a company listed on the Stock Exchange (stock code: 2858).
Chelianlian	Chelianlian is a limited partnership established in the PRC. As of the Latest Practicable Date, Chelianlian was 50% owned by Shanghai Yashun Investment Management Co., Ltd. (上海亞順投資管理有限公司) as the general partner, and 50% owned by Shanghai Tiantian Brothers Media Technology Co., Ltd. (上海天天兄弟傳媒科技有限公司), as the sole limited partner. Shanghai Yashun Investment Management Co., Ltd. was wholly-owned by Mr. Yajun Yang (楊亞軍), an Independent Third Party. Shanghai Tiantian Brothers Media Technology Co., Ltd. was owned as to 90% by Ms. Wenting Wang (王文婷) and 10% by Mr. Wang Chen (王陳), both being Independent Third Parties.
Image Frame Investment (HK) Limited	Image Frame Investment (HK) Limited is a company incorporated under the laws of Hong Kong. As of the Latest Practicable Date, Image Frame Investment (HK) Limited was a wholly-owned subsidiary of Tencent Holdings Limited, a company listed on the Stock Exchange (Stock codes: 00700 (HKD Counter) and 80700 (RMB Counter)).
Yangming Fund	Yangming Fund Equity Investment Fund Co., Ltd. (余姚陽明股權投資基金有限公司) is a company established in the PRC with limited liability and is wholly-owned by Sino-Italy Ningbo Ecological Park Holding Group Co., Ltd. (中意寧波生態園控股集團有限公司). As of the Latest Practicable Date, it was held indirectly as to approximately 86.79% by Sino-Italy Ningbo Ecological Park Administration Committee (中意寧波生態園管理委員會), a subordinate of the Ningbo Municipal People's Government, responsible for the development, construction and management of the Sino-Italy Ningbo Ecological Park in Ningbo, the PRC.

Pre-[REDACTED] Investors	Background
Ambilight Ruby Limited	Ambilight Ruby Limited is a limited liability company established in the British Virgin Islands. As of the Latest Practicable Date, Ambilight Ruby Limited was ultimately controlled by JD.com, Inc, a company listed on the Stock Exchange (Stock codes: 09618 (HKD Counter) and 89618 (RMB Counter); NASDAQ: JD).
Bitauto Holdings Limited	Bitauto Holdings Limited is a limited liability company incorporated in the Cayman Islands. As of the Latest Practicable Date, Bitauto Holdings Limited was controlled by Tencent Holdings Limited, a company listed on the Stock Exchange (Stock codes: 00700 (HKD Counter) and 80700 (RMB Counter)).
Beijing Fuying and Suzhou Fuying	Beijing Fuying is a limited partnership established under the laws of PRC on October 26, 2023. As of the Latest Practicable Date, Suzhou Fuying was its limited liability partner and Shanghai Jinfuying Management Consulting Co., Ltd. (上海金馥盈管理諮詢有限公司) ("**Shanghai Jinfuying**") was its general partner, holding partnership interest of 99% and 1% respectively. Suzhou Fuying is a limited partnership established in the PRC on April 27, 2021, primarily engaged in venture capital in unlisted enterprises, and is managed by its general partner Shanghai Jinfuying. Shanghai Jinfuying was owned as to 51.00% by Shanghai Jinjingchengpu Private Fund Management Co., Ltd. (上海金景城濮私募基金管理有限公司) ("**Shanghai Jinjingchengpu**") and as to 40.00% by Fuying Management Consulting (Shanghai) Co., Ltd. (馥盈管理諮詢(上海)有限公司) which was in turn owned as to 50.00% by Tso Bingti (左炳堤) and as to 50.00% by Leung Hiukong (梁曉剛). Shanghai Jinjingchengpu was owned as to 35.00% by Shanghai Danrong Enterprise Management Co., Ltd. (上海丹戎企業管理有限公司) ("**Shanghai Danrong**") and as to 35.00% by Shanghai Jinjing Investment Management Consulting Co., Ltd. (上海金景投資管理諮詢有限公司) ("**Shanghai Jinjing**"). Shanghai Danrong was owned as to 60% by Dejie Enterprise Management (Shanghai) Co., Ltd.(德頡企業管理(上海)有限公司) which was in turn wholly-owned by Cho Techin (卓德欽), and as to 40% by Shanghai Hongcai New Energy Technology Co., Ltd. (上海鴻彩新能源科技有限公司) which was in turn owned as to 98% by Zhou Weilun (周薇倫). Shanghai Jinjing was wholly-owned by Ample Pacific Development Limited (中太發展有限公司) which was in turn indirectly wholly-owned by an independent individual. As of the Latest Practicable Date, Suzhou Fuying had two limited partners, namely Xinche Investment (Shanghai) Co., Ltd. (鑫車投資(上海)有限公司) ("**Xinche Investment**") and Jinjing Growth (Xiamen) Venture Capital Partnership (Limited Partnership) (金景成長(廈門)創業投資合夥企業(有限合夥)), holding approximately 72.73% and 25.45% partnership interest in Suzhou Fuying, respectively. Xinche Investment was wholly-owned by Yixin Holding Hong Kong Limited (易鑫集團香港有限公司), which was in turn wholly-owned by Yixin. Jinjing Growth (Xiamen) Venture Capital Partnership (Limited Partnership) was managed by its general partner Xiamen Jinjingchengpu Private Equity Fund Management Co., Ltd. (廈門金景城濮私募基金管理有限公司), which was in turn wholly-owned by Shanghai Jinjingchengpu Private Fund Management Co., Ltd. (上海金景城濮私募基金管理有限公司). Shanghai Jinjingchengpu Private Fund Management Co., Ltd. was ultimately beneficially owned by Limantara Jackson Widjaja, Zhuo Deqin (卓德欽), Zhou Weilun (周薇倫), Chen Mali (陳瑪琍) and Zhang Xuebin (張學斌). Despite Xinche Investment, Yixin Holding Hong Kong Limited and Yixin, all above-mentioned entities and individuals are Independent Third Parties.

Pre-[REDACTED] Investors	Background
Fuying	Fuying is a limited partnership incorporated in the Cayman Islands, which principally focuses on investments in key components and systems in AI, robotics, BEV, autonomous driving and advanced manufacturing. Fuying is managed by its sole general partner FUYING CAPITAL PARTNERS LIMITED ("**Fuying Capital**"). Fuying Capital is controlled by Bing Ti Tso (左炳堤) as to 35%, Hsiao Hsin Chang (張孝新) as to 35%, and Hiu Kong Leung (梁曉剛) as to 30%. The limited partner holding more than 30% interest of Fuying is Yixin Holding Hong Kong Limited, which is owned by Yixin.
Angus	Angus is a private company established in Hong Kong on August 1, 2025. As of the Latest Practicable Date, Angus was wholly-owned by Angus Asset Investment Limited, which is wholly-owned by Wu Zifeng (吳子峰), an Independent Third Party.

CAPITALIZATION OF THE COMPANY

The following table sets out the shareholding structure as of the date of this document and immediately upon the completion of the [**REDACTED**]:

	As of the Latest Practicable Date				Immediately upon the Completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
Shareholders	**Number of Shares**	**Type of Shares**	**Shareholding Percentage**	**Voting Rights Percentage**	**Number of Ordinary Shares(1)**	**Shareholding percentage**
Yixin	15,150,000	Series Pre-A Shares	41.46%	–	[REDACTED]	[REDACTED]%
	548,718	Series B Shares	1.50%	–		
	462,981	Series C-2 Shares	1.27%	–		
East Success Ventures Limited . . .	3,257,246	Ordinary Shares	8.91%	18.24%	[REDACTED]	[REDACTED]%
VehiclePro LP.	957,427	Ordinary Shares	2.62%	5.36%	[REDACTED]	[REDACTED]%
Mr. Andy Xuan Zhang	805,594	Ordinary Shares	2.20%	4.51%	[REDACTED]	[REDACTED]%
East Rising Stars Limited	322,237	Ordinary Shares	0.88%	1.80%	[REDACTED]	[REDACTED]%
Pinnacle Legacy Limited	322,237	Ordinary Shares	0.88%	1.80%	[REDACTED]	[REDACTED]%
Mr. Rodney Ling Kay Tsang	1,029,443	Ordinary Shares	2.82%	5.77%	[REDACTED]	[REDACTED]%
Image Frame Investment (HK)	3,865,390	Series A-1 Shares	10.58%	21.65%	[REDACTED]	[REDACTED]%
Limited	1,134,610	Series A-2 Shares	3.10%	–		
Yangming Fund	3,429,753	Series B Shares	9.39%	19.21%	[REDACTED]	[REDACTED]%
Ambilight Ruby Limited	1,000,000	Series A-1 Shares	2.74%	5.60%	[REDACTED]	[REDACTED]%
Bitauto Holdings Limited	1,390,834	Series C-2 Shares	3.81%	–	[REDACTED]	[REDACTED]%
Beijing Fuying	108,385	Series C-1 Shares	0.30%	0.61%	[REDACTED]	[REDACTED]%
Carvia Holdings Limited	873,525	Ordinary Shares	2.39%	4.89%	[REDACTED]	[REDACTED]%
HorizonWay Holdings Limited . . .	1,598,958	Ordinary Shares	4.38%	8.96%	[REDACTED]	[REDACTED]%
Fuying	96,451	Series C-1 Shares	0.26%	0.54%	[REDACTED]	[REDACTED]%
Angus	109,384	Series C-1 Shares	0.30%	0.61%	[REDACTED]	[REDACTED]%
	78,948	Series D Shares	0.22%	0.44%		
Other public [**REDACTED**] taking part in the [**REDACTED**]	–	–	–	–	[REDACTED]	[REDACTED]%
Total	**36,542,121**		**100.00%**		[REDACTED]	**100.00%**

Note:

(1) The Preferred Shares will be converted into Ordinary Shares on a 1:1 basis by way of re-designation upon the [**REDACTED**] becoming unconditional.

PUBLIC FLOAT

Our expected market capitalization upon [**REDACTED**] is HK$[**REDACTED**], HK$[**REDACTED**], and HK$[**REDACTED**] (calculated based on the [**REDACTED**] of HK$[**REDACTED**], HK$[**REDACTED**] or HK$[**REDACTED**] per [**REDACTED**] (which is the low-end, mid-point and high-end of the [**REDACTED**], respectively), and assuming that the [**REDACTED**] is not exercised). Pursuant to Rule 8.08(1) of the Listing Rules, the minimum prescribed public float percentage applicable to our Shares is the higher of (i) the percentage that would result in the expected market value of such securities held by the public to be HK$1,500,000,000 at the time of [**REDACTED**], representing [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% of the total issued Shares upon completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), based on low-end, mid-point and high-end of the [**REDACTED**], respectively; and (ii) 15%. As such, the minimum public float percentage should be [**REDACTED**]% of the total issued Shares. Upon the completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), shares held by certain of our Shareholders who are, or directly or indirectly controlled by our core connected persons, will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. Details of these Shareholders and their respective shareholding upon completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) are set out below:

(a) Since Mr. Jiang is our Director, the total of [**REDACTED**] Shares held by Mr. Jiang through (i) [**REDACTED**] Shares held by East Success Ventures Limited, an entity wholly-owned by Mr. Jiang; (ii) [**REDACTED**] Shares held by VehiclePro LP, whose general partner is East Success Ventures Limited; and (iii) [**REDACTED**] Shares held by Yixin, which were conferred to Mr. Jiang to exercise the voting rights attached thereto through the Proxy Arrangement, representing [**REDACTED**]% of our total issued Shares upon the completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), will not be counted towards the public float;

(b) Since Mr. Xinyu Pu is our Director, the total of [**REDACTED**] Shares held by Mr. Pu through [**REDACTED**] Shares held by East Rising Stars Limited, representing [**REDACTED**]% of our total issued Shares upon the completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), will not be counted towards the public float;

(c) Since Mr. Zhifeng Jia is our Director, the total of [**REDACTED**] Shares held by Mr. Jia through [**REDACTED**] Shares held by Pinnacle Legacy Limited, representing [**REDACTED**]% of our total issued Shares upon the completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), will not be counted towards the public float;

(d) Since Mr. Rodney Ling Kay Tsang is our Director, the total of [**REDACTED**] Shares held by Mr. Rodney directly, representing [**REDACTED**]% of our total issued Shares upon the completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), will not be counted towards the public float;

(e) Since Tencent Holding Limited is our substantial shareholder, the total of [**REDACTED**] Shares held by it through (i) [**REDACTED**] Shares held by Image Frame Investment (HK) Limited; and (ii) [**REDACTED**] Shares held by Bitauto Holdings Limited, representing [**REDACTED**]% of our total issued Shares upon the completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), will not be counted towards the public float;

(f) Since Yixin is our substantial shareholder, the total of [**REDACTED**] Shares held by it which is not in relation to the Proxy Arrangement, representing [**REDACTED**]% of our total issued Shares upon the completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), will not be counted towards the public float; and

(g) Since Carvia Holdings Limited and HorizonWay Holdings Limited are the trust platforms under the Pre-[**REDACTED**] Share Incentive Scheme, the total of [**REDACTED**] Shares held by them, representing [**REDACTED**]% of our total issued Shares upon the completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), will not be counted towards the public float.

Save as disclosed above, no other Pre-[**REDACTED**] Investor is a core connected person of our Company, as defined in the Listing Rules. Therefore, the Shares held by the other Pre-[**REDACTED**] Investors will count towards the public float for the purposes of Rule 8.08 of the Listing Rules. Consequently, a total of [**REDACTED**] Shares, approximately [**REDACTED**]% of our total issued Shares upon the completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) will be counted towards public float.

FREE FLOAT

Rule 8.08A of the Listing Rules requires that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing must (i) represent at least 10% of the total number of issued Shares in the class of shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (ii) have an expected market value at the time of listing of not less than HK$600,000,000. Based on the low end of the [**REDACTED**] of HK$[**REDACTED**] per Share, the Company has an expected market value of more than HK$[**REDACTED**] at the time of under Rule 8.08A. Accordingly, the Company will satisfy the free float requirement under Rule 8.08A of the Listing Rules.

PRC REGULATORY REQUIREMENTS

PRC Legal Compliance

Our PRC Legal Advisor has confirmed that each of the capital changes, transfers of equity interests and incorporation of our significant PRC subsidiaries have been legally completed and the requisite government registrations, approvals, permits or filings in all material respects, as applicable, have been obtained in accordance with PRC laws and regulations.

SAFE Registration

Pursuant to the SAFE Circular on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular 37**"), promulgated by SAFE and which replaced the SAFE Circular on Issues Concerning the Regulation of Foreign Exchange in Equity Finance and Return Investments by Domestic Residents through Offshore Special Purpose Vehicles (《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) (the "**SAFE Circular 75**") which became effective on July 4, 2014, a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (the "**Overseas SPV**") that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing.

Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties. Pursuant to the SAFE Circular on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "**SAFE Circular 13**"), promulgated by SAFE which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located.

As advised by our PRC Legal Advisor, as of the Latest Practicable Date, Jiang Dong has completed the initial registration under the SAFE Circular 37.

M&A Rules

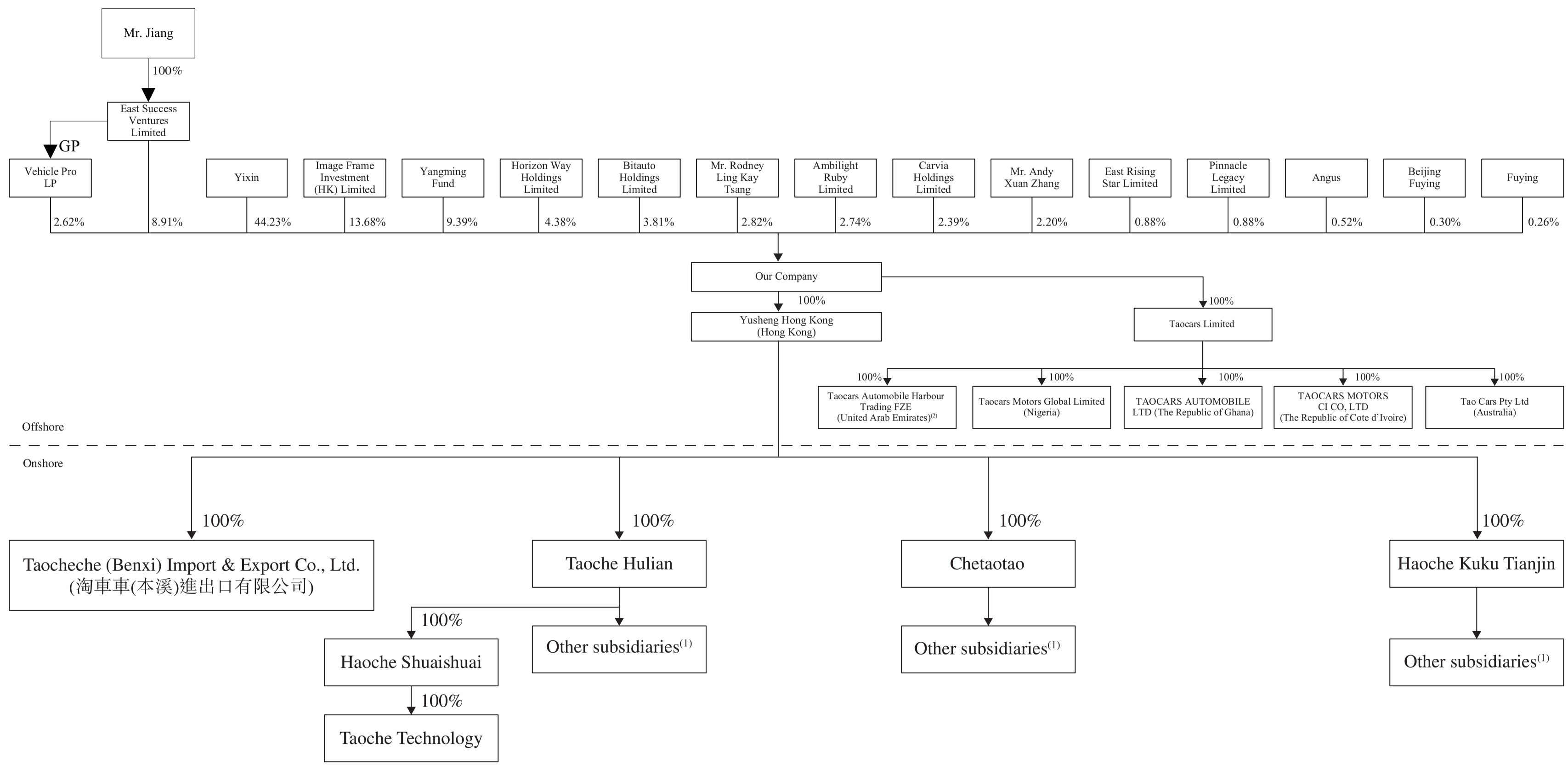
Pursuant to the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the "**M&A Rules**") jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the STA, the CSRC, the SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006, and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic non-foreign-invested enterprise thereby converting it into a foreign-invested enterprise, or subscribes for new equity in a domestic enterprise through an increase of a registered capital thereby converting it into a foreign-invested enterprise; or (ii) establishes a foreign-invested enterprise which purchases and operates the assets of a domestic enterprise, or which purchases the assets of a domestic enterprise and injects those assets to establish a foreign-invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for overseas listing purposes and controlled directly or indirectly by PRC companies or individuals, to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange, in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

As advised by our PRC Legal Advisor, unless new laws and regulations are enacted or MOFCOM and CSRC publish new provisions or interpretations on the M&A Rules in the future, the prior CSRC or MOFCOM approval for the [**REDACTED**] is not required as of the Latest Practicable Date under the M&A Rules. However, our PRC Legal Advisor further advises that how the M&A Rules will be interpreted or implemented in the future may evolve simultaneously with the development of regulatory rules.

CORPORATE STRUCTURE

Corporate Structure Immediately before the Share Subdivision and the [REDACTED]

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



Notes:

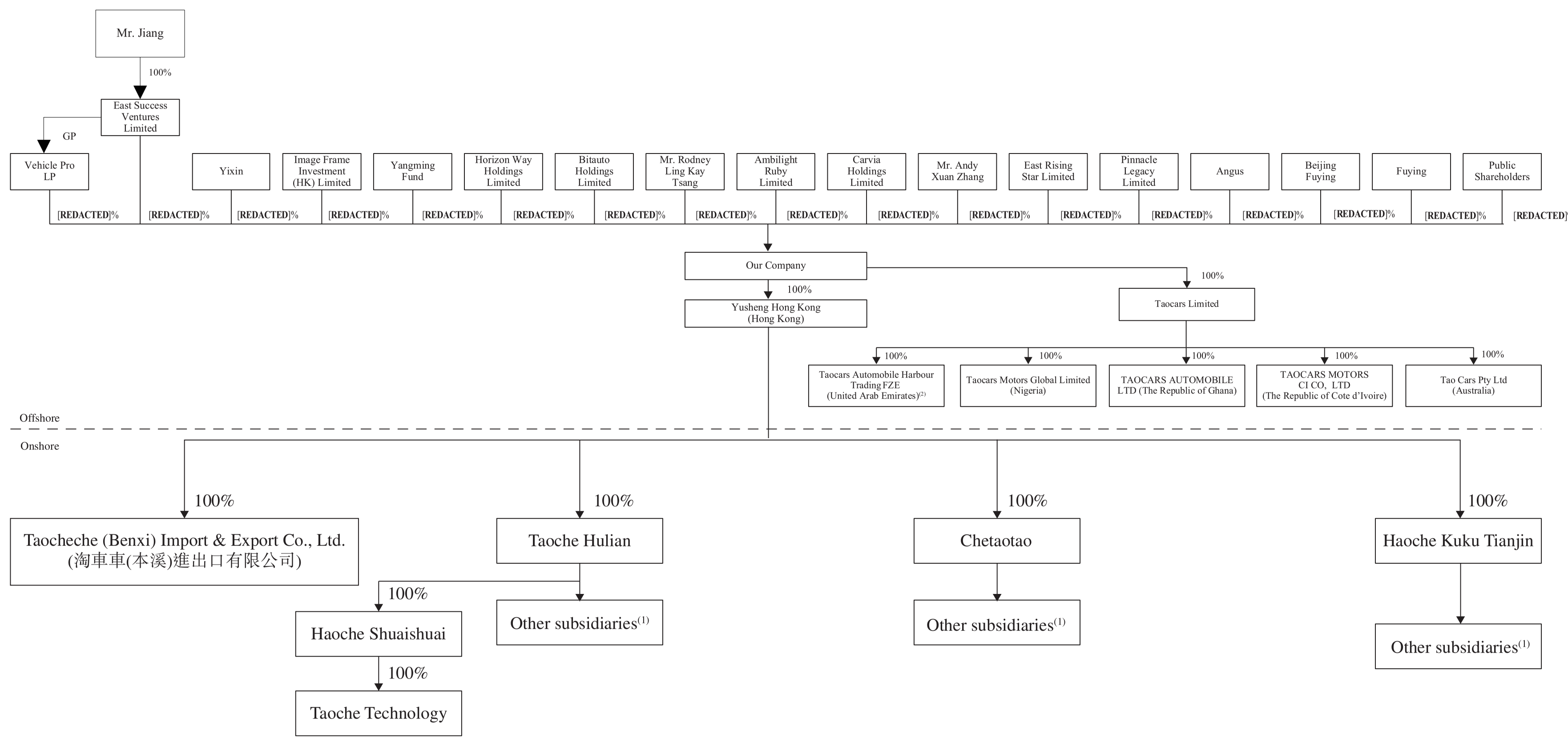
(1) To support the development of the Company's business in various categories and various regions, as of the Latest Practicable Date, the Company has 67 onshore subsidiaries, among which 48 subsidiaries are wholly-owned by our Group.

As at the Latest Practicable Date, other non-wholly-owned subsidiaries of our Company include (i) Shenyang Letaoche Automobile Sales Co., Ltd. (瀋陽樂淘車汽車銷售有限公司), a limited liability company, of which the minority interests are held as to 20.9% by Shenyang Heyishunda Communication Technology Service Center (Limited Partnership) (瀋陽和易順達通訊技術服務中心(有限合夥)); (ii) Zhengzhou Taotaoyue Automobile Sales Co., Ltd. (鄭州淘淘悅汽車銷售有限公司), a limited liability company, of which the minority interests are held as to 30% by Henan Huiyong Automobile Service Co., Ltd. (河南匯永汽車服務有限公司); (iii) Dongguan Letaoche Automobile Sales and Service Co., Ltd. (東莞樂淘車汽車銷售服務有限公司), a limited liability company, of which the minority interests are held as to 49% by Guangdong Dahua Shengshi Investment (Group) Co., Ltd. (廣東大華盛世投資(集團)有限公司); (iv) Shandong Letaoche Automobile Sales Co., Ltd. (山東樂淘車汽車銷售有限公司), a limited liability company, of which the minority interests are held as to 35% by Shandong Sutong Automobile Leasing Co., Ltd. (山東速通汽車租賃有限公司); (v) Dalian Letaoche Automobile Sales Co., Ltd. (大連樂淘車汽車銷售有限公司), a limited liability company, of which the minority interests are held as to 19.6% by Dalian Juying Automobile Service Co., Ltd. (大連聚盈汽車服務有限公司); (vi) Shanghai Taoyuejia Technology Co., Ltd. (上海淘悅駕科技有限公司), a limited liability company, of which the minority interests are held as to 35% by Shanghai Huimaiche Information Technology Co., Ltd. (上海慧邁車信息技術有限公司); (vii) Haoche Kuku Automobile Service (Xiamen) Co., Ltd. (好車酷酷汽車服務(廈門)有限公司), a limited liability company, of which the minority interests are held as to 49% by Xiamen Taotaoche Automobile Service Co., Ltd. (廈門淘淘車汽車服務有限公司); (viii) Wuhan Chetaotao E-commerce Co., Ltd. (武漢車淘淘電子商務有限公司), a limited liability company, of which the minority interests are held as to 49% by Wuhan Huichen Technology Co., Ltd. (武漢輝宸科技有限公司); (ix) Taoche (Guangzhou) Automobile Sales Co., Ltd. (淘車(廣州)汽車銷售有限公司), a limited liability company, of which the minority interests are held as to 49% by Guangdong Dahua Shengshi Investment (Group) Co., Ltd. (廣東大華盛世投資(集團)有限公司); (x) Shangqiu Taocheche Automobile Sales Co., Ltd. (商丘淘車車汽車銷售有限公司), a limited liability company, of which the minority interests are held as to 30% by Henan Huiyong Automobile Service Co., Ltd. (河南匯永汽車服務有限公司); (xi) Beijing Taocheyue E-commerce Co., Ltd. (北京淘車悅電子商務有限公司), a limited liability company, of which the minority interests are held as to 49% by Huo Yingzhe (霍英哲), the director of Taocars Automobile Harbour Trading FZE; (xii) Harbin Chetaotao E-commerce Co., Ltd. (哈爾濱車淘淘電子商務有限公司), a limited liability company, of which the minority interests are held as to 40% by Wu Changsheng (吳長生); (xiii) Urumqi Chetaotao E-commerce Co., Ltd. (烏魯木齊車淘淘電子商務有限公司), a limited liability company, of which the minority interests are held as to 35% by Deng Na (鄧娜); (xiv) Yinchuan Taotaoyue E-commerce Co., Ltd. (銀川淘淘悅電子商務有限公司), a limited liability company, of which the minority interests are held as to 49% by Wang Xiaoling (王曉玲); (xv) Xiangyang Chetaotao E-commerce Co., Ltd. (襄陽車淘淘電子商務有限公司), a limited liability company, of which the minority interests are held as to 49% by Xiangyang Chemeng Automobile Sales Co., Ltd. (襄陽車盟汽車銷售有限公司); (xvi) Shenyang Chetaotao E-commerce Co., Ltd. (瀋陽車淘淘電子商務有限公司), a limited liability company, of which the minority interests are held as to 49% by Shenyang Heyishunda Communication Technology Service Center (Limited Partnership) (瀋陽和易順達通訊技術服務中心(有限合夥)); (xvii) Urumqi Taocheche Automobile Sales Co., Ltd. (烏魯木齊淘車車汽車銷售有限公司), a limited liability company, of which the minority interests are held as to 35% by Deng Na (鄧娜); (xviii) Guangzhou Chetaotao Automobile Sales Co., Ltd. (廣州車淘淘汽車銷售有限公司), a limited liability company, of which the minority interests are held as to 49% by Shenzhen Hupeng Technology Co., Ltd. (深圳市滬鵬科技有限公司); and (xix) Hangzhou Taocheche Automobile Sales Co., Ltd. (杭州淘車車汽車銷售有限公司), a limited liability company, of which the minority interests are held as to 49% by Hangzhou Qingyu Cultural Development Co., Ltd. (杭州青育文化發展有限公司). Save as disclosed above, all minority interest holders disclosed above are Independent Third Parties.

(2) The composition of the boards of CHANGTONG AUTO SUPPLY FZE and TAO Cars FZE is controlled by Taocars Automobile Harbour Trading FZE. Therefore, CHANGTONG AUTO SUPPLY FZE and TAO Cars FZE are controlled by Taocars Automobile Harbour Trading FZE, and the financial positions of CHANGTONG AUTO SUPPLY FZE and TAO Cars FZE are consolidated into our Group.

Corporate Structure immediately following the Share Subdivision and the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of the Company immediately following the completion of the Share Subdivision and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):



For notes (1) and (2), see the respective notes under "Corporate Structure immediately before the Share Subdivision and the [**REDACTED**]."