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CaoCao Inc.

曹操出行有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 02643)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Board of Directors of CaoCao Inc. is pleased to announce the unaudited consolidated interim results of the Group for the six months ended June 30, 2025, together with the comparative figures for the six months ended June 30, 2024, which have been reviewed by the Audit Committee of the Board.

FINANCIAL HIGHLIGHTS

	Unaudited Six Months Ended		Period-to-period change
	2025	2024	
	(RMB in thousands, except for percentages)		
Revenues	9,455,968	6,160,176	53.5%
Gross Profit Margin	8.4%	7.0%	1.4 percentage points
Loss for the period	(468,208)	(778,093)	39.8%
Adjusted net loss (non-IFRS measure) ⁽¹⁾	(329,641)	(499,823)	34.0%
Adjusted loss margin (non-IFRS measure) ⁽²⁾	(3.5%)	(8.1%)	4.6 percentage points
Net cash generated from operating activities	325,206	122,906	164.6%

Notes:

- (1) Adjusted net loss (non-IFRS measure) represents loss for the period excluding share-based compensation expenses, listing expenses, and changes in the carrying amount of financial liabilities at fair value through profit or loss.
- (2) Adjusted loss margin (non-IFRS measure) represents the adjusted net loss (non-IFRS measure) for the period as percentages of the revenue for such period.

OPERATING METRICS

The following table sets forth certain key operating metrics of our business operations for the periods indicated:

	Six Months Ended June 30, 2025	2024	Period-to- period change %
GTV (RMB in millions)	10,954	7,132	53.6
Order volume (in thousands)	379,505	254,766	49.0
AOV (in RMB)	28.9	28.0	3.2
Daily order volume (in thousands)	2,108	1,400	50.6
Average monthly active users (in millions) ⁽¹⁾	38.1	24.2	57.4
Average monthly active drivers (in thousands)	554	361	53.5

Note:

- (1) Average monthly active users track the number of discrete individual users, each of whom may place multiple orders in a given period. The number of active users is calculated after deduplication within our platform and without deduplication across aggregation platforms, since we cannot access detailed personal user information from aggregation platforms.

BUSINESS OVERVIEW

We are a ride hailing platform in China originally incubated by Geely Group. Since our inception in 2015, our mission has been to reshape the shared mobility sector with technology and green initiatives. We have been widely recognized for outstanding service quality, and are at the forefront of the industry with our continually evolving fleet of purpose-built vehicles. According to Frost & Sullivan, we were the second largest ride hailing platform in China in terms of GTV in 2024.

Predominantly, our revenues are generated from mobility services, particularly ride hailing. We provide vehicle leasing mainly to our car partners. Additionally, we engage in the sale of vehicles to these partners, independent fleet operators, and individual drivers.

We operated in 163 cities as of June 30, 2025. Our total GTV was RMB11.0 billion in the six months ended June 30, 2025, representing an increase of 53.6% from RMB7.1 billion in the six months ended June 30, 2024. In the six months ended June 30, 2025, our total order volume reached 379.5 million, representing an increase of 49.0% from 254.8 million in the same period of last year. As of June 30, 2025, we deployed a fleet of over 37,000 purpose-built vehicles across 31 cities for the use of our affiliated drivers, and we also collaborated with local car partners through selling them our purpose-built vehicles. For the six months ended June 30, 2025, the GTV contributed by purpose-built vehicles amounted to RMB2.5 billion, reflecting an increase of 34.7% compared to the RMB1.9 billion recorded during the six months ended June 30, 2024. In addition, our vehicle sales saw substantial growth, rising from 2,826 units in the first half of 2024 to 7,993 units in the first half of 2025. Our commitment to excellence is reflected in CaoCao Mobility's No. 1 ranking in user recognition for "best service quality" among China's leading shared mobility platforms in seven consecutive quarterly surveys of thousands of shared mobility users nationwide from the fourth quarter of 2023 to the second quarter of 2025, according to a survey commissioned by us and conducted by a third party which independently managed data collection and analysis.

China's shared mobility market, massive yet underpenetrated, presents significant growth opportunities. According to Frost & Sullivan, the shared mobility market is expected to grow to RMB804.2 billion by 2029 with a CAGR of 17.0% from 2025, increasing market penetration to 7.6% from 4.3% in 2024. From 2025 to 2029, penetration of shared mobility within the broader mobility industry is expected to increase significantly from 4.3% in 2024 to 7.6% in 2029, driven by increasing consumer demand for value-for-money mobility options and the growing penetration of shared mobility in lower-tier cities. We are strategically positioned to capitalize on this substantial market opportunity. We have accomplished growth and improved our profitability at the same time. From the six months ended June 30, 2024 to the six months ended June 30, 2025, our revenues increased by 53.5% from RMB6.2 billion to RMB9.5 billion. The scale effect resulting from continuous growth and improved operating efficiency has significantly boosted our gross profit and led to a steady improvement in the gross profit margin, raising our gross profit margin from 7.0% in the six months ended June 30, 2024 to 8.4% in the six months ended June 30, 2025.

Outlook

Leveraging on our competitive strengths, geographical expansion successes, tremendous momentum in Robotaxi development and strategic relationship with Geely Group, we will continue to optimize our growth strategy, aiming to achieve a healthy combination of fast growth and profitability.

Robotaxi Services

We will continue investing in CaoCao Smart Mobility, our autonomous driving platform, to enhance our Robotaxi operation capabilities and look for opportunities to gradually expand our robotaxi coverage to more cities nationwide in order to achieve large-scale robotaxi operation. We will collaborate closely with Geely Group and our business partners to develop autonomous driving technology and purpose-built vehicles pre-installed with our proprietary autonomous driving components and related applications to ensure seamless compatibility with our autonomous driving platform.

During the Reporting Period, we had been actively rolling out robotaxi services in pilot cities. Since April 2025, we have been deploying our latest generation of Robotaxi, which features Geely's latest redundant architecture design and deeply integrates CaoCao Smart Mobility's capabilities in automated dispatching, remote safety assurance, travel cabin services, and asset digital management into a unified autonomous driving operation platform. As of June 30, 2025, our CaoCao Smart Mobility had accumulated over 15,000 kilometers of autonomous driving test mileage in Suzhou and Hangzhou.

Vehicle Sales

The mobility operating vehicle sales market has experienced substantial growth in recent years, as evidenced by the total sales of vehicles used in mobility services, and this upward trend is expected to continue. According to Frost & Sullivan, the market size of mobility operating vehicle sales grew from RMB149.9 billion in 2019 to RMB240.6 billion in 2024, and is expected to further grow at a CAGR of 8.2% from RMB260.4 billion in 2025 to RMB357.5 billion in 2029.

We have placed and expect to place greater strategic focus on vehicle sales. Our vehicle sales volume grew significantly from 2,826 in the six months ended June 30, 2024 to 7,993 in the six months ended June 30, 2025. Our revenue of vehicle sales was RMB743.6 million in the six months ended June 30, 2025, representing an increase of 137.3% from RMB313.3 million in the six months ended June 30, 2024. We believe that there is a sizable market for mobility operating vehicles, and we are well-positioned to compete for this market given our unique strengths in designing and operating purpose-built vehicles.

Geographical Footprint

We expect to continue expanding our geographical coverage to replicate our success. We will continue to leverage our brand and goodwill, business resources, industry insights, and operational expertise to capitalize on the growth opportunities presented by the many cities that we have not yet covered. We will focus on lower-tier cities given their market potential. In the six months ended June 30, 2025, we entered 27 new cities in collaboration with local car partners through selling them our purpose-built vehicles, and we intend to enter more cities in 2025 following the same model.

Corporate Social Responsibilities

We remain committed to socially responsible initiatives and promote the concept of corporate social responsibility.

Accessible Public Welfare

On March 28, 2025, we launched our accessible public welfare brand to enhance travel options for those with mobility impairments. By June 30, 2025, we deployed over 1,000 accessible vehicles across 20+ major cities, facilitating over five million trips. We also host a monthly “Accessible Public Welfare Day” for free wheelchair-accessible travel.

Driver Rights Protection

We are the first platform in the industry to participate in the pilot program for occupational injury protection for workers in new forms of employment. We are committed to mitigating drivers’ injury risks and ensuring comprehensive insurance coverage. Our Driver Care Fund provides timely aid to drivers and families during hardships.

Focus on Drivers’ Children’s Education

Since 2021, we have initiated the Luming and Qingdou public welfare projects, offering scholarships to the families of drivers whose children achieve excellent results in the national college entrance examination, along with various educational support for drivers’ children from families in need.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The following discussions are based on the financial information and notes set out in other sections of this announcement and should be read in conjunction with them.

Results of Operations

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

	Unaudited			
	Six Months Ended June 30,			
	2025		2024	
	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>			
Revenue	9,455,968	100	6,160,176	100
Cost of sales	(8,659,954)	(91.6)	(5,731,682)	(93.0)
Gross profit	796,014	8.4	428,494	7.0
Selling and marketing expenses	(840,728)	(8.9)	(519,239)	(8.4)
General and administrative expenses	(452,618)	(4.8)	(382,073)	(6.2)
Research and development expenses	(116,903)	(1.2)	(125,641)	(2.0)
Other income	112,840	1.2	81,108	1.3
Other gains – net	5,496	0.1	14,298	0.2
Reversal of impairment losses/(net impairment losses) on financial assets	1,703	0.0	(3,931)	(0.1)
Operating loss	(494,196)	(5.2)	(506,984)	(8.2)
Finance income	2,151	0.0	6,334	0.1
Finance costs	(146,390)	(1.5)	(165,599)	(2.7)
Finance costs – net	(144,239)	(1.5)	(159,265)	(2.6)
Fair value changes of financial liabilities at fair value through profit or loss	138,864	1.4	(64,532)	(1.1)
Loss before income tax	(499,571)	(5.3)	(730,781)	(11.9)
Income tax credit/(expenses)	31,363	0.3	(47,312)	(0.7)
Loss for the period	(468,208)	(5.0)	(778,093)	(12.6)

Revenues

During the Reporting Period, our revenue streams consisted of (i) mobility services, (ii) vehicle sales, (iii) vehicle leasing, and (iv) other services. Predominantly, our revenues are generated from mobility services, particularly ride hailing. We also engage in the sale of vehicles to car partners, independent fleet operators, and individual drivers. Additionally, we provide vehicle leasing mainly to those car partners. Our revenue from other services includes advertising and technical services, among others.

Our revenues increased by 53.5% from RMB6.2 billion in the six months ended June 30, 2024 to RMB9.5 billion in the six months ended June 30, 2025. The following table sets forth a breakdown of our revenues both in absolute amount and as a percentage of our total revenues for the periods indicated.

	Unaudited			
	Six Months Ended June 30,			
	2025		2024	
	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>			
Mobility services	8,600,024	90.9	5,741,834	93.2
Vehicle sales	743,587	7.9	313,320	5.1
Vehicle leasing	103,923	1.1	82,700	1.3
Others	8,434	0.1	22,322	0.4
Total	<u>9,455,968</u>	<u>100.0</u>	<u>6,160,176</u>	<u>100.0</u>

Mobility Services

Our mobility service revenue grew by 49.8% from RMB5,741.8 million for the six months ended June 30, 2024 to RMB8,600.0 million for the six months ended June 30, 2025 as we continued to expand our services geographically, gain more user traffic from aggregation platforms, and to enhance user satisfaction and loyalty backed by our strong brand recognition among users with a growing fleet of purpose-built vehicles.

Vehicle Sales

Our revenue from vehicle sales increased by 137.3% from RMB313.3 million for the six months ended June 30, 2024 to RMB743.6 million for the six months ended June 30, 2025. This remarkable growth is a result of the gradual establishment and increased efficiency of our sales system as well as our strategic expansion into new cities, which is aligned with our vehicle sales initiatives. The number of our vehicle sales grew significantly from 2,826 in the six months ended June 30, 2024 to 7,993 in the six months ended June 30, 2025. Most of these vehicles were CaoCao 60, our second-generation purpose-built vehicles model.

Vehicle Leasing

Our vehicle leasing revenue grew by 25.7% from RMB82.7 million for the six months ended June 30, 2024 to RMB103.9 million for the six months ended June 30, 2025 as we leased more vehicles to car partners, and the revenue did not constitute a significant contributor to our total revenue.

Cost of Sales

Our cost of sales increased by 51.1% from RMB5,731.7 million in the six months ended June 30, 2024 to RMB8,660.0 million in the six months ended June 30, 2025, primarily due to the increases in driver earnings and incentives for mobility services, cost of vehicles sold, and commissions paid to car partners, which were aligned with the revenue growth.

Gross Profit and Gross Profit Margin

We recorded gross profit of RMB796.0 million in the six months ended June 30, 2025, compared to gross profit of RMB428.5 million in the six months ended June 30, 2024. Our gross profit margin was 8.4% in the six months ended June 30, 2025, compared to gross profit margin of 7.0% in the six months ended June 30, 2024.

Our gross profit margin improved from the six months ended June 30, 2024 to the six months ended June 30, 2025, primarily because the growth of our revenues outpaced the growth of our cost of sales, as a result of the economies of scale and improved operational efficiency.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) commissions charged by aggregation platforms, (ii) promotion, advertising, and incentives for customer referrals, and (iii) employee benefit expenses, among others.

Our selling and marketing expenses increased by 61.9% from RMB519.2 million in the six months ended June 30, 2024 to RMB840.7 million in the six months ended June 30, 2025, primarily due to a 70.0% increase in commissions charged by aggregation platforms from RMB434.1 million in the six months ended June 30, 2024 to RMB738.0 million in the six months ended June 30, 2025, partially offset by a 21.1% decrease in promotion, advertising, and incentives for customer referrals from RMB49.8 million in the six months ended June 30, 2024 to RMB39.3 million in the six months ended June 30, 2025.

General and Administrative Expenses

Our general and administrative expenses primarily consist of (i) employee benefit expenses, (ii) listing expenses, and (iii) depreciation charges of property, plant and equipment, among others.

Our general and administrative expenses increased by 18.5% from RMB382.1 million in the six months ended June 30, 2024 to RMB452.6 million in the six months ended June 30, 2025, primarily due to the increase in employee benefit expenses attributable to the increased share-based compensation expenses, as well as the increased listing expenses in connection with the Listing.

Research and Development Expenses

Our research and development expenses primarily consist of employee benefit expenses and expenses of technology services for purpose-built vehicles, among others.

Our research and development expenses decreased by 7.0% from RMB125.6 million in the six months ended June 30, 2024 to RMB116.9 million in the six months ended June 30, 2025, primarily attributable to (i) decreased expenses related to technology services for purpose-built vehicles in the six months ended June 30, 2025 as existing models have matured and (ii) a slight reduction in research and development personnel.

Other Income

Our other income increased by 39.1% from RMB81.1 million in the six months ended June 30, 2024 to RMB112.8 million in the six months ended June 30, 2025, mainly due to an increase in government subsidies associated with our local tax contributions to a local government.

Other Gains, Net

Our net other gains decreased by 61.6% from RMB14.3 million in the six months ended June 30, 2024 to RMB5.5 million in the six months ended June 30, 2025, primarily due to a decrease in gains from disposal of property, plant, equipment and assets classified as held for sale.

Finance Costs, Net

Finance Income. Our finance income decreased by 66.0% from RMB6.3 million in the six months ended June 30, 2024 to RMB2.2 million in the six months ended June 30, 2025, primarily due to a decrease in interest income on cash and cash equivalents.

Finance Costs. Our finance costs decreased by 11.6% from RMB165.6 million in the six months ended June 30, 2024 to RMB146.4 million in the six months ended June 30, 2025, primarily due to the decreases in the interest expenses of our borrowings.

As a result of the foregoing, our net finance costs decreased by 9.4% from RMB159.3 million in the six months ended June 30, 2024 to RMB144.2 million in the six months ended June 30, 2025.

Financial Value Change of Financial Liabilities at Fair Value through Profit or Loss

We recognized financial liabilities at fair value through profit or loss of RMB1,971.9 million as of December 31, 2024 and nil as of June 30, 2025. As of December 31, 2024, our series B preferred shares were classified as current liabilities as the preferred shares may be converted into ordinary shares at the option of the holder at any time and the conversion feature does not meet the definition of equity instrument. Upon the Listing on June 25, 2025, each series B preferred share was converted into one Ordinary Share at an issue price of HK\$41.94 each and the financial liabilities at fair value through profit or loss was reclassified as equity. The fair value gain of approximately RMB138.9 million, which is the difference between the fair value of financial instruments issued to Series B preferred shares investors as of December 31, 2024 and the Listing Date, is recognized in profit or loss in the six months ended June 30, 2025.

Income Tax Credit/Expenses

We recorded income tax credit of RMB31.4 million in the six months ended June 30, 2025, as compared to income tax expenses of RMB47.3 million in the six months ended June 30, 2024, primarily due to an increase in deferred income tax assets arising from tax losses carried forward in certain subsidiaries.

Loss for the Period

As a result of the foregoing, our loss for the period decreased by 39.8% from RMB778.1 million in the six months ended June 30, 2024 to RMB468.2 million in the six months ended June 30, 2025.

Non-IFRS Measures

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

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

The following tables reconcile (in absolute amounts and as percentages of total revenues for the year indicated) our adjusted loss and adjusted EBITDA for the periods indicated.

	Unaudited Six Months Ended June 30, 2025 2024 <i>(RMB in thousands, except for percentages)</i>	
Loss for the period	(468,208)	(778,093)
Net loss margin (%)	(5.0)	(12.6)
Add:		
Listing expenses	42,057	9,354
Share-based compensation expenses	235,374	204,384
Changes in the carrying amount of financial liabilities at fair value through profit or loss	(138,864)	64,532
Adjusted net loss for the period (non-IFRS measure)	<u>(329,641)</u>	<u>(499,823)</u>
Adjusted loss margin (non-IFRS measure) (%)	<u>(3.5)</u>	<u>(8.1)</u>

Unaudited
Six Months Ended June 30,
2025 2024
*(RMB in thousands, except
for percentages)*

Loss for the period	(468,208)	(778,093)
Net loss margin (%)	(5.0)	(12.6)
Add:		
Finance costs, net	144,239	159,265
Income tax (credit)/expenses	(31,363)	47,312
Depreciation charges of property, plant and equipment	321,833	349,220
Depreciation charges of right-of-use assets	25,771	34,609
Amortization of intangible asset	637	1,403
	<hr/>	<hr/>
EBITDA (non-IFRS measure)	(7,091)	(186,284)
	<hr/>	<hr/>
EBITDA margin (non-IFRS measure) (%)	(0.1)	(3.0)
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Add:		
Listing expenses	42,057	9,354
Share-based compensation expenses	235,374	204,384
Changes in the carrying amount of financial liabilities at fair value through profit or loss	(138,864)	64,532
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Adjusted EBITDA (non-IFRS measure)	131,476	91,986
	<hr/>	<hr/>
Adjusted EBITDA margin (non-IFRS measure) (%)	1.4	1.5
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Indebtedness

The following table sets forth the breakdown of our indebtedness as of the dates indicated.

	As of June 30, 2025 <i>(RMB in thousands)</i> (unaudited)	As of December 31, 2024 (audited)
Current portion:		
Borrowings	6,177,921	5,676,550
Lease liabilities	60,616	56,528
Financial liabilities at fair value through profit or loss	–	1,971,901
Other payables	–	12,500
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Subtotal	6,238,537	7,717,479
Non-current portion:		
Borrowings	1,511,000	1,541,737
Lease liabilities	57,148	59,993
	<hr/>	<hr/>
Subtotal	1,568,148	1,601,730
	<hr/>	<hr/>
Total	<u>7,806,685</u>	<u>9,319,209</u>

Borrowings

As of June 30, 2025, we had total borrowings of RMB7,688.9 million. As of June 30, 2025, our unutilized bank credit facilities obtained from independent commercial banks amounted to approximately RMB7.4 billion. We did not have any seasonality of borrowing requirements. The following table sets forth our borrowings as of the dates indicated.

	As of June 30, 2025 (RMB in thousands) (unaudited)	As of December 31, 2024 (audited)
Short-term debt and current portion of long-term debt:		
Current portion of long-term borrowings:		
Current portion of ABSs ⁽¹⁾	2,672,462	2,859,969
Current portion of other borrowings, secured ⁽²⁾	1,800	11,862
Current portion of bank borrowings, guaranteed ⁽³⁾	5	6,270
Bank borrowings, guaranteed ⁽⁴⁾	2,607,445	1,482,460
Factoring borrowings ⁽⁵⁾	595,942	415,257
Bank credit borrowings ⁽⁶⁾	300,267	–
Loans from related parties	–	900,732
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Sub-total	6,177,921	5,676,550
Non-current portion of long-term debt:		
ABSs ⁽¹⁾	1,505,000	1,490,000
Other borrowings, secured ⁽²⁾	6,000	51,737
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Sub-total	1,511,000	1,541,737
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Total	7,688,921	7,218,287
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Notes:

- (1) As of June 30, 2025 and December 31, 2024, we issued several tranches of ABSs with the payment term of two or three years with the fixed interest rate ranging from 2.50% to 4.10%. These ABSs are secured by the pledge of the rights to receive the service fees derived from the use of certain vehicles owned by the Group for the provision of online ride hailing services and guaranteed by Geely Holding.
- (2) As of June 30, 2025 and December 31, 2024, the effective interest rate of the secured borrowings ranged from 4.95% to 6.7% per annum. These borrowings were related to the sales and leaseback arrangements between us and certain finance lease companies.
- (3) As of June 30, 2025 and December 31, 2024, our guaranteed bank borrowings bore interests at fixed interest rates 3.8% per annum and were guaranteed by Geely Holding.
- (4) As of June 30, 2025 and December 31, 2024, we entered into several short-term borrowing agreements with interest rates ranging from 2.25% to 3.80% per annum. The borrowings were guaranteed by Geely Holding.
- (5) As of June 30, 2025 and December 31, 2024, the letters of credit and notes payables issued by our certain subsidiaries for intra-group transaction settlements were discounted to certain PRC commercial banks. We were of the view that the balance under such factoring arrangements were borrowings from banks. As of June 30, 2025 and December 31, 2024, the average discounted rates were 2.88% and 3.19% per annum. Except for approximately RMB13,300,000 of factoring borrowings as of June 30, 2025, which was covered by guarantee deposits, others were guaranteed by Geely Holding.
- (6) As of June 30, 2025 and December 31, 2024, bank credit borrowings were approximately RMB300,267,000, with fixed interest rates of 3.2% per annum and durations of one year and will be due within one year from the respective balance sheet date.

See Note 14 to the condensed consolidated interim financial information for more details of the maturity profile.

Lease Liabilities

Our lease liabilities are in relation to leased vehicles, leased license plates, and properties that we lease for our offices. As of June 30, 2025, we recognized total lease liabilities (current and non-current portion) of RMB117.8 million, as compared to RMB116.5 million as of December 31, 2024, primarily attributable to changes of interest recognized.

Other Payables

Our other payables, amounted to RMB12.5 million as of December 31, 2024, were non-trade in nature, not interest-bearing and were payable to Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd., which was settled before June 30, 2025. Our other payables amounted to nil as of June 30, 2025.

Debt Ratio

As of June 30, 2025, our debt ratio was 124.8%. Debt ratio represents total debts divided by total assets as of the end of the year. Total debts represent the sum of the current and non-current borrowings as of the end of the year.

Liquidity and Capital Resources

Cash Flows

Our cash and cash equivalents primarily consisted of cash at bank. Our cash and cash equivalents increased from RMB1,534.9 million as of June 30, 2024 to RMB2,198.4 million as of June 30, 2025, primarily attributable to the net proceeds from the Global Offering and other fluctuations of cash flow.

The following table sets forth our cash flows for the periods indicated.

	Unaudited	
	Six Months Ended June 30,	
	2025	2024
	<i>(RMB in thousands)</i>	
Net cash generated from operating activities	325,206	122,906
Net cash (used in)/generated from investing activities	(238,504)	21,569
Net cash generated from financing activities	1,949,457	807,468
Net increase in cash and cash equivalents	2,038,859	951,943
Cash and cash equivalents at the beginning of the period	159,497	582,995
Effects of exchange rate changes on cash and cash equivalents	3	1
Cash and cash equivalents at the end of the period	2,198,359	1,534,939

During the Reporting Period, we funded our cash requirements principally from net inflow of operating cash, net proceeds from the Global Offering, ABS arrangements and bank and other borrowings. We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. We had cash and cash equivalents of RMB2,198.4 million as of June 30, 2025. Our net cash generated from operating activities was RMB325.2 million in the six months ended June 30, 2025, as compared to net cash generated from operating activities of RMB122.9 million in the six months ended June 30, 2024, primarily due to enhanced profitability resulting from economies of scale and improved operating efficiency.

We obtained ABS shelf-offerings of RMB6.0 billion (the “**Approved Quota**”) on April 24, 2025, approved by the China Insurance Asset Registration and Trading System, and issued the first tranche of ABSs thereunder of RMB1.5 billion in May 2025. We have submitted application for new ABS shelf-offering of RMB5.5 billion to the Shanghai Stock Exchange and obtained an approval on August 22, 2025. We are planning to issue a new tranche of ABSs of approximately RMB1.1 billion by using the Approved Quota.

We also have external funding channels including unutilized bank credit facilities. As of June 30, 2025, our unutilized bank credit facilities obtained from independent commercial banks amounted to approximately RMB7.4 billion.

We believe that our liquidity requirements will be satisfied by a combination of foregoing sources. We currently do not have any other plans for additional financing that are expected to be material to our operations and results of operations.

Capital Expenditures

During the Reporting Period, our capital expenditures primarily consisted of purchase of property, plant and equipment, which included purchase of vehicles, furniture and office equipment, and leasehold improvement. Our capital expenditures were RMB236.9 million and RMB234.0 million in the six months ended June 30, 2024 and 2025, respectively.

Capital Commitments

Our capital commitments during the Reporting Period were related to purchase of property, plant and equipment. As of June 30, 2025, the total amount of our outstanding capital commitments was RMB9.5 million, compared to RMB29.9 million as of December 31, 2024.

Other than the contractual obligations set forth above and disclosure set forth elsewhere in this announcement, we do not have any other long-term debt obligations, operating lease commitments, capital commitments or other long-term liabilities.

Contingent Liabilities or Guarantee

Save as otherwise disclosed in this announcement, as of June 30, 2025, we did not have any material contingent liabilities or guarantees.

Off-Balance Sheet Commitments and Arrangements

As of June 30, 2025, save as otherwise disclosed in this announcement, we had not entered into any off-balance sheet arrangements.

Pledge of Assets

The ABSs issued by us are secured by the pledge of the rights to receive the service fees derived from the use of certain vehicles owned by us for the provision of online ride hailing services and guaranteed by Geely Holding. The following table sets forth the carrying amounts of assets pledged as security for current and non-current borrowings as of the date indicated:

	As of June 30, 2025 <i>(RMB in thousands)</i> (unaudited)	As of December 31, 2024 <i>(audited)</i>
Non-current		
Vehicles pledged under ABSs arrangements	1,038,815	1,194,612
Vehicles pledged under finance lease arrangements	5,481	77,995
Total	1,044,296	1,272,607

Save as disclosed above and otherwise disclosed in this announcement, as of June 30, 2025, we had not pledged any of our assets.

Future Plans for Material Investments and Capital Assets

As of June 30, 2025, we have no specific plan for material investments or acquisition of capital assets.

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not our entities' functional currency. We operate mainly in the PRC with most of the transactions settled in Renminbi. For the foreign exchange risk derived from the IPO proceeds we received in Hong Kong dollars from our listing on the Stock Exchange, which are reflected on the balance sheet as cash and cash equivalents at the end of the Reporting Period, we do not consider us exposed to significant foreign exchange risk, since no significant exchange gain or loss occurred subsequent to the end of the Reporting Period when we exchanged Hong Kong dollars into Renminbi in July 2025. As a result of the above, we consider that our exposure to the fluctuations of the exchange rate was insignificant, and we therefore do not hedge against any fluctuation in foreign currency.

OTHER INFORMATION

Compliance with the Corporate Governance Code

The Company aims to achieve high standards of corporate governance which are crucial to the Company's development and safeguard the interests of the Shareholders. The principles of the Company's corporate governance are to promote effective internal control measures and to enhance the transparency and accountability of the Board of Directors to all Shareholders.

The Company has complied with all applicable code provisions as set out in Part 2 of Appendix C1 (Corporate Governance Code) of the Listing Rules from the Listing Date to June 30, 2025.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

Compliance with the Model Code

The Company has adopted the Model Code as the code of conduct regarding the Directors' dealings in the securities of the Company.

Having made specific enquiry of all the Directors, all Directors confirmed that they have complied with the provisions of the Model Code from the Listing Date to June 30, 2025.

The Company has established written guidelines for securities transactions by employees who are likely to be in possession of inside information of the Company (the "**Guidelines for Securities Dealings by Relevant Employees**") on terms no less exacting than the Model Code. No incident of non-compliance with the Guidelines for Securities Dealings by Relevant Employees by the employees has been noted by the Company during the period from the Listing Date to June 30, 2025.

Audit Committee and Review of Interim Financial Results

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls systems of the Group, and provide advice and recommendations to the Board. The Audit Committee comprises two independent non-executive Directors, namely, Ms. Xin Liu and Ms. Ning Liu, and one non-executive Director, namely Mr. Quan Zhang. The chairperson of the Audit Committee is Ms. Xin Liu, who possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The interim financial report for the six months ended June 30, 2025 is unaudited, but has been reviewed by PricewaterhouseCoopers, the independent auditor of the Company, in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” The Audit Committee, after the discussion with the Auditor, has reviewed, and the Board has approved, the Company’s unaudited interim condensed consolidated financial information of the Group for the six months ended June 30, 2025. The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters in respect of, among others, risk management, internal control and financial reporting of the Company with the management. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company. Based on this review and discussions with the management, the Audit Committee was satisfied that the Group’s unaudited interim condensed consolidated financial information was prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the six months ended June 30, 2025.

The Company’s unaudited interim condensed consolidated financial information for the six months ended June 30, 2025 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting.”

Directors’ Responsibilities for Financial Reporting in Respect of the Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the six months ended June 30, 2025. The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements. The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company’s financial statements, which are put to the Board for approval. The management provides all members of the Board with monthly updates on the Company’s performance, positions and prospects.

Employees, Training and Remuneration Policy

The Group had 949 full-time employees as of June 30, 2025, with the entirety of the workforce situated in Chinese Mainland, except for three individuals who were based in Hong Kong. We primarily recruit our employees through on-campus job fairs, industry referrals, online channels, and recruitment agencies. We offer employees competitive salaries, performance-based cash bonuses, regular awards, and long-term incentives. The staff costs including Directors’ emoluments and share-based payment expenses were approximately RMB446.1 million for the six months ended June 30, 2025.

The Directors and senior management receive remuneration from the Company in the form of salaries, bonuses, housing benefits, contribution to employee social security plans, medical insurance and other social insurances obligations, welfare fees and share-based compensation. The Board has established the Remuneration Committee to review and recommend the remuneration and compensation packages of the Directors and senior management of the Company, and the Board, with the advice from the Remuneration Committee, will review and determine the remuneration and compensation packages taking into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management and performance of the Group.

We provide new employee training to our employees and periodic on-the-job training to enhance the skills and knowledge of our employees. We have adopted a training system, pursuant to which management, operation, sales and marketing, technology, regulatory, and other trainings are regularly provided to our employees by internally sourced speakers or externally hired consultants.

To incentivize our employees and promote the long-term growth of the Company, we have also conditionally adopted several share award schemes to provide equity incentives to our employees, Directors and senior management.

Purchase, Sale or Redemption of Listed Securities of the Company

Neither the Company nor any of its subsidiaries or Consolidated Affiliated Entities have purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) from the Listing Date to the date of this announcement.

As of June 30, 2025, the Company did not hold any treasury shares.

Material Acquisitions and Disposals and Significant Investments

We did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures, and significant investments in any other companies for the six months ended June 30, 2025.

Use of Proceeds from the Global Offering

The Shares were listed on the Main Board of the Stock Exchange on June 25, 2025. Pursuant to the Global Offering, 44,178,600 Shares were issued at a price of HK\$41.94 per Share, raising gross proceeds (before expenses) of approximately HK\$1,852.9 million. The net proceeds from the Global Offering received by the Company, after deducting underwriting commissions and fees and other estimated offering expenses paid and payable by the Company in connection with the Global Offering, are approximately HK\$1,718.4 million. As of June 30, 2025, the Company had not used any part of the net proceeds. There has been no change in the intended use of net proceeds as previously disclosed in the Prospectus under the section headed "Future Plans and Use of Proceeds."

Future Plans for Material Investments or Capital Asset

Save as disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus and "Use of Proceeds from the Global Offering" in this announcement, as of June 30, 2025, we did not have detailed future plans for material investments or capital assets.

Interim Dividend

The Board has resolved not to declare an interim dividend for the six months ended June 30, 2025.

Significant Events after the End of June 30, 2025

We obtained ABS shelf-offerings of RMB5.5 billion on August 22, 2025 which was approved by the Shanghai Stock Exchange.

Save as disclosed in this announcement, there were no other significant events that might affect the Group after June 30, 2025 and up to the date of this announcement and is required to be disclosed by the Company.

PUBLICATION OF RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.caocao.com.cn). The interim report of the Company for the six months ended June 30, 2025 containing all the information in accordance with the requirements under the Listing Rules will be made available on the respective websites of the Stock Exchange and the Company and dispatched to the Shareholders who request the printed copy in due course.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE LOSS
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

		Six months ended	
		June 30,	
	<i>Note</i>	2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Revenue	3	9,455,968	6,160,176
Cost of sales	4	(8,659,954)	(5,731,682)
Gross profit		796,014	428,494
Selling and marketing expenses	4	(840,728)	(519,239)
General and administrative expenses	4	(452,618)	(382,073)
Research and development expenses	4	(116,903)	(125,641)
Other income	5	112,840	81,108
Other gains – net	6	5,496	14,298
Reversal of impairment losses/(net impairment losses) on financial assets		1,703	(3,931)
Operating loss		(494,196)	(506,984)
Finance income	7	2,151	6,334
Finance costs	7	(146,390)	(165,599)
Finance costs – net		(144,239)	(159,265)
Fair value changes of financial liabilities at fair value through profit or loss		138,864	(64,532)
Loss before income tax		(499,571)	(730,781)
Income tax credit/(expenses)	8	31,363	(47,312)
Loss for the period		(468,208)	(778,093)

	<i>Note</i>	Six months ended	
		June 30,	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Loss for the period attributable to:			
– Owners of the Company		(494,983)	(766,777)
– Non-controlling interests		26,775	(11,316)
		(468,208)	(778,093)
Losses per share attributable to the owners of the Company			
Basic losses per share (in RMB per share)	9(i)	(1.09)	(1.70)
Diluted losses per share (in RMB per share)	9(ii)	(1.26)	(1.70)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences		3	1
Other comprehensive income for the period, net of income tax		3	1
Total comprehensive loss for the period		(468,205)	(778,092)
Total comprehensive loss for the period attributable to:			
– Owners of the Company		(494,980)	(766,776)
– Non-controlling interests		26,775	(11,316)
		(468,205)	(778,092)

CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
AS AT JUNE 30, 2025

	<i>Note</i>	As at June 30, 2025 (Unaudited)	As at December 31, 2024 (Audited)
Assets			
Non-current assets			
Property, plant and equipment and right-of-use assets		2,185,316	2,340,619
Intangible assets		51,442	52,079
Investments accounted for using the equity method		72,000	—
Prepayments and other receivables	<i>10</i>	82,030	108,013
Deferred income tax assets		73,279	41,823
Total non-current assets		2,464,067	2,542,534
Current assets			
Inventories		201,079	223,079
Prepayments, other receivables and other current assets	<i>10</i>	767,747	716,748
Trade receivables	<i>11</i>	274,619	274,012
Restricted cash		136,296	68,247
Cash and cash equivalents		2,198,359	159,497
Assets classified as held for sale		116,953	93,535
Total current assets		3,695,053	1,535,118
Total assets		6,159,120	4,077,652
Liabilities			
Non-current liabilities			
Borrowings	<i>14</i>	1,511,000	1,541,737
Lease liabilities		57,148	59,993
Total non-current liabilities		1,568,148	1,601,730
Current liabilities			
Financial liabilities at fair value through profit or loss		—	1,971,901
Trade and notes payables	<i>12</i>	806,575	702,206
Accruals and other payables	<i>13</i>	1,031,501	927,106
Contract liabilities		379,749	263,196
Borrowings	<i>14</i>	6,177,921	5,676,550
Lease liabilities		60,616	56,528
Deferred income		93,042	83,864
Income tax payables		—	150
Total current liabilities		8,549,404	9,681,501

	<i>Note</i>	As at June 30, 2025 (Unaudited)	As at December 31, 2024 (Audited)
Net current liabilities		<u>4,854,351</u>	<u>8,146,383</u>
Total liabilities		<u>10,117,552</u>	<u>11,283,231</u>
Deficit			
Share capital		39	30
Other equity instruments		–	2
Other reserves		10,110,206	6,411,142
Accumulated losses		<u>(13,876,191)</u>	<u>(13,381,208)</u>
Deficit attributable to owners of the Company		<u>(3,765,946)</u>	<u>(6,970,034)</u>
Non-controlling interests		<u>(192,486)</u>	<u>(235,545)</u>
Total deficit		<u>(3,958,432)</u>	<u>(7,205,579)</u>

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2025**

		Six months ended 30 June	
	Note	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Cash flows from operating activities			
Cash generated from operations		323,298	116,602
Interest received	7	2,151	6,334
Income tax paid		(243)	(30)
Net cash generated from operating activities		<u><u>325,206</u></u>	<u><u>122,906</u></u>
Cash flows from investing activities			
Proceeds from loan to related parties		–	5,550
Proceeds from disposal of property, plant and equipment and assets classified as held for sale		105,267	202,233
Proceeds from disposal of an investment accounted for using the equity method		–	900
Payments for property, plant and equipment		(269,071)	(185,472)
Payments for intangible assets		–	(1,642)
Payments for an investment accounted for using the equity method		(72,000)	–
Net cash (used in)/generated from investing activities		<u><u>(235,804)</u></u>	<u><u>21,569</u></u>
Cash flows from financing activities			
Proceeds from borrowings, excluding asset-backed securities (“ABSs”)		3,190,522	1,316,891
Proceeds from ABSs	14	1,340,000	2,710,000
Proceeds from loans from related parties		1,950,000	16,500
Proceeds from issuance of financial liabilities at fair value through profit or loss		–	4
Proceeds from issuance of ordinary shares upon IPO		1,653,353	–
Proceeds from issuance of ordinary shares upon exercise of share options		432	–
Capital contributions from shareholders		30	2
Repayments of borrowings, excluding ABSs		(1,648,812)	(1,229,240)
Repayments of ABSs	14	(1,519,000)	(1,804,000)
Repayments to loans from related parties		(2,845,090)	–
Interest paid for borrowings		(140,755)	(178,279)
Transactions with non-controlling interests		(5,800)	–
Listing expenses paid		(867)	(946)
Principal elements of lease payments		(21,935)	(20,366)
Interest elements of lease payments		(2,621)	(3,098)
Net cash generated from financing activities		<u><u>1,949,457</u></u>	<u><u>807,468</u></u>
Net increase in cash and cash equivalents		2,038,859	951,943
Cash and cash equivalents at beginning of the period		159,497	582,995
Effects of exchange rate changes on cash and cash equivalents		3	1
Cash and cash equivalents at end of the period		<u><u>2,198,359</u></u>	<u><u>1,534,939</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

CaoCao Inc. (the “Company”) was incorporated in the Cayman Islands (“Cayman”) on November 8, 2021 as an exempted company with limited liability under the laws of the Cayman Islands. The registered office is at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “Group”) are principally engaged in operating its new energy-focused online ride hailing platform that provides a range of mobility services as well as other services, and selling vehicles (the “Listing Business”) in the People’s Republic of China (“PRC” or “China”). The ultimate controlling shareholder of the Group is Mr. Shufu Li (the “Controlling shareholder”).

The condensed consolidated interim financial information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand RMB (RMB’000) except when otherwise indicated.

2 BASIS OF PREPARATION

As of June 30, 2025, the Group had total deficit of approximately RMB3,958,432,000 and net current liability of approximately RMB4,854,351,000, respectively. For the six months ended June 30, 2025, the Group incurred loss of approximately RMB468,208,000 and net operating cash inflow of approximately RMB325,206,000. Historically, in addition to the capital contribution from shareholders and IPO proceeds, the Group has relied principally on financing through ABSs arrangements, borrowings from banks and other financial institutions to fund its operations and business development. Certain of the Group’s ABSs financing and borrowings were guaranteed by a related party of the Group.

The above circumstances indicate that there are events and conditions that may cast significant doubt on the Group’s capability of continuing as a going concern. In view of such circumstances, the directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient funds to fulfill its financial obligations and continue as a going concern. The Group has formulated the following plans and measures to mitigate the liquidity pressure and to improve its cash flows:

- The Group obtained an approval from China Insurance Asset Registration and Trading System on April 24, 2025 for the issuance of ABSs with a quota of RMB6.0 billion (the “Approved Quota”), and completed issuances of ABSs of RMB1.5 billion in May 2025. The Group is also planning to issue a new tranche of ABSs of approximately RMB1.1 billion by using the Approved Quota. In addition, the Group submitted an application to the Shanghai Stock Exchange for new ABSs of RMB5.5 billion and obtained an approval on August 22, 2025. All the above ABSs are guaranteed by a related party of the Group;
- the Group has received a confirmation from a related party of its intention to provide financial support when needed, and will continue to maintain good cooperative relationships with banks and other financial institutions to renew or secure new borrowings when needed;
- the Group will continue its efforts to implement measures to improve its operating cashflows by increasing its mobility service revenue and profitability and controlling operating expenditures, in order to strengthen its working capital; and
- the Group will continue to manage its capital expenditures, i.e., cash payments for self-owned vehicles, in line with its operating activities and financing activities.

Management of the Group has prepared a cash flow projection covering not less than 12 months from June 30, 2025. The cash flow projection has taken into account the anticipated cash flows to be generated by the Group and the available financing resources. The directors, after making due enquiries and considering the basis of management's projection described above, believe that the Group's current cash and cash equivalents and the anticipated cash flows from future operations and financing activities, together with funding from a related party that is available when needed under the financial support, will be sufficient so as to enable the Group to meet its anticipated working capital requirements, capital expenditure requirements and to repay its liabilities for the next twelve months from the date of issuance of the condensed consolidated interim financial information. Consequently, the condensed consolidated interim financial information has been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

This condensed consolidated interim financial information for the six months ended June 30, 2025 of the Group has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", and should be read in conjunction with the consolidated financial statements of the Group for the years ended December 31, 2022, 2023 and 2024, which have been prepared in accordance with IFRS Accounting Standards, as set out in the accountant's report (the "Accountant's Report") included in the Appendix I to the Company's prospectus dated 17 June, 2025.

(a) Material accounting policies information

The condensed consolidated interim financial information has been prepared under the historical cost convention, as modified by the revaluation of financial liabilities and financial assets at fair value through profit or loss, which are carried at fair value. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

(b) New and amended standards adopted by the Group

All effective standards, amendments to standards and interpretations, which are mandatory for the financial years beginning on or after January 1, 2025, have been adopted since January 1, 2025 and do not have significant impact to the Group.

(c) New Standards, amendments to standards and interpretations not yet adopted

The following new standards, amendments to existing standards and interpretations have been issued but are not yet effective for the financial year beginning on January 1, 2025 and have not been early adopted by the Group:

	New/amended standards	Effective date
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

(d) Changes in accounting policy and disclosures

The Group is still assessing the impact of these new or amended standards, interpretations, and amended improvements, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and positions of the Group is expected when they become effective, except for IFRS 18 which will mainly impact the presentation of statement of profit and loss.

3 REVENUE AND SEGMENT INFORMATION

The Group's CODM consisting of the chief executive officer and the other key management, examines the Group's performance from a product perspective. Management has determined the operating segments based on the reports reviewed by CODM that are used to make strategic decisions. On this basis, the Group has determined that it only has one operating segment during the six months ended June 30, 2025 and 2024. All the Group's sales are contributed from the PRC market, accordingly, no geographical information is presented.

Breakdown of revenue by business lines is as follows:

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue:		
Mobility service	8,600,024	5,741,834
Vehicle sales	743,587	313,320
Vehicle leasing	103,923	82,700
Others	8,434	22,322
Total	9,455,968	6,160,176
	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from contracts with customers:		
At a point in time	9,352,045	6,072,661
Over time	–	4,815
	9,352,045	6,077,476
	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Revenue from other sources:		
Vehicle leasing	103,923	82,700

4 EXPENSES BY NATURE

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Driver earnings and incentives for mobility services	6,950,513	4,497,503
Commissions charged by aggregation platforms	737,990	434,132
Cost of vehicles sold	685,907	303,129
Employee benefits expenses	446,053	411,364
Depreciation charges of property, plant and equipment	321,833	349,220
Commissions paid to car partners	199,324	128,702
Insurance costs	167,532	174,887
Battery service fee	122,894	119,901
Vehicle maintenance charges	67,861	61,037
Listing expenses	42,057	9,354
Promotion, advertising and incentives for customer referrals	39,301	49,805
Depreciation charge of right-of-use assets	25,771	34,609
Auditor's remuneration		
– Audit service	1,800	–
– Non-audit service	50	–
Amortisation of intangible assets	637	1,403
Others	260,680	183,589
	<hr/>	<hr/>
Total cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses	10,070,203	6,758,635
	<hr/>	<hr/>

5 OTHER INCOME

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Government grants (i)	112,840	81,108
	<hr/>	<hr/>

- (i) The amounts represent government grants related income which are received from various local governments. These grants are recognised in the statement of comprehensive loss upon later of receipt of these cash and the satisfaction of conditions relating to these grants.

6 OTHER GAINS – NET

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Gains on disposal of property, plant and equipment and assets classified as held for sale	10,836	15,132
Gains on disposal of investments accounted for using equity method	–	900
Penalties for vehicles or drivers without the requisite permits or licenses	(6,532)	(4,130)
Others	1,192	2,396
	<hr/>	<hr/>
	5,496	14,298
	<hr/>	<hr/>

7 FINANCE COSTS – NET

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Finance income:		
Interest income on cash and cash equivalents	<u>2,151</u>	<u>6,334</u>
Finance costs:		
Interest expense on ABSs	(78,997)	(121,029)
Interest expense on bank and other borrowings	(44,788)	(41,472)
Interest expense on loans from related parties	(19,984)	–
Interest expense on lease liabilities	<u>(2,621)</u>	<u>(3,098)</u>
	<u>(146,390)</u>	<u>(165,599)</u>
Finance costs – net	<u>(144,239)</u>	<u>(159,265)</u>

8 TAXATION

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax expense	(93)	(30)
Deferred income tax credit/(expenses)	<u>31,456</u>	<u>(47,282)</u>
	<u>31,363</u>	<u>(47,312)</u>

Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands, and accordingly is exempted from Cayman Islands income tax.

Hong Kong profits tax

Under the current Hong Kong Inland Revenue Ordinance, the Company's subsidiaries incorporated in Hong Kong are subject to a two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%.

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profit subject Hong Kong profits tax during the six months ended June 30, 2025 and 2024.

Other countries

The Group entities established under the International Business Companies Acts of British Virgin Islands ("BVI") are exempted from BVI income taxes.

Tax in other countries including Japan have been provided for at the applicable rates on the estimated assessable profits less estimated available tax losses.

PRC enterprise income tax (“EIT”)

The Group’s subsidiaries established and operated in Mainland China are subject to the EIT on the taxable income as reported in their respective statutory financial statements adjusted in accordance with the Enterprise Income Tax Law (“EIT Law”). Pursuant to the EIT Law, the Group’s subsidiaries are generally subject to EIT at the statutory rate of 25%.

Hangzhou Youxing obtained its High and New Technology Enterprises (“HNTE”) status in year 2019 and renewed the qualification in 2022. Accordingly, it was entitled to a preferential EIT rate of 15% for a three-year period since the qualification day. The applicable EIT rate of these entities was 15% during the six months ended June 30, 2025 and 2024.

According to the relevant laws and regulations promulgated by the State Administration of Taxation (“SAT”) of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for the year (“Super Deduction”).

PRC withholding income tax (“WHT”)

According to the EIT Law, distribution of profits earned by PRC companies since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

During six months ended June 30, 2025 and 2024, the Group does not have any plan to require any of its subsidiaries, including its PRC subsidiaries to distribute their retained earnings and intends to retain them to operate and expand the business in the PRC. As at June 30, 2025 and December 31, 2024, the Group has no undistributed earnings in its PRC subsidiaries. Accordingly, no deferred income tax liability on WHT was provided as at the end of each reporting period.

9 LOSSES PER SHARE

(i) Basic

Basic losses per share is calculated by dividing the net loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the respective periods.

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company (RMB’000)	(494,983)	(766,777)
Weighted average number of ordinary shares outstanding (thousands) (a)	<u>454,684</u>	<u>452,128</u>
Basic losses per share (RMB)	<u>(1.09)</u>	<u>(1.70)</u>

- (a) For the six months ended June 30, 2024, the weighted average number of ordinary shares has been retrospectively adjusted for the effect of the issuance of shares in connection with the Reorganisation completed on April 10, 2024. As Series A Preferred Shares and Series A1 Preferred Shares are classified as equity and have the same rights to receive dividends as ordinary shares, Series A Preferred Shares and Series A1 Preferred Shares are treated as ordinary shares for the purpose of calculating basic loss per share.

(ii) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary share.

As the Group incurred net losses for the six months ended June 30, 2024, the dilutive potential ordinary shares arising from conversion of Series B Preferred Shares to Ordinary Shares and exercise of share options were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the six months ended June 30, 2024 is the same as basic loss per share of the respective periods.

For the six months ended June 30, 2025, the dilutive potential ordinary shares arising from conversion of Series B Preferred Shares to Ordinary Shares were included in the calculation of dilutive loss per share, as their inclusion would be dilutive, while those arising from exercise of share options were not included as their inclusion would be anti-dilutive.

	Six months ended June 30, 2025 (Unaudited)
Loss	
Loss attributable to owners of the Company (RMB'000)	(494,983)
Adjustments for fair value changes of financial liabilities at fair value through profit or loss	(138,864)
	(633,847)
Shares	
Weighted average number of ordinary shares outstanding excluding conversion of Series B Preferred Shares to Ordinary Shares (thousands)	454,684
Adjustments for conversion of Series B Preferred Shares to Ordinary Shares (thousands)	46,549
	501,233
Diluted losses per share (RMB)	(1.26)

10 PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Included in non-current assets		
Prepayments:		
Deferred charges for global positioning system and other equipment	35,524	45,277
Other receivables:		
Deposits to trust institutions	29,000	43,000
Rental and other deposits	17,506	19,736
	46,506	62,736
Non-current	82,030	108,013
Included in current assets		
Prepayments:		
Prepayments for insurance costs	236,844	250,951
Prepayments for vehicles for sale	10,948	5,917
Listing expenses directly attributable to the issue of shares to be deducted from equity	–	5,274
Others	1,292	1,759
	249,084	263,901
Other current assets:		
Value-added tax recoverables	456,770	395,708
Other receivables:		
Deposits to trust institutions	36,590	34,430
Rental and other deposits	7,205	7,308
Short-term finance lease receivables, net	3,500	3,500
Loans to third parties	3,644	3,644
IPO proceeds receivables	1,588	–
Capital contribution receivables from Ugo Investment Limited	–	30
Others	13,955	12,956
	66,482	61,868
Less: loss allowance	(4,589)	(4,729)
	61,893	57,139
Current	767,747	716,748

11 TRADE RECEIVABLES

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Trade receivables from contracts with customers	287,898	289,762
Less: loss allowance	(13,279)	(15,750)
	<u>274,619</u>	<u>274,012</u>

As at June 30, 2025 and December 31, 2024, the ageing analysis of the trade receivable based on invoice date were as follows:

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Within 3 months	265,243	263,483
3 months to 6 months	6,476	12,793
6 months to 1 year	6,661	5,915
Over 1 year	9,518	7,571
	<u>287,898</u>	<u>289,762</u>

The carrying amounts of the Group's trade receivables are denominated in RMB and approximate their fair values.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables mentioned above.

12 TRADE AND NOTES PAYABLES

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Trade payables (a)		
– Earnings and incentives payable to drivers	481,659	422,439
– Payables for services	162,619	163,150
– Payables for vehicles	89,990	114,104
– Others	12,307	2,513
	<u>746,575</u>	<u>702,206</u>
Notes payables (b)	<u>60,000</u>	<u>–</u>
	<u>806,575</u>	<u>702,206</u>

(a) Trade payables

Trade payables are unsecured and are usually paid within 90 days of recognition. The majority of the Group's trade payables was denominated in RMB. The ageing analysis of the trade payables based on invoice date as at As at June 30, 2025 and December 31, 2024 is as follows:

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
0 to 90 days	713,304	692,105
91 to 180 days	23,881	560
181 days to 1 year	12	275
Over 1 year	9,378	9,266
	<u>746,575</u>	<u>702,206</u>

(b) Notes payables

All notes payables are denominated in RMB and are notes paid and/or payable to third parties mainly for settlement of trade payables. As at June 30, 2025, all notes payables had maturities of less than one year.

The carrying amounts of trade and notes payables are considered to be the same as their fair values, due to their short-term nature.

13 ACCRUALS AND OTHER PAYABLES

	As at June 30, 2025 <i>RMB'000</i> (Unaudited)	As at December 31, 2024 <i>RMB'000</i> (Audited)
Deposits from drivers	266,091	291,092
Deposits from suppliers and others	168,720	162,714
Advances from disposal of used vehicles	153,862	106,983
Payables for listing expenses	68,272	33,193
Amounts due to related parties	67,453	66,309
Staff costs and welfare accruals	64,963	80,510
Provision for litigation and disputes	63,180	31,742
Taxes and surcharges payables	49,872	50,158
Accrued promotion, advertising and incentives for customer referrals	30,163	30,998
Others	98,925	73,407
	<u>1,031,501</u>	<u>927,106</u>

The carrying amounts of accruals and other payables are considered to approximate their fair values due to their short-term nature.

14 BORROWINGS

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Borrowings included in non-current liabilities:		
ABSs (b)	1,505,000	1,490,000
Other borrowings, secured (c)	6,000	51,737
	<u>1,511,000</u>	<u>1,541,737</u>

Borrowings included in current liabilities:

Current portion of long-term borrowings		
– Current portion of ABSs (b)	2,672,462	2,859,969
– Current portion of other borrowings, secured (c)	1,800	11,862
– Current portion of bank borrowings, guaranteed (a)	5	6,270
Loans from related parties	–	900,732
Bank borrowings, guaranteed (d)	2,607,445	1,482,460
Factoring borrowings (e)	595,942	415,257
Bank credit borrowings (f)	300,267	–
	<u>6,177,921</u>	<u>5,676,550</u>
	<u><u>7,688,921</u></u>	<u><u>7,218,287</u></u>

- (a) As at June 30, 2025 and December 31, 2024, the Group has guaranteed long-term bank borrowings with a total amount of approximately RMB5,000 and RMB6,270,000, which will be due within one year from the respective balance sheet dates. The above guaranteed bank borrowings bear interests at fixed interest rates 3.8% per annum and were guaranteed by Zhejiang Geely Holding Group Co., Ltd.
- (b) The Group issued several tranches of asset-backed security (“ABSs”) with the payment term of two or three years with the fixed interest rate ranging from 2.50% to 4.10%. These ABSs are secured by the pledge of the rights to receive the service fees derived from the use of certain vehicles owned by the Group for the provision of online ride hailing services and guaranteed by Zhejiang Geely Holding Group Co., Ltd. The principal and interests of ABSs were repaid on a quarterly basis. As at June 30, 2025 and December 31, 2024, the borrowings from ABSs amounted to approximately RMB4,177,462,000 and RMB4,349,969,000, respectively, of which approximately RMB2,672,462,000 and RMB2,859,969,000 will be due within one year from the respective balance sheet dates.
- (c) As at June 30, 2025 and December 31, 2024, secured borrowings were approximately RMB7,800,000 and RMB63,599,000, respectively, of which approximately RMB1,800,000 and RMB11,862,000, will be due within one year from the respective balance sheet dates. The effective interest rate of the secured borrowings during the six months ended June 30, 2025 and 2024 ranged from 4.95% to 6.7% per annum. These borrowings were related to the sales and leaseback arrangements between the Group and certain finance lease companies.
- (d) During the six months ended June 30, 2025 and 2024, the Group has entered several short-term borrowing agreements with interest rates ranging from 2.25% to 3.80% per annum. As at June 30, 2025 and December 31, 2024, the borrowing balances were approximately RMB2,607,445,000 and RMB1,482,460,000, respectively. The borrowings were guaranteed by Zhejiang Geely Holding Group Co., Ltd.

- (e) During the six months ended June 30, 2025 and 2024, the letters of credit and notes payables issued by certain subsidiaries of the Group for intra-group transaction settlements were discounted to certain PRC commercial banks. The directors were of the view that balance under such factoring arrangements were borrowings from banks. As at June 30, 2025 and December 31, 2024, the average discounted rates were 2.88% and 3.19% per annum. Except for approximately RMB13,300,000 of factoring borrowings as at June 30, 2025, which was covered by guarantee deposits, others were guaranteed by Zhejiang Geely Holding Group Co., Ltd.
- (f) As at June 30, 2025, bank credit borrowings were approximately RMB300,267,000, with fixed interest rates of 3.2% per annum and durations of one year and will be due within one year from the respective balance sheet date.

15 ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at June 30, 2025 RMB'000 (Unaudited)	As at December 31, 2024 RMB'000 (Audited)
Non-current		
Vehicles pledged under ABSs arrangements	1,038,815	1,194,612
Vehicles pledged under finance lease arrangements	5,481	77,995
	<u>1,044,296</u>	<u>1,272,607</u>

16 DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended June 30, 2025 and 2024.

No dividend or distribution has been declared, made or paid by the Company or any of the subsidiaries comprising the Group in respect of any period subsequent to June 30, 2025.

17 SUBSEQUENT EVENTS

(a) Approval of ABS shelf-offerings

The Group obtained ABS shelf-offerings of RMB5.5 billion on August 22, 2025 which was approved by the Shanghai Stock Exchange.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

In this announcement, unless the context otherwise requires the following expressions have the following meanings.

“ABS”	asset backed security
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	audit committee of the Board of Directors of our Company
“Board”	the board of Directors of our Company
“CAGR”	compound annual growth rate
“China” or “PRC”	People’s Republic of China, and, unless the context requires otherwise and solely for the purpose of this document such as describing legal or tax matters, authorities, entities, or persons, excluding Hong Kong Special Administrative Region, Macao Special Administrative Region, and Taiwan region of the People’s Republic of China
“Company,” “our Company,” or “the Company”	CaoCao Inc. (曹操出行有限公司), an exempted company with limited liability incorporated in the Cayman Islands on November 8, 2021, its subsidiaries, and its Consolidated Affiliated Entities
“Consolidated Affiliated Entities”	Hangzhou Youxing and its subsidiaries, the financial results of which have been consolidated and accounted for as subsidiaries of our Company by virtue of the Contractual Arrangements
“Contractual Arrangement(s)”	the series of contractual arrangements entered into by, among others, the WFOE, Hangzhou Youxing, and the registered shareholders of Hangzhou Youxing
“Corporate Governance Code”	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of our Company
“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., an industry consultant
“Geely Group” or “Geely”	Geely Holding and its affiliates and subsidiaries

“Geely Holding”	Zhejiang Geely Holding Group Company Limited (浙江吉利控股集團有限公司), a limited liability company established under PRC laws on March 24, 2003, a registered shareholder of Hangzhou Youxing. Geely Holding is directly owned as to 82.23%, 9.71% and 8.06% by Mr. Shufu Li, founder of our Group and one of our controlling shareholders (“ Mr. Li ”), Ningbo Yima Enterprise Management Partnership (Limited Partnership) (a company controlled by Mr. Li and his associates) and Mr. Xingxing Li (son of Mr. Li), respectively
“Global Offering”	the Hong Kong public offering and the international offering of the Company
“Group,” “our Group,” “the Group,” or “we”	our Company, its subsidiaries, and the Consolidated Affiliated Entities from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Hangzhou Youxing” or “Onshore Opco”	Hangzhou Youxing Technology Co., Ltd. (杭州優行科技有限公司), a limited liability company established under PRC laws on May 21, 2015, and a Consolidated Affiliated Entity
“IFRS”	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	June 25, 2025, being the date on which the Shares were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Prospectus”	the prospectus of the Company dated June 17, 2025
“Remuneration Committee”	remuneration committee of the Board of Directors of our Company

“Reporting Period”	six months from January 1, 2025 to June 30, 2025
“RMB” or “Renminbi”	the lawful currency of China
“Share(s)” or “Ordinary Share(s)”	ordinary shares in the share capital of the Company with par value of US\$0.00001 each
“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“WFOE” or “Suzhou Youxing”	Suzhou Youxing Qianli Network Technology Co., Ltd. (蘇州優行千里網絡科技有限公司), a limited liability company established under PRC laws on December 31, 2021, and an indirect wholly owned subsidiary of our Company
“%”	per cent

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

“active drivers”	drivers that completed at least one order during a given period
“active users”	users that completed at least one order during a given period, after deduplication within our platform and without deduplication across aggregation platforms that we work with, since we cannot access detailed user information from aggregation platforms
“aggregation platforms”	platforms that, instead of directly offering shared mobility services, provide user traffic facilitation to shared mobility service providers
“AOV”	average order value, calculated as GTV per order
“car partners”	our business partners that directly manage drivers, with or without vehicles, that provide services on our platform

“GTV”	gross transaction value, which in the context of shared mobility refers to the total ride fare paid by users, without adjustment of applicable incentives, taxes, tolls, or fees
“purpose-built vehicles”	vehicles that are designed to be used for shared mobility, as opposed to vehicles designed for private ownership

Shareholders and potential investors should note that this announcement is based on unaudited operational and financial information of the Group. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
CaoCao Inc.
Mr. Jian YANG
*Non-Executive Director and
Chairman of the Board*

Hong Kong, August 26, 2025

As of the date of this announcement, the Board comprises (i) Mr. Xin Gong as executive Director; (ii) Mr. Jian Yang, Mr. Quan Zhang, Mr. Jinliang Liu, Mr. Yang Li and Ms. Xiaohong Zhou as non-executive Directors; and (iii) Ms. Xin Liu, Ms. Ning Liu and Mr. Qiang Fu as independent non-executive Directors.

This announcement contains certain forward-looking statements. These forward-looking statements are based on information currently available to the Group or the current belief, expectations and assumptions of the Board. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company’s control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and Shareholders and investors of the Company should not place undue reliance on such statements.