FUTURE PLANS AND [REDACTED]

FUTURE PLANS

For further disclosure of our business objectives and strategies, see "Business—Growth Strategies" in this document.

[REDACTED]

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

We currently intend to apply the [REDACTED] from the [REDACTED] for the purposes and in the amounts set out follows.

	2024	2025	2026	Total
	(HK\$ in million)			
Enlarging user base and strengthening marketing and promotion initiatives	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Advancing technological capabilities and upgrading safety mechanism . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Enhancing monetization capabilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Working capital and other general corporate purposes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The following sets forth the basis and details of our estimated use of the [REDACTED]:

- approximately [REDACTED]%, or HK\$[REDACTED], for enlarging our user base and strengthening our marketing and promotion initiatives primarily through user incentives and subsidies, online advertising campaigns, and offline promotional and educational campaigns, including:

  (i) approximately [REDACTED]%, or HK\$[REDACTED], for expanding our user base and enhancing the network effect of our platform. We intend to attract riders and increase their engagement with our platform with coupons and other user engagement initiatives. We also plan to attract and retain private car owners and taxi drivers by rewarding them for making referrals and taking rides on our platform. We plan to further enhance word-of-mouth referrals and our network effect among users with incentives in various forms;

  (ii) approximately [REDACTED]%, or HK\$[REDACTED], for conducting online and offline marketing and promotional campaigns to raise public awareness of our brand and offerings. Although we have started to enjoy the network effect of our enlarged business scale, our user base remains relatively small compared to the entire market size of China's car-based passenger transportation industry. Our ability to retain and attract users to enlarge our market share and expand the overall carpooling market is crucial to our business growth. As the PRC government at all levels have adjusted the pandemic prevention policies and significantly lifted the restrictive measures aimed at controlling

FUTURE PLANS AND [REDACTED]

the spread of the COVID-19 virus since December 2022, the demand and supply of mobility services are expected to recover and grow rapidly going forward, according to the F&S Report. Accordingly, we plan to conduct more marketing activities to seize the massive market opportunities and increase our market share. As such, we expect our marketing and promotion expenses to increase in absolute amount in line with our business growth and we may strategically adjust our marketing approach based on our business performance and publicity needs from time to time. See "Financial Information—Specific Factors Affecting Our Results of Operations—Our Ability to Manage Costs and Expenses."

We expect to invest HK$[REDACTED], HK$[REDACTED] and HK$[REDACTED] in online and offline marketing and promotional activities in 2024, 2025 and 2026, respectively.

Specifically, for our online marketing and promotional campaigns, we will continue to promote our platform through major social media platforms by frequently posting text and image updates, videos, and other content that drives audience engagement to reach potential users and enhance our brand awareness. We will also apply display advertising on internet websites (with search engine optimization and keyword search campaigns), third-party platforms, television programs through banners or other various advertising formats to obtain broader exposure for our platform. Our online marketing campaigns also include frequent updates to our mobile apps on app stores and WeChat to attract users. In addition, for our offline marketing and promotional campaigns, we intend to conduct promotional and educational campaigns to advocate affordable and responsible travel methods to generate organic traffic for our carpooling marketplace. We also plan to actively organize and participate in various industry events, such as industry forums, seminars and conferences, to share our first-hand experience advocating efficient and sustainable mobility solutions, including those for taxi industry with regulators, industry insiders and other market participants; and

(iii) approximately [REDACTED]%, or HK$[REDACTED], for recruitment of approximately 25 sales and marketing staff over the next three years to support our marketing initiatives along with our business expansion. We expect new recruits to have at least three years of relevant industry experience in branding, new media, art design, copywriting, online advertising display, and public relations. We expect to recruit five, eight and 12 sales and marketing staff by December 31, 2024, 2025 and 2026, respectively, subject to changes based on our actual needs and market conditions at the relevant time.

• approximately [REDACTED]%, or HK$[REDACTED], for advancing our technological capabilities and upgrading our safety mechanism, including:

(i) approximately [REDACTED]%, or HK$[REDACTED], for attracting, cultivating and retaining talents in the areas of marketplace technologies, routing technologies, big data analytics and artificial intelligence technologies with competitive compensation. We made our recruitment plan for the next three years based on a holistic review of industry competition, our business development plan, our research and development project on hand and planned, our past recruitment experience, and market salary level of the talents we need. As we expect the competition in technology infrastructure to intensify among industry participants, we will need more research and development personnel and product and operations personnel to enhance our technological capabilities in data processing, map algorithm, risk control and mobile app development to serve our constantly growing user base, in order to maintain and strengthen our competitive edge. In 2023, we initiated eight new research and development projects, primarily relating to AI algorithm design,

FUTURE PLANS AND [REDACTED]

sales and marketing management, big data technologies, map POI search and route planning. We expect to initiate 13 and two research and development projects by December 31, 2024 and 2025, respectively, subject to changes in our actual needs and market conditions at the relevant time. Over the next three years, we plan to recruit approximately 31 experienced research and development staff, including (1) 22 staff to increase the matching efficiency of our carpooling marketplace, comprising (a) 10 algorithm experts responsible for algorithm design for high concurrent network development, neural network, machine learning and deep learning, (b) 10 map experts responsible for map data management and route planning, and (c) two programming language and operating system engineers for *Dida Mobility App*; (2) five staff to facilitate the digital transformation of China's taxi industry, comprising two programming language and operating system engineers for *Dida Taxi App* and three programming language and operating system engineers for smart taxi services, including digital toolkits of *Taxi Smart Code, Taxi Hailing Assistant* and *Phoenix Taxi Cloud*; and (3) four staff to advance our overall technological capabilities, comprising of four software architects responsible for designing and developing MySQL database and four risk control experts responsible for identifying, measuring, and making decisions on operational or enterprise risks. We expect new recruits to have at least a bachelor's degree from leading universities and are proficient in the relevant fields. For example, we expect algorithm experts to be familiar with C, GO, Python and other programming languages, and software architects to be proficient in Nginx, Tomcat and other servers, as well as Java EE and other design tools. As for programming language and operating system engineers, we expect them to possess solid knowledge of data structure and advanced programming languages. In general, we expect all new recruits to have strong coding capabilities and deep understanding of machine learning. We expect to recruit 12, 12 and seven experienced research and development staff by December 31, 2024, 2025 and 2026, respectively, subject to changes based on our actual needs and market conditions at the relevant time.

In addition, we plan to recruit approximately seven product and operations staff over the next three years for our different business lines. They will be responsible for planning and developing products for our carpooling marketplace services, smart taxi services and automobile value-added services, respectively. Specifically, for our carpooling marketplace services, we expect our newly recruited operations staff to develop safety products such as safety monitoring hardware for trajectory analysis, and route planning products for more accurate pickup point selection for users. For our smart taxi services, we expect our newly recruited operations staff to further develop the function of *Intelligent Taxi Roaming* in our *Dida Taxi App* by enhancing computation capability for more complicated and accurate real-time cruising guidance services to guide taxi drivers to high demand areas, and to further upgrade *Phoenix Taxi Cloud* by expanding capacity to enable data processing and analysis at larger scale. We set our recruitment plan in accordance with our business scale and growth strategies. As of the Latest Practicable Date, we rendered our taxi online-hailing services in 99 cities in China. We had entered into strategic cooperation agreements or memoranda with taxi companies and municipal or district taxi associations in 79 cities as of December 31, 2023, compared to 21 cities as of December 31, 2020. Going forward, we aim to expand into at least 75 cities and gradually launch our comprehensive smart taxi collaboration in the next three years. In anticipation of the expansion of our smart taxi service operation, we need more product and operations staff to ensure and enhance our service capability. We expect new recruits to have at least three years of working experience in the relevant industry and possess unique insights into the business model, product design and user experience of each of the business lines. We expect to recruit two, two and three product and operations staff by December 31, 2024, 2025 and 2026, respectively, subject to changes based on our actual needs and market conditions at the relevant time.

FUTURE PLANS AND [REDACTED]

We plan to attract and retain talents by offering competitive compensation package. The average annual compensation for our 31 experienced research and development staff and seven product and operations staff to be recruited will be at approximately RMB560,000 and RMB500,000 per person, respectively. As a result, we expect to invest HK$[REDACTED], HK$[REDACTED] and HK$[REDACTED] in the total compensation for the newly recruited research and development staff, and HK$[REDACTED], HK$[REDACTED] and HK$[REDACTED] in the total compensation for the newly recruited operations staff, in 2024, 2025 and 2026, respectively. We plan to cultivate talents by providing various trainings to employees of different levels, which generally will include trainings on corporate culture, technical safety, leadership, project management, stress and emotion management, big data analysis and interview skills; and

(ii) approximately [REDACTED]%, or HK$[REDACTED], for upgrading the safety mechanism of our carpooling marketplace services and smart taxi services and equipment procurement, including (1) approximately [REDACTED]%, or HK$[REDACTED], for procuring advanced servers and software to support sustained growth; and (2) approximately [REDACTED]%, or HK$[REDACTED], for deploying smart hardware, facial recognition, virtual number and real-name authentication technologies to further improve user experience. Specifically, we plan to enhance the storage capacity for voice recording en route, transcribe the contents of voice calls generated from virtual numbers into words on a real-time basis to identify any potential risk, send more security alerts in text messages to our users, procure more storage and computing resources to collect and analyze trip data, and engage third-party service providers for additional security management tools. Additionally, we intend to apply facial recognition to more scenarios to detect non-compliant user behaviors during the rides, including not wearing seat belts, in-vehicle smoking while driving and drowsy driving. We also plan to further enhance the background check and verification procedures for our private car owners by adopting technology of optical character recognition to accurately identify image contents submitted.

• approximately [REDACTED]%, or HK$[REDACTED], for enhancing monetization capabilities, including:

(i) approximately [REDACTED]%, or HK$[REDACTED], for expanding the geographical coverage of our smart taxi services strategically on a regional or municipal basis by cooperating with more municipal transportation authorities and taxi associations to enhance monetization potential. We set our expansion plan in anticipation of sufficient market demand for our smart taxi services, considering the historical performance of our smart taxi services and the market trend of industry-wide digitalization, according to the F&S Report. While our taxi online-hailing business was negatively impacted by the intensified competition arising from the influx of drivers into China's ride-hailing industry and the cessation of our cooperation with aggregation platforms related to taxi online-hailing services, we believe that the decreasing trend of our taxi online-hailing services during the Track Record Period would not be long-lasting and would gradually improve for the following reasons: (1) our extensive experience in China's taxi online-hailing sector and our strong ties with taxi companies, local transportation authorities and taxi associations are expected to empower the long-term development of our smart taxi services, and (2) given that many of the newly added ride-hailing drivers do not possess the necessary qualifications or permits to provide these services, we expect the temporary glut of drivers to recede as the industry sees tighter regulatory enforcement, according to the F&S Report. For example, we had entered into strategic cooperation agreements or memoranda with taxi companies and municipal or district taxi associations in 79 cities as of December 31, 2023, compared to 21 cities as of December 31, 2020, which served as evidence supporting the viability of our expansion strategy.

FUTURE PLANS AND [REDACTED]

Although China's taxi industry, challenged by the rapidly growing ride-hailing market, has not fully embraced digitalization, it retained a considerable market share of 58.5% in China's car-based passenger transportation market in 2022, and is expected to maintain its dominance and vitality in the foreseeable future, according to the F&S Report. We anticipate that China's taxi industry will thrive from the accelerating digital transformation, and we believe that merging traditional roadside taxi-hailing with online hailing could introduce enhanced efficiency and flexibility in China's car-based passenger transportation market, according to the same source. Our business expansion plans are thus geared towards realizing this innovative blend of taxi services. Accordingly, we plan to expand into more cities and gradually launch our comprehensive smart taxi collaboration, which we believe would promote our service mode, cultivate user habit and accumulate user base for our platform to lay the foundation for the sustainable long-term growth of our smart taxi services. Going forward, we intend to expand into at least 18 cities over the next three years. As of the Latest Practicable Date, we had launched comprehensive smart taxi collaboration with local transportation authorities and taxi associations in 17 cities, and are poised to replicate our local collaboration in other cities, such as Hohhot, Beihai and Shaoyang where we have entered into strategic cooperation agreements, to gradually achieve our expansion plan and charge service fees in more cities along with our business development. Pursuant to these strategic cooperation agreements, the local taxi associations and/or municipal transportation authorities undertake to, among other things, promote the use of our platform among taxi drivers and provide us with access to industry data and strong governmental support. Leveraging our established cooperation in these cities, we plan to spend marketing and promotional expenses directly on users by offering user incentives in the form of coupons or other referral bonuses in order to activate the regional market, instead of other indirect marketing activities, such as online advertising or offline educational campaigns. In this way, we expect to reduce the cost of attracting new taxi drivers and enhance monetization capabilities. We also plan to share our experience accumulated from our cooperation with Xi'an Taxi Management Bureau and Xi'an Taxi Association to demonstrate the strengths and benefits of our smart taxi services. We expect to incur local marketing and promotional expenses and staff expenses in connection with our geographical expansion plan; and

(ii) approximately [REDACTED]%, or HK$[REDACTED], for exploring monetization opportunities with our massive user base. We intend to further develop our advertising and other services to attract more corporate customers, including providing more customized advertising services. Leveraging our massive user base, we will focus on placing advertisements for third-party automobile value-added services providers on our platform to connect them with private car owners and taxi drivers and charge them commissions based on the sales leads generated or number of new customers thee acquire through our platform.

• approximately [REDACTED]%, or approximately HK$[REDACTED], for working capital and other general corporate purposes.

In the event that the [REDACTED] is set at the high end or the low end of the [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK$[REDACTED], respectively. Under such circumstances, we will increase or decrease the allocation of the [REDACTED] to the above purposes on a pro-rata basis. If we obtain actual [REDACTED] less than the expected amount, we plan to finance the shortfall with our available bank balances and cash, anticipated cash flow from operations and bank loans or borrowings.

FUTURE PLANS AND [REDACTED]

In the event that the [REDACTED] is exercised in full, we will receive [REDACTED] of HK$[REDACTED] (after deducting the estimated [REDACTED] and other fees and expenses payable by us in connection with the [REDACTED]), assuming an [REDACTED] of HK$[REDACTED] per Share, being the mid-point of the indicative range of the [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per Share. We intend to apply the additional [REDACTED] to the above purposes on a pro rata basis.

To the extent that the [REDACTED] are not immediately applied to the above purposes, we intend to deposit the [REDACTED] into short-term interest-bearing accounts at licensed commercial banks or financial institutions as defined under the Securities and Futures Ordinance or the applicable laws in the relevant jurisdiction for non-Hong Kong based deposits so long as it is deemed to be in the best interests of our Company.

We estimate the [REDACTED] to the [REDACTED] from the sale of [REDACTED] pursuant to the [REDACTED] to be approximately HK$[REDACTED] (after deducting the estimated [REDACTED] and other fees and expenses payable by the [REDACTED]), assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the mid-point of the indicative range of the [REDACTED] of HK$[REDACTED] to HK$[REDACTED] per Share. We will not receive [REDACTED] from the sale of [REDACTED] pursuant to the [REDACTED].