This summary aims to give you an overview of the information contained in this document and should be read in conjunction with the full text of this document. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole document, including our financial statements and the accompanying notes, before you decide to [**REDACTED**] *in the* [**REDACTED**]. *There are risks associated with any* [**REDACTED**]. *Some of the particular risks of* [**REDACTED**] *in the* [**REDACTED**] *are set forth in the section headed "Risk Factors." You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We are a technology-driven platform, aiming to create more transit capacity with less environmental impact by primarily providing carpooling marketplace services to fill up idle seats on private passenger cars. We also provide smart taxi services to a much lesser extent, aiming to improve the efficacy and efficiency of relevant stakeholders in the taxi industry in China. In doing so, we improve the traveling experience for everyone.

We operated the second largest carpooling platform in China in terms of both GTV and the number of carpooling rides in 2023, with RMB8.6 billion carpooling GTV and 130.3 million carpooling rides, representing a market share of 31.8% in terms of the GTV and a market share of 31.0% in terms of the number of carpooling rides. As of December 31, 2023, we offered our app-based carpooling marketplace services in 366 cities nationwide with approximately 15.6 million certified private car owners, of which 5.0 million, or 32.0%, were active certified private car owners in 2023. Since our inception and up to December 31, 2023, we had served approximately 69.4 million unique carpooling riders. China's technology-enabled carpooling is still nascent. In China's car-based passenger transportation market, the respective market share of taxi and ride-hailing far exceed that of carpooling. Specifically, taxi, ride-hailing and carpooling each had a market share of 54.2%, 41.4% and 4.4% in terms of GTV in 2023, respectively. The total GTV of China's carpooling market is expected to increase from RMB37.1 billion in 2024 to RMB103.9 billion in 2028, representing a market share of 8.4% in China's car-based passenger transportation market in 2028, at a CAGR of 29.4% from 2024 to 2028. We are poised to capture the growing market opportunity.

We commenced our smart taxi services in 2017 with a focus on developing online-hailing solutions, which are delivered by our *Dida Taxi App*. As of the Latest Practicable Date, we rendered our taxi online-hailing services in 98 cities in China, including 83 cities where we had charged service fees to taxi drivers for taxi rides we facilitated. We had a market share of 0.09% in terms of the number of completed rides and 0.07% in terms of GTV in China's entire taxi market in 2023. Going forward, we expect to gradually charge service fees in the other cities after achieving daily completed rides of approximately 1,000 with a response rate of approximately 50%, subject to variations based on the size of the city, which we consider can ensure minimally satisfactory user experience. We also developed other smart taxi services for roadside-hailing, which are delivered by various digital toolkits to bring the convenience of the mobile internet to the taxi hailing and riding experience. We collaborate with local transportation authorities, taxi companies and associations for our taxi online hailing services and other smart taxi services.

OUR BUSINESS MODEL

We fill up the idle seats on private passenger cars through our carpooling marketplace and improve the capacity utilization and user experience for taxis through our smart taxi services. In 2021, 2022 and 2023, we generated revenue of RMB695.1 million, RMB514.9 million and RMB774.0 million from our carpooling marketplace services, respectively, representing 89.0%, 90.5% and 95.0% of our total revenue in the same years, respectively. Meanwhile, we generated revenue of RMB32.6 million, RMB19.4 million and RMB11.3 million from our smart taxi services in the same years, respectively, representing 4.2%, 3.4% and 1.4% of our total revenue, respectively. We also provide advertising and other services leveraging our user traffic. We serve primarily individual users through our mobile apps, comprising *Dida Mobility App* and *Dida Taxi App*, and *Dida* WeChat Mini-program. We also serve enterprise customers, comprising taxi operators and taxi associations, with our cloud-based taxi management toolkit, *Phoenix Taxi Cloud*.

Carpooling Marketplace

We launched our app-based carpooling marketplace in 2014, which facilitates private car owners to share idle space in their personal cars with riders with similar travel itineraries. We operate our carpooling marketplace mainly through *Dida Mobility App*. Private car owners may post their itineraries, and carpooling riders may request a carpooling ride on a pre-arranged basis, through *Dida Mobility App*. Our target carpooling riders primarily include riders who utilize carpooling for their daily commutes or other regular journeys with pre-planned travel itineraries rather than on-demand travel needs, and riders who seek cost-effective alternatives for non-routine travel (e.g., inter-city trips, long-distance intra-city trips on weekends, or homecoming trips during holiday seasons). We apply a standardized matching algorithm to pair up riders with private car owners as potential matches if they are heading in the similar direction at compatible time. Our mobile app provides various features and functionality for riders and private car owners throughout a carpooling trip.

Smart Taxi Services

We commenced our smart taxi services with a focus on developing online-hailing solutions, which are delivered by our *Dida Taxi App* for taxi drivers and *Dida Mobility App* for riders. We also developed other smart taxi services for roadside-hailing, which are delivered by *Taxi Smart Code* and *Taxi Hailing Assistant*, accessible from our *Dida* WeChat Mini-program for riders. In addition, we launched *Phoenix Taxi Cloud*, a cloud-based taxi management software, in August 2018, which was designed for taxi companies and associations to improve their operating and management efficiency by monitoring the workload and performance of their taxi drivers.

Advertising and Other Services

Leveraging the large user base accumulated on our platform, we provide advertising services by selling in-app advertising spaces either directly to third-party merchants or through advertising service providers. We also enable our users to select vendors of vehicle services, such as refueling and vehicle maintenance, by placing advertisements and links on our platform to connect private car owners and taxi drivers with third-party automobile value-added service providers.

OUR REVENUE MODEL

For our carpooling marketplace services, we generate revenues primarily from charging service fees to private car owners providing carpooling rides on our platform. We may adjust the fee level based on local city-level economic conditions and strategic reasons based on our monthly review. Previously, the service fee generally consisted of a minimum initial fee and a predetermined fixed amount on a tiered basis based on the expected trip distance, and was capped at certain amounts without regard to the trip distance. The service fee was changed to a fixed percentage of the ride fare in February 2023 to be in line with the evolving industry practice. The percentage was approximately 10.5% as of December 31, 2023 and may vary slightly among different cities and on different occasions. For our smart taxi services, we generate revenues primarily from charging service fees to taxi drivers for taxi rides facilitated by our taxi online-hailing services. We group the cities we have covered based on key operating metrics, including, among others, the order volume, the response rate and local taxi prices, and employ a tiered pricing model to calculate the service charge of each trip based on the distance. Our service charge is capped at certain amounts for each trip depending on the locality. We also generate revenue from advertising and other services. We generally charge third-party merchants advertising fees for fixed amounts based on the location, format, amount and time period of the advertisements displayed on our platform; and third-party automobile value-added service providers commissions based on the sales leads generated or number of new customers they acquire through our platform.

As a pure-play information service provider, we do not own or lease fleet vehicles, nor do we bear any costs of car ownership. The ride fees private car owners receive usually represent their sharing of travel cost, rather than a means of livelihood, and non-financial motivations, such as helping riders in need by sharing idle seats, often play an integral part in their decision to offer carpooling rides. For instance, through our gratitude program, private car owners may receive virtual flowers with thank-you notes sent by riders as an expression of their appreciation for the hospitality and help that they enjoyed during the rides. As a result, we can facilitate carpooling services at an attractive price to riders, and at the same time, become profitable as we generally do not need to provide significant subsidies to private car owners once our platform has gained market acceptance. During the Track Record Period, subsidies we provided to private car owners generally ranged from nil to 10% of the GTV of each carpooling trip, depending on various factors such as the travel distance and the local city-level economic conditions. In 2021, 2022 and 2023, the total amount of subsidies to private car owners and user incentives for carpooling riders we incurred was RMB0.1 billion, RMB0.1 billion and RMB0.2 billion, respectively, accounting for 1.8%, 1.9% and 1.8% of the GTV of our carpooling marketplace in the same year, respectively. We are likewise not compelled to retain taxi drivers with substantial subsidies as they utilize our services primarily to obtain online orders to supplement the orders generated from roadside-hailing, and in turn, increase their earnings and enhance the utilization rate of their vehicles.

Our business remained resilient amid the challenges arising from the COVID-19 pandemic, as we do not bear any costs of car ownership or related depreciation, nor do we need to incur large capital expenditures to support our business recovery after the pandemic. Our revenue was RMB780.6 million, RMB569.1 million and RMB815.1 million in 2021, 2022 and 2023, respectively. We remained profitable in terms of adjusted net profit (non-IFRS measure) during the Track Record Period. Our adjusted net profit (non-IFRS measure) was RMB238.0 million, RMB84.7 million and RMB225.6 million in 2021, 2022 and 2023, respectively, representing an adjusted net profit margin (non-IFRS measure) of 30.5%, 14.9% and 27.7% for the same years, respectively. See "Financial Information—Description of Major Profit or Loss Line Items—Non-IFRS Measure" for a reconciliation of our profit/loss for the year to adjusted net profit (non-IFRS measure).

BUSINESS SCALE

As of December 31, 2023, we offered our app-based carpooling marketplace services in 366 cities across China. During the Track Record Period, we generated a substantial majority of the total GTV of our carpooling marketplace services from 46 cities. The following table sets forth a breakdown of the GTV generated from our carpooling marketplace services by region for the years indicated.

	Year ended December 31,					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in millions, except for percentages)					
Region						
Guangdong	2,686	34.7	1,877	31.0	2,383	27.6
Shanghai, Jiangsu and Zhejiang	1,926	24.8	1,537	25.4	2,442	28.3
Sichuan and Chongqing	884	11.4	833	13.7	1,049	12.1
Northeast China[(1)]	917	11.8	766	12.6	1,074	12.4
Beijing, Tianjin and Hebei	693	9.0	491	8.1	891	10.3
Others	645	8.3	557	9.2	797	9.2
Total	7,751	100.0	6,061	100.0	8,636	100.0

(1) Includes Shandong, Heilongjiang, Liaoning and Jilin provinces.

In 2021, 2022 and 2023, we facilitated approximately 129.7 million, 94.2 million and 130.3 million carpooling rides, respectively, representing a GTV of approximately RMB7.8 billion, RMB6.1 billion and RMB8.6 billion in the same years, respectively. The number of carpooling rides we facilitated decreased in 2022, primarily due to the regional resurgence of COVID-19 in multiple localities, particularly in the cities where we had major operations. For example, there were significant local outbreaks in Shanghai from March 2022 to June 2022, in Beijing from March to May and from November to December in 2022, and in Shenzhen, Dongguan and Guangzhou from February 2022 to April 2022, which also led to the decrease in GTV for the same periods. Moreover, the competitive landscape has further evolved as a major mobility platform relaunched its carpooling marketplace services in December 2019 and gained an increased market share in terms of GTV from

10.8% in 2020 to 19.6% in 2021, which then remained relatively stable at 18.4% in 2022. Our market share in China's carpooling market was negatively impacted which decreased from 43.4% in 2020 to 35.4% in 2021 in terms of GTV. As a result of the disparity of COVID-19 impact in terms of geography and magnitude, coupled with the evolution in the competitive landscape, our GTV generated from carpooling marketplace services did not keep pace with the overall market in 2021 and decreased in 2022, and our market share decreased from 38.1% in 2021 to 32.5% in 2022 in terms of the number of carpooling rides and from 35.4% in 2021 to 31.8% in 2022 in terms of the GTV. See "Business—Our Service Offerings—Carpooling Marketplace."

The total GTV of our carpooling marketplace services increased from 2022 to 2023, along with our business recovery from the adverse impact of COVID-19 outbreaks. The GTV of our carpooling marketplace services generated from Guangdong decreased as a percentage of our total GTV in 2023 compared to 2022, primarily due to the intensified market competition in the local market of Guangdong province which is a primary operational focus for certain other market players, whereas we have not prioritized that region. We started our carpooling marketplace services relatively early in Guangdong province and, as a result, it contributed the largest proportion of our carpooling marketplace services GTV in 2021 and 2022, respectively. However, as the local market matured and became highly competitive, we strategically decided to prioritize other provinces in China that present greater growth potential. As such, the GTV of our carpooling marketplace services generated from Shanghai, Jiangsu and Zhejiang increased as a percentage of our total GTV in the same years, primarily due to our business recovery and growth in Shanghai in 2023 compared to 2022, where there were significant local COVID-19 outbreaks from March 2022 to June 2022.

In 2021, 2022 and 2023, we facilitated approximately 35.5 million, 21.5 million and 12.1 million taxi online-hailing rides, respectively, representing a GTV of approximately RMB827.2 million, RMB427.4 million and RMB223.9 million in the same years, respectively. During the Track Record Period, the number of taxi online-hailing rides we facilitated and the corresponding GTV generally decreased, primarily due to shifts in the competitive dynamics of the taxi online-hailing industry and the general decline of the taxi industry resulting from intensified competition from the ride-hailing industry. See "Business—Our Service Offerings—Smart Taxi Services—Taxi online-hailing."

COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors: (1) technology-driven carpooling and smart taxi platform, (2) network effect enabled by our business model, (3) long-term growth underpinned by user-centricity, (4) our commitment to the positive impact on the environment and society, (5) advanced technology to facilitate mobility solutions, and (6) experienced management with long-term vision.

We offer unique value propositions to key stakeholders. For riders, our platform provides diverse mobility options with different price, time and travel preferences, through private car owners or taxi drivers and on a pre-arranged or immediate basis. Our platform also maintains high standards of safety and service quality, and facilitates hospitable and pleasant ride experience. For private car owners, they could save money on gas and tolls by sharing costs related to traveling with carpooling riders and enjoy non-financial rewards such as contribution to a greener environment. We protect private car owners with a similar safety standard comparable to riders, and provide transparent pre-set pricing for each carpooling trip to prevent disputes. For the taxi industry, through our smart taxi services, we contribute to improved efficiency and earnings for taxi drivers, and quality improvement of conventional taxi services. Through our value propositions to the key stakeholders in the mobility ecosystem, we provide sustainable, long-term benefits to the overall society.

GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business: (1) strengthen market position in the carpooling industry by enlarging our user base and strengthening our marketing and promotion initiatives, (2) continue expanding the geographical coverage of our smart taxi services and exploring collaboration opportunities with an increasing number of taxi companies and associations, (3) enhance monetization capabilities and diversify monetization channels by further developing advertising and other services, stepping up our monetization efforts nationwide, and exploring additional types of service charges for our smart taxi services, (4) advance our technological capabilities and operational efficiency by investing in advanced technologies and recruiting industry talents, and (5) pursue strategic alliances, investments and acquisitions across the value chain of China's mobility market to further strengthen our competitiveness.

RISKS AND CHALLENGES

Our business and operations involve certain risks and uncertainties including those set out in the "Risk Factors" section in this document. Some of the major risks we face include, but are not limited to, the following:

- Our limited operating history and evolving business make it difficult to evaluate our prospects and the risks and challenges we may encounter.
- The carpooling market in which we operate may not continue to grow, grow slower than we expect or fail to grow as large as we expect.
- We face intense competition and could lose market share to our competitors. We may fail to effectively execute our strategy to further expand our smart taxi services.
- We experienced net losses, net liabilities and net current liabilities in the past, and we may not sustain profitability or revert to net assets or net current assets in the future.
- We face challenges associated with regulations in our addressable markets, in particular the carpooling market.

As different investors may have different interpretations and criteria when determining the significance of a risk, you should carefully read the "Risk Factors" section in its entirety before you decide to [**REDACTED**] in our Shares.

OUR CUSTOMERS AND SUPPLIERS

Our customers include primarily individual private car owners and taxi drivers who use our platform, and corporate customers which engage us for our advertising and other services, including companies providing automobile-related services, technology and internet companies, e-commerce companies and media companies. For each year of the Track Record Period, our top five customers were all corporate customers for our advertising and other services. Revenue generated from our top five customers in each year during the Track Record Period accounted for 5.4%, 4.6% and 2.7% of our total revenue in 2021, 2022 and 2023, respectively. See "Business—Customers and Suppliers—Our Customers."

Our suppliers include primarily third-party payment processors, insurance providers, customer service outsourcing vendors, marketing service providers, and server hosting, cloud computing, software service and other technology service providers. We select our suppliers based on the quality of services, prices and our business needs. Purchases from our top five suppliers in each year during the Track Record Period accounted for 41.9%, 39.0% and 40.8% of our total purchases in 2021, 2022 and 2023, respectively. See "Business—Customers and Suppliers—Our Suppliers."

Except for Customer A, one of our five largest customers in 2021, 2022 and 2023, respectively, who was also our supplier in 2022 and 2023, respectively, none of our major customers was our major supplier in each year during the Track Record Period. Customer A purchased advertising services of in-app programmatic advertisement placement in 2021, 2022 and 2023, respectively. Meanwhile, in 2022 and 2023, respectively, Customer A provided API interface developing services for us. See "Business—Customers and Suppliers—Overlapping of Customers and Suppliers."

COMPETITION

China's mobility market, including our addressable markets, is intensely competitive and characterized by rapid changes in technology, shifting user preferences and frequent introduction of new services and products. Specifically, China's car-based passenger transportation market comprises three major distinct mobility modes, namely carpooling, taxi and ride-hailing. As illustrated by the following chart, the three major mobility modes differ from each other in several aspects.

	Carpooling	Traditional Taxi	Ride-hailing[1]	
Market Share[2]	4.4%	54.2%	41.4%	
Mobility Supply & Management	• Private car owners	• Taxi companies	• Mix of cars from individual drivers and rental companies	• Ride-hailing platform
Regulatory Restriction	• Only allowed to be provided by private passenger cars for noncommercial purposes • Subject to regulations promulgated by municipal authorities on, for example, the limitation on the number of carpooling trips per day and the standard of cost sharing	• Provided for commercial purposes • Subject to regulations on the business operations of passenger transport, such as requirements of licenses and permits	• Provided for commercial purposes • Subject to regulations on the business operations of passenger transport, such as requirements of licenses and permits	
Operating Permit in Transportation Industry	• Vehicle: no permit requirement • Driver: no permit requirement	• Vehicle: Road Transportation Permit (道路運輸證) • Driver: Cruising Driver Permit (巡游出租汽車駕駛員證)	• Platform: Ride-hailing Operation Permit (網絡預約出租汽車經營許可證) • Vehicle: Ride-hailing Vehicle Permit (網絡預約出租汽車運輸證); 44.4% of vehicles providing ride-hailing services in 2023 obtained such permit[3] • Driver: Ride-hailing Driver Permit (網絡預約出租汽車駕駛員證)	
Service Provider	• Private car owners • Cost sharing	• Professional drivers • Main source of income	• Mainly professional drivers[4] • Main source of income	• Professional drivers • Main source of income
Cost of Subsidies per Order	• Low	• Low	• High	
Nature of the Mobility Mode	• Collaborative	• Commercial	• Commercial	
Pricing	• 0.3x-0.5x of local taxi price	• 1.0x of local taxi price	• Economy: 0.8x of local taxi price • Premium: 1.8x-2.0x of local taxi price • Luxury: 3.6x-4.0x of local taxi price	
Revenue of Online-hailing Platform	• Commission rate [5] (8-10% of the fare charged)	• Commission rate[5] (0-6% of the fare charged)	• Commission rate[5] (20-30% of the fare charged) for platforms with mobility supply sourced from third-parties	• 100% of the fare charged as revenue for platforms with self-operated fleets
Growth Potential	• High	• Limited for traditional taxi • Could benefit from digital transformation with increased utilization efficiency	• High	
Examples of Major Players	• Dida • Company A[6]	• A traditional taxi company in Beijing, with over 20,000 taxis, providing roadside taxi-hailing, car rental and other services. • A public company in Shanghai listed on the Shanghai Stock Exchange, with over 9,000 taxis, providing traditional roadside taxi-hailing services.	• Company B[6][7], a mobility platform providing ride-hailing, taxi online-hailing, carpooling and other services, with a market share of 76.0% and 17.3% in China's ride-hailing market and carpooling market, respectively, in terms of GTV in 2023.	• Company E[7]

Source: F&S Report

(1) There are two different modes depending on the underlying operation strategies, including (i) ride-hailing platforms that provide ride-hailing services by themselves, and (ii) aggregate ride-hailing companies that direct users to other ride-hailing platforms and in general do not directly provide ride-hailing services.

(2) Represents the respective market shares of the three mobility modes in China's car-based passenger transportation market in terms of GTV in 2023.

(3) In 2023, there were a total of 6.29 million ride-hailing vehicles, among which approximately 2.79 million obtained a permit.

(4) Approximately 70% of ride-hailing drivers are professional drivers who drive for more than six hours per day.

(5) Charged to private car owners and ride-hailing drivers.

(6) For detailed description of the market player, see "Industry Overview—Overview of China's Carpooling Market—Competitive Landscape."

(7) For detailed description of the market player, see "Industry Overview—Overview of China's Taxi Market—Competitive Landscape."

As illustrated in the table above, compared to ride-hailing services business, carpooling services business is characterized by, among others, lower pricing and collaborative mobility mode. The penetration rate of carpooling in China in terms of travel distance is expected to increase from 0.36% in 2024 to 0.80% in 2028. On the other hand, carpooling has its limitations as compared to ride-hailing. As carpooling is not an on-demand commercial mobility service and mandates a high similarity level of travel itineraries, potential carpooling riders may not always get matched in a timely manner, or at all. As such, the market size of carpooling may not be comparable to that of ride-hailing. In addition, the potential growth of the carpooling market in the entire car-based passenger transportation industry is limited by the competition from ride-hailing service providers and other market players arising from their dominant market positions, enlarged business scale and growing base of drivers.

During the Track Record Period, the competitive landscape of China's carpooling market evolved due to the changes in the major players. Specifically, a major market player, who temporarily suspended its carpooling marketplace service from August 2018 to December 2019, officially relaunched its carpooling marketplace service in December 2019. Its market share increased in terms of GTV from 10.8% in 2020 to 19.6% in 2021 and then remained relatively stable at 18.4% in 2022, which impacted our market share in China's carpooling market that decreased from 43.4% in 2020 to 35.4% in 2021 in terms of GTV. As a result of the disparity of COVID-19 impact in terms of geography and magnitude, coupled with the evolution in the competitive landscape, our GTV generated from carpooling marketplace services did not keep pace with the overall market in 2021 and decreased in 2022, and our market share decreased from 38.1% in 2021 to 32.5% in 2022 in terms of the number of carpooling rides and from 35.4% in 2021 to 31.8% in 2022 in terms of the GTV. We expect competition to continue, both from current competitors, who may be well-established and enjoy greater resources or other strategic advantages, as well as from new entrants into the market, some of which may become significant players in the future. Apart from other carpooling marketplace service providers, we also face competition from ride-hailing service providers and other market players in China's car-based passenger transportation market. See "Industry Overview" for the details of the competitive landscape.

SUMMARY OF FINANCIAL INFORMATION

The following tables present the summary of financial information for the Track Record Period and should be read in conjunction with our financial information included in the Accountants' Report in Appendix I to this document, including the notes thereto.

Summary of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated.

	Year ended December 31,					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Revenue	780,583	100.0	569,078	100.0	815,085	100.0
Cost of services	(149,319)	(19.1)	(141,515)	(24.9)	(209,714)	(25.7)
Gross profit	631,264	80.9	427,563	75.1	605,371	74.3
Profit/(loss) before taxation	1,791,278	229.5	(185,484)	(32.6)	320,251	39.3
Income tax expense	(60,272)	(7.7)	(2,147)	(0.4)	(19,867)	(2.4)
Profit/(loss) for the year	1,731,006	221.8	(187,631)	(33.0)	300,384	36.9

Non-IFRS measure

To supplement our consolidated financial statements which are presented under IFRSs, we also use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRSs. We define adjusted net profit (non-IFRS measure) as profit/(loss) for the year adjusted for share-based payment expenses, change in fair value of Preferred Shares, and [**REDACTED**]. Share-based payment expenses are non-cash in nature arising from the grant of restricted shares and options to 5brothers Limited and other senior management and employees. For change in fair value of Preferred Shares, the Preferred Shares will be automatically converted into ordinary shares upon completion of the [**REDACTED**] and we do not expect to record further gains or losses in relation to valuation changes in such instruments after the [**REDACTED**]. [**REDACTED**] is the expense relating to the [**REDACTED**]. Therefore, we believe that these items should be adjusted for when calculating our adjusted net profit (non-IFRS measure) to facilitate potential [**REDACTED**] in assessing our performance, especially in making year-to-year comparisons of, and assessing the profile of, our operating and financial performance. See "Financial Information—Description of Major Profit or Loss Line Items—Non-IFRS Measure" for details. The following table reconciles our adjusted net profit for the year (non-IFRS measure) presented under IFRSs, which is profit/(loss) for the year.

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Profit/(loss) for the year	1,731,006	(187,631)	300,384
Adjusted for:			
Share-based payment expenses	22,725	29,804	110,351
Change in fair value of Preferred Shares	(1,521,173)	234,138	(209,282)
[**REDACTED**]	5,484	8,397	24,102
Adjusted net profit for the year (non-IFRS measure)	238,042	84,708	225,555

Revenue

The following table sets forth a breakdown of our revenue by operating segment, both in absolute amount and as a percentage of our total revenue, for the years indicated.

	Year ended December 31,					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Provision of carpooling marketplace services	695,131	89.0	514,899	90.5	774,012	95.0
Provision of smart taxi services(1)	32,629	4.2	19,421	3.4	11,328	1.4
Provision of advertising and other services	52,823	6.8	34,758	6.1	29,745	3.6
Total	780,583	100.0	569,078	100.0	815,085	100.0

(1) We generated all the smart taxi service revenue from taxi online-hailing services during the Track Record Period.

Our revenue generated from the provision of carpooling marketplace services decreased from 2021 to 2022 in terms of the absolute value, primarily due to the decrease in the number of the carpooling rides we facilitated as a result of the regional resurgence of COVID-19 in multiple localities. Our revenue generated from the provision of carpooling marketplace services increased from 2022 to 2023, primarily due to the increases in the number of the carpooling rides we facilitated and the average fare per carpooling ride in the same years. Our revenue generated from the provision of smart taxi services decreased from 2021 to 2022, primarily due to the decrease in the number of taxi online-hailing rides we facilitated as a result of the regional resurgence of COVID-19 in multiple localities in the same years. Our revenue generated from the provision of smart taxi services decreased from 2022 to 2023, primarily due to the decrease in the number of taxi online-hailing rides we facilitated resulting from the intensified market competition and the cessation of our cooperation with aggregation platforms related to taxi online-hailing services. See "Financial Information—Description of Major Profit or Loss Line Items—Revenue" for details.

Cost of services

The following table sets forth a breakdown of our cost of services by nature, both in absolute amount and as a percentage of total cost of services, for the years indicated.

	Year ended December 31,					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Payment processing costs	54,316	36.4	42,436	30.0	58,933	28.1
Third-party services costs	25,855	17.3	27,881	19.7	61,122	29.1
Subsidies to private car owners(1)	8,800	5.9	17,575	12.4	29,002	13.8
Insurance costs	19,165	12.8	17,359	12.3	27,755	13.2
Staff costs	8,168	5.5	14,152	10.0	14,948	7.1
Security costs	9,579	6.4	6,898	4.9	8,099	3.9
Office related costs	5,913	4.0	6,124	4.3	4,492	2.1
Outsourcing advertising services costs	11,705	7.8	6,939	4.9	2,782	1.4
Others(2)	5,818	3.9	2,151	1.5	2,581	1.3
Total	149,319	100.0	141,515	100.0	209,714	100.0

(1) Represent the portion of subsidies that exceed the revenue recognized from corresponding rides.

(2) Include primarily urban maintenance and construction tax.

Our payment processing costs decreased from 2021 to 2022 and increased in 2023, which was in line with the change in the GTV of rides we facilitated during the Track Record Period. Our third-party services costs increased during the Track Record Period, primarily due to the increase in operational and maintenance services fees as we have enhanced technology infrastructure and security measures. In addition, we newly cooperated with an aggregation platform in relation to our carpooling marketplace services in 2023, resulting in an increase in the service fees paid to aggregation platforms and contributing to the increase in our third-party services costs in the same years. Our subsidies to private car owners recorded as cost of services increased during the Track Record Period, primarily because we strategically enhanced our marketing efforts for private car owners to incentivize them to provide rides on our platform. Our insurance costs decreased from 2021 to 2022, primarily due to the decrease in the number of carpooling rides we facilitated, partially offset by the increased insured cap of insurance coverage for carpooling rides. Our insurance costs increased from 2022 to 2023, primarily due to the increase in the number of carpooling rides we facilitated and the increase in the proportion of inter-city trips which had a higher insured cap than intra-city trips. See "Financial Information—Description of Major Profit or Loss Line Items—Cost of Services" for details.

Gross profit and gross profit margin

The following table sets forth a breakdown of our gross profit and gross profit margin by operating segment for the years indicated.

	Year ended December 31,					
	2021		2022		2023	
	Gross profit	Gross profit margin	Gross profit/ (loss)	Gross margin	Gross profit	Gross profit margin
	(RMB in thousands, except for percentages)					
Provision of carpooling marketplace services	593,668	85.4%	409,594	79.5%	587,358	75.9%
Provision of smart taxi services	2,526	7.7%	(7,107)	(36.6)%	(5,781)	(51.0)%
Provision of advertising and other services	35,070	66.4%	25,076	72.1%	23,794	80.0%
Total	631,264	80.9%	427,563	75.1%	605,371	74.3%

Our gross profit and gross profit margin for the provision of carpooling marketplace services decreased from 2021 to 2022, primarily because (1) we continued to increase our subsidies to private car owners, (2) we continued to incur certain fixed costs related to the provision of carpooling marketplace services, such as staff costs, whereas the relevant revenue decreased as a result of the COVID-19 pandemic, and (3) our insurance costs decreased at a lower pace than the related revenue in the same periods as we increased the insured cap of insurance coverage for carpooling rides. Our gross profit for the provision of carpooling marketplace services increased from 2022 to 2023 along with the increase in our revenue generated from the provision of carpooling marketplace services, yet the corresponding gross profit margin decreased in the same years primarily due to the faster increase in our cost of services related to the provision of carpooling marketplace services, because of the increases in (1) third-party service costs, resulting from the increases in operational and maintenance service fees and service fees paid to aggregation platforms, and (2) insurance costs as we further increased the insured cap of insurance coverage for carpooling rides.

We recorded gross loss for the provision of smart taxi services in 2022 and 2023, respectively, and our gross margin for the provision of smart taxi services decreased from 2021 to 2023, primarily because (1) our revenue generated from the provision of smart taxi services decreased due to the decrease in the number of taxi online-hailing rides we facilitated resulting from (i) the impact of COVID-19 resurgence in multiple localities, particularly in 2022; (ii) the decrease in the number of average monthly active certified taxi drivers on our platform in 2023 because of shifts in the competitive dynamics of the taxi online-hailing industry and the general decline of the taxi industry resulting from intensified competition from the ride-hailing industry, which negatively affected our service volume; and (iii) the gradual cessation of our cooperation with aggregation platforms related to taxi online-hailing services; (2) we incurred certain fixed operational and maintenance costs for the smart taxi services (including payroll costs for maintenance staff and office related costs), which were not directly related to the transaction volume of smart taxi services; and (3) we allocated certain variable operational and maintenance costs (including infrastructure cost, security cost and services fees for text messages) to smart taxi services proportionally based on the total number of taxi rides we enabled, including those we have not yet charged service fees as such rides also utilized the relevant operational and maintenance services and incurred corresponding costs, which accounted for an increasing portion of the total number of taxi rides we enabled in 2021 and 2022. See "Financial Information—Description of Major Profit or Loss Line Items—Gross Profit/(Loss) and Gross Margin" and "Financial Information—Year to Year Comparison of Results of Operations" for details. As such, we recorded negative gross margin of 36.6% and 51.0% in 2022 and 2023, respectively.

Our gross profit margin for the provision of advertising and other services increased from 2021 to 2022, primarily due to the expansion of our programmatic advertising services, which had a relatively higher gross profit margin than the direct sales of our in-app advertising spaces. Our gross profit margin for the provision of advertising and other services increased from 2022 to 2023, as we engaged less third-party services to connect with advertisers and instead relied more on in-house research and development which was more cost-effective. See "Financial Information—Description of Major Profit or Loss Line Items—Gross Profit/(Loss) and Gross Margin" for details.

Income tax expense

We had income tax expense of RMB60.3 million in 2021, representing (1) utilization of deferred tax assets against current year profits and (2) change in tax rate of one PRC subsidiary for preferential tax status granted, resulting in a reversal of deferred tax asset of RMB22.8 million. We had income tax expenses of RMB2.1 million in 2022, representing utilization of deferred tax assets against current year profits. We had income tax expense of RMB19.9 million in 2023, representing utilization of deferred tax assets against current year profits.

Profit/(loss) for the Year

We recognized net profit in 2023, compared to net loss in 2022, primarily due to (1) the decrease in the fair value of our Preferred Shares in line with the valuation of our Company, and (2) the increase in our revenue generated from carpooling marketplace services along with the increases in the number of the carpooling rides we facilitated and the average fare per carpooling ride. We recognized net loss in 2022, compared to the net profit in 2021, primarily due to (1) the change in fair value of Preferred Shares resulting from the substantial increase in the fair value of our Preferred Shares in line with the valuation of our Company, and (2) the increases in our selling and marketing expenses and research and development expenses as a percentage of total revenue, respectively. All the Preferred Shares will be automatically converted into our Ordinary Shares at no additional consideration upon the completion of the [**REDACTED**] and, therefore, we do not expect to recognize any further loss or gain on fair value changes of the Preferred Shares after the [**REDACTED**].

Summary of Consolidated Statements of Balance Sheet

The following table sets forth a summary of our consolidated balance sheet as of the dates indicated.

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Total non-current assets	124,416	121,512	98,357
Total current assets	1,077,201	1,140,284	1,475,002
Total current liabilities	2,874,856	4,981,600	4,880,952
Net current liabilities	(1,797,655)	(3,841,316)	(3,405,950)
Total assets less current liabilities	(1,673,239)	(3,719,804)	(3,307,593)
Total non-current liabilities	1,886,100	586	1,899
Net liabilities	(3,559,339)	(3,720,390)	(3,309,492)

We had net current liabilities of RMB1,797.7 million, RMB3,841.3 million and RMB3,406.0 million as of December 31, 2021, 2022 and 2023, respectively, primarily due to the current portion of the Preferred Shares, as the fair value of the Preferred Shares with the redemption date of less than one year from the balance sheet date were recorded as current liabilities. As of December 31, 2021, 2022 and 2023, the Preferred Shares with the amount of RMB2,342.5 million, RMB4,465.6 million and RMB4,256.2 million were redeemable within one year from the balance sheet date and recorded as current liability.

We recorded net liabilities of RMB3,559.3 million, RMB3,720.4 million and RMB3,309.5 million as of December 31, 2021, 2022 and 2023, respectively, primarily because the fair value of our Preferred Shares was treated as liabilities under the IFRS. Our net liabilities increased from RMB3,559.3 million as of December 31, 2021 to RMB3,720.4 million as of December 31, 2022, primarily due to (1) an increase in accumulated losses of RMB187.6 million primarily caused by the increased valuation of our Company as a result of the industry recovery since December 2022 when the PRC government strategically adjusted pandemic prevention policies and significantly lift the restrictive measures aimed at controlling the spread of the COVID-19 virus, and (2) an increase in share-based payment reserves of RMB29.8 million. Our net liabilities decreased from RMB3,720.4 million as of December 31, 2022 to RMB3,309.5 million as of December 31, 2023, primarily due to total comprehensive income of RMB300.0 million recorded in the current year. All the Preferred Shares will be automatically converted into our Ordinary Shares at no additional consideration upon the completion of the [**REDACTED**] and, accordingly, we expect to record net assets and net current assets following the [**REDACTED**].

As of December 31, 2023, we had payables to users of RMB538.3 million, representing the users' account balance of private car owners, taxi drivers and carpooling riders on our platform that they had not yet withdrawn. We have adequate capital and banking facilities to maintain a sufficient level of cash flow for operations against any potential material withdrawal of payables by the relevant users, considering that (1) we had bank balances and cash of RMB685.5 million as of December 31, 2023, which are highly liquid and can be utilized anytime; (2) we had restricted cash of RMB386.6 million as of the same date, representing payables to and account balance of users that were held on the bank account escrowed by a licensed commercial bank, which can be used for repayments to the users; and (3) we had financial assets at fair value through profit or loss of RMB352.8 million as of the same date, representing primarily the short-term wealth management products we purchased from a reputable licensed commercial bank in China, which are highly liquid with no fixed term and can be withdrawn anytime.

Summary of Consolidated Statement of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the years indicated.

	Year ended December 31,		
	2021	2022	2023
	(RMB in thousands)		
Net cash generated from operating activities	135,412	107,391	230,220
Net cash (used in)/generated from investing activities	(100,346)	72,662	(197,707)
Net cash used in financing activities	(67,209)	(3,515)	(10,250)
Net (decrease)/increase in cash and cash equivalents	(32,143)	176,538	22,263
Cash and cash equivalents at beginning of the year	520,309	486,299	663,230
Effect of foreign exchange rate changes	(1,867)	393	29
Cash and cash equivalents at end of the year represented by bank balances and cash	486,299	663,230	685,522

Key Financial Ratios

The following tables set forth certain of our key financial ratios as of the dates and for the years indicated.

	Year ended December 31,		
	2021	2022	2023
Profitability ratios			
Gross profit margin	80.9%	75.1%	74.3%
Adjusted net profit margin (non-IFRS measure)	30.5%	14.9%	27.7%

	As of December 31,		
	2021	2022	2023
Liquidity ratio			
Current ratio	0.4	0.2	0.3

We recorded an adjusted net profit margin (non-IFRS measure) of 30.5%, 14.9% and 27.7% in 2021, 2022 and 2023, respectively. The decrease in our adjusted net profit margin (non-IFRS measure) from 2021 to 2022 was primarily due to the decrease in our adjusted net profit (non-IFRS measure) of RMB238.0 million and RMB84.7 million in the same years, respectively, as (1) we increased our subsidies to private car owners to incentivize them to provide rides on our platform, and (2) we increased the insured cap of insurance coverage for carpooling rides and continued to incur certain fixed costs related to the provision of carpooling marketplace services whereas the relevant revenue decreased as a result of the COVID-19 pandemic. Our adjusted net profit margin (non-IFRS measure) increased from 2022 to 2023 along with the increase in our adjusted net profit (non-IFRS measure) from RMB84.7 million to RMB225.6 million in the same years, as we recognized net profit in 2023 compared to net loss in 2022, primarily due to the increase in our revenue generated from carpooling marketplace services resulting from the increases in the number of the carpooling rides we facilitated and the average fare per carpooling ride. See "Financial Information—Key Financial Ratios."

OUR SHAREHOLDING STRUCTURE

The Group of Our Controlling Shareholders

As of the Latest Practicable Date, our Co-Founders, through their common holding company, namely 5brothers Limited, were beneficially interested in approximately 33.57% of the total number of issued Shares. Pursuant to our currently effective memorandum and articles of association, the Shares held by 5brothers Limited shall together carry the number of votes equal to the number of votes carried by the Shares held by all other Shareholders, as a result of which, the shares held by 5brothers Limited are granted with the voting power representing 50% of all the voting power at the general meetings of our Company.

In light of the [**REDACTED**], on [●], 2024, our Shareholders resolved to adopt a new memorandum and articles of association, effective immediately prior to the [**REDACTED**], to replace our current memorandum and articles of association and terminate all the special rights granted to existing shareholders to comply with applicable laws and regulations after the [**REDACTED**].

Immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and without taking into account any Shares that may be issued under the Share Incentive Schemes), our Co-Founders, through 5brothers Limited and their respective Principal BVI Holdco will control approximately [**REDACTED**]% of all the voting powers at the general meetings of our Company, comprising approximately [**REDACTED**]% beneficially owned by themselves through 5brothers Limited and approximately [**REDACTED**]% vested to 5brothers Limited by the Proxy Investors, and will, together with 5brothers Limited and their respective Principal BVI Holdcos, continue to be a group of our Controlling Shareholders. See "History and Corporate Structure—Our Company and Major Shareholding Changes—Voting Proxies" for details.

[REDACTED] Investments

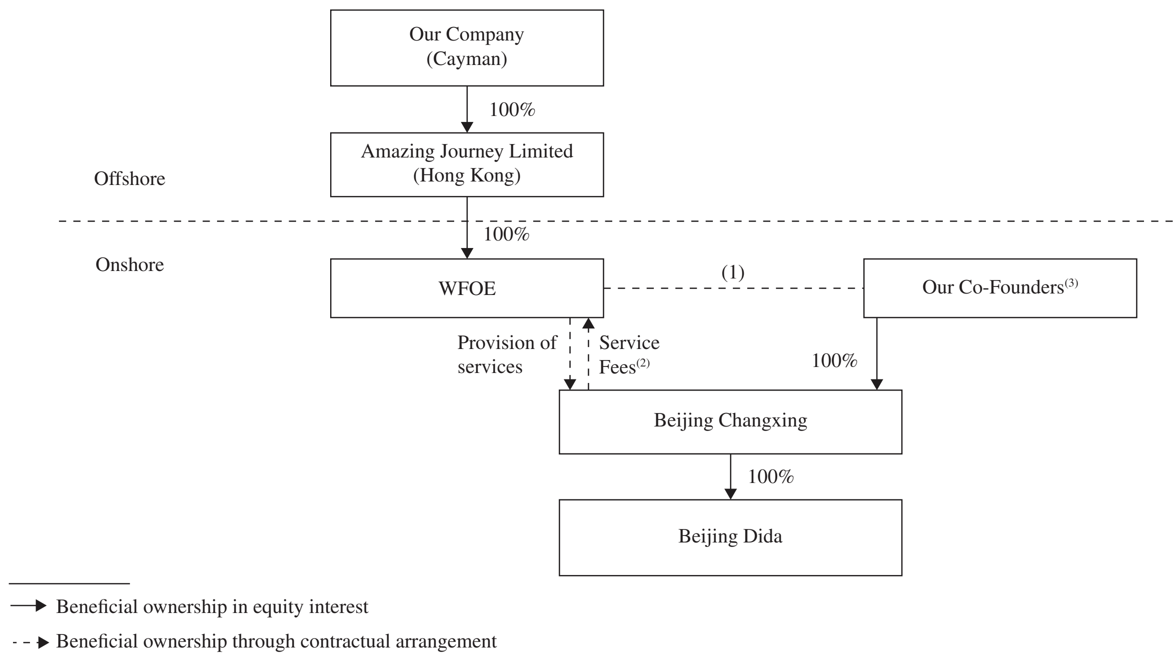
Since our inception, we have attracted a number of reputable and influential institutional or corporate investors to invest in our Company, such as NIO Capital, IDG, CRCI, Bitauto, Hillhouse, JD.com and Ctrip. See "History and Corporate Structure—[**REDACTED**] Investments" for details.

Share Incentive Schemes

We have adopted the [**REDACTED**] Share Incentive Schemes and the [**REDACTED**] RSU Scheme. The principal terms of such share incentive schemes are summarized in the section headed "Statutory and General Information—D. Share Incentive Schemes" in Appendix IV of this document.

CONTRACTUAL ARRANGEMENTS

The services provided by us are subject to foreign ownership prohibitions and restrictions under the PRC laws. We have operated our business through our PRC operating entities, namely Beijing Changxing and its subsidiary. In order to comply with PRC laws and regulations and maintain effective control over Beijing Changxing and its subsidiary, we have entered into the Contractual Arrangements through which we are able to exercise control over and enjoy all the economic benefits from the operations of Beijing Changxing and its subsidiary. The following simplified diagram illustrates the flow of economic benefits from Beijing Changxing and its subsidiary to our Group stipulated under the Contractual Arrangements. See "Contractual Arrangements" for details.



(1) Control of WFOE over the business of Consolidated Affiliate Entities through agreements with the Registered Shareholders: (i) Exclusive Option Agreement and Exclusive Asset Acquisition Agreement, (ii) Equity Pledge Agreements, (iii) Powers of Attorney, and (iv) Loan Agreement.

(2) Control of WFOE over the business of Consolidated Affiliate Entities through Exclusive Business Cooperation Agreement.

(3) As of the Latest Practicable Date, Beijing Changxing was owned as to 60.5755% by Mr. SONG, 10.5362% by Mr. ZHU Min, 10.5362% by Mr. LI Jinlong, 10.5362% by Mr. LI Yuejun and 7.8159% by Mr. DUAN Jianbo, who were the Registered Shareholders.

DIVIDEND

During the Track Record Period, we did not pay or declare any dividend. According to our dividend policy adopted on [●], the Articles of Association and applicable laws and regulations, the determination to pay dividends will be made at the discretion of our Directors and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant. We do not have a pre-determined dividend payout ratio. We will continue to re-evaluate our dividend policy in light of our financial condition and the prevailing economic environment.

As advised by our Cayman legal advisors, we are a holding company incorporated under the laws of the Cayman Islands, pursuant to which, the financial position of accumulated losses does not prohibit us from declaring and paying dividends to our Shareholders, as dividends may still be declared and paid out of our share premium account notwithstanding our profitability, provided that our Company satisfies the solvency test set out in the Cayman Companies Act.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the [**REDACTED**] committee of the Stock Exchange for the granting of the [**REDACTED**] of, and permission to [**REDACTED**], our [**REDACTED**] in issue, to be issued pursuant to the [**REDACTED**] (including pursuant to the exercise of the [**REDACTED**]) and to be issued pursuant to the [**REDACTED**] RSU Scheme on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to (1) our revenue for the year ended December 31, 2023, which is over HK$500 million, and (2) our expected [**REDACTED**] at the time of [**REDACTED**], which, based on the low-end of the indicative [**REDACTED**], exceeds HK$4.0 billion.

COVID-19 OUTBREAK AND EFFECTS ON OUR BUSINESS

Our business and results of operations depend on our ability to effectively deal with outbreak of health pandemics, natural disasters and other calamities. The occurrence of such a disaster or prolonged outbreak of contagious diseases or other adverse public health developments in China or elsewhere could materially disrupt our business and operations. For example, the COVID-19 pandemic throughout China negatively impacted the carpooling and taxi industries in China, which in turn adversely affected our business, results of operations and financial condition. The GTV of China's carpooling market fluctuated from 2016 to 2021. Amid the fluctuating market conditions, the number of carpooling rides we facilitated and the corresponding GTV decreased in 2021 and 2022, primarily due to the resurgence of COVID-19 in multiple localities, particularly in the cities where we had major operations. For example, there were significant local outbreaks in Shanghai from July 2021 to September 2021 and from March 2022 to June 2022, in Beijing from March to May and from November to December in 2022, in Chengdu and Chongqing in July, August and November 2021, and in Shenzhen, Dongguan and Guangzhou from February 2022 to April 2022, which also led to the the decrease in GTV for the same periods.

Our Directors have carried out a holistic review of the impact of the COVID-19 on our operations and confirmed that although the COVID-19 pandemic adversely affected our business during the Track Record Period, as of the date of this document, the impact of pandemic to our Group's business operation has been temporary considering the recovery of the market and our business. Our business volume has experienced a recovery to the pre-COVID-19 level in 2023. For instance, we facilitated approximately 130.3 million carpooling rides in 2023, representing an increase of 38.3% from approximately 94.2 million in 2022. In addition, the GTV generated from our carpooling marketplace reached approximately RMB8.6 billion in 2023, representing an increase of 42.5% from RMB6.1 billion in 2022. See "—Recent Business Development."

We are closely monitoring the development of the pandemic, as well as other health pandemics, natural disasters and extraordinary events, and continuously evaluating any potential impact on our business, results of operations and financial condition. See "Financial Information—COVID-19 Outbreak and Effects on Our Business" for the impact of COVID-19 outbreak on our business and "Risk Factors—Risks Relating to Our Business and Industry—Any occurrence of a natural disaster, widespread health epidemic or other outbreaks could have a material adverse effect on our business, results of operations and financial condition" for the associated risks and challenges.

REGULATIONS ON CARPOOLING SERVICES AND ADMINISTRATIVE PENALTIES

As an emerging mobility mode in China, the carpooling market is still at a nascent stage and is rapidly evolving. The application, interpretation and implementation of municipal rules and regulations are developing toward greater clarity and consistency. As such, we were occasionally subject to administrative penalties imposed by certain municipal transportation authorities. In 2020 and 2021, there were 57 accumulative instances of administrative penalties in relation to our carpooling marketplace. Specifically, in 2020, we received 56 instances of administrative penalties, comprising 47 in Hefei, six in Beijing, one in Guangzhou, one in Chongqing and one in Meishan. In 2021, we received one instance of administrative penalty in Kunming. We have not received any administrative penalty since the latest one received in Kunming in November 2021 and up to the date of this document.

As for all the 47 administrative penalties in Hefei, we proactively communicated with the relevant municipal transportation authority, clarified with the municipal transportation authority the nature of our business as a carpooling marketplace service provider, and confirmed that the previous administrative penalties were imposed primarily because the enforcement personnel had confused carpooling with online ride-hailing as it is a relatively new mobility mode and, as a result, misunderstood the nature of our business as a carpooling marketplace service provider. The other sporadic administrative penalties we received from five other cities were primarily due to reasons unrelated to the nature of our business as a carpooling marketplace service provider, such as violation of governmental restrictions during the pandemic. See "Business—Regulations on Carpooling Services and Administrative Penalties—Historical Administrative Penalties and Discrepancies" for details.

As of the date of this document, 36 of such administrative penalties have been subsequently revoked. The remaining 21 instances of outstanding administrative penalties have not been revoked, primarily because (1) for 11 instances of administrative penalties in Hefei, as confirmed by our PRC legal advisors, it is not practicable to request the revocation following the expiration of the relevant statute of limitations pursuant to applicable PRC laws, and (2) for the remaining 10 instances of administrative penalties in five other cities, considering (i) that the magnitude and the number of administrative penalties we received are small relative to the number of rides we facilitated in such cities, (ii) that the penalty amount for each instance was between RMB5,000 to RMB30,000, which is insignificant compared to our business scale, and (iii) that the administrative penalties were imposed sporadically, we did not make petition to revoke each of such administrative penalties. As of the date of this document, we have fully tendered the payment under the remaining 21 instances of administrative penalties.

The national regulations governing the operation of carpooling business primarily include (1) the Guidelines on Deepening Reform and Promoting the Healthy Development of the Taxi Industry (國務院辦公廳關於深化改革推進出租汽車行業健康發展的指導意見) (the "National Guidelines") promulgated by the General Office of the State Council, which acknowledges that carpooling has mutual benefits to the participants and distinguishes it from online ride-hailing, and (2) the Interim Measures for the Management of Online Ride-Hailing Operation and Service (網絡預約出租汽車經營服務管理暫行辦法) (the "Interim Measures"), which explicitly provide that carpooling is not subject to the licensing regime for ride-hailing. Furthermore, both the National Guidelines and the Interim Measures stipulate that municipal transportation authorities are the responsible and competent authorities to formulate regulations for carpooling services and regulate the platforms providing carpooling marketplace services in relevant cities. With the assistance of our PRC legal advisors and the participation of the Joint Sponsors and their PRC legal advisors, on February 6, 2023, we conducted a telephonic consultation with the MOT by the number publicly referenced on its official website and obtained affirmative confirmation of the abovementioned conclusion that (1) municipal transportation authorities are the relevant competent authorities to formulate regulations for carpooling services and regulate platforms providing carpooling marketplace services in their respective cities, and that (2) entities engaging in carpooling services should consult with the municipal authorities in the cities where they operate. Furthermore, on February 21, 2024, with the assistance of our PRC legal advisors and the participation of the Joint Sponsors and their PRC legal advisors, we conducted a further telephonic consultation with the MOT in the same manner as the previous one, which reaffirmed the above-mentioned conclusion.

From December 2022 to February 2023, with the participation of Joint Sponsors, our PRC legal advisors and the PRC legal advisors to the Joint Sponsors, we conducted on-site consultations (the "Consultations") with the representatives of municipal transportation authorities in respect of the regulatory compliance of our business and local regulations relating to carpooling marketplace services in a total of 46 Major Cities, including (1) substantially all the cities that each contributed over 0.5% (including all the cities that each contributed over 1.0%) of the total GTV of our carpooling marketplace services in at least one reporting period from 2020 and throughout the Track Record Period, and (2) all the cities where we received administrative penalties in 2020 and 2021. During the Consultations with the representatives of the municipal transportation authorities in the Major Cities, we have communicated with the representatives the nature of our business as a carpooling marketplace service provider and the operational mechanism of our carpooling marketplace platform (including our current and/or historical internal rules on the carpooling ride fare and the daily limit on the number of carpooling rides), as well as our historical administrative penalties (if applicable). Having understood the substance of our business operations during the Consultations, all the municipal transportation authorities confirmed that, given that the overall operational mechanism of our carpooling marketplace platform remain in accordance with the national principles, (1) we are not required to obtain any license requisite to ride-hailing for the operation of our carpooling marketplace under the current regulatory regime and do not contravene PRC laws and regulations applicable to the respective municipalities in any material respects; (2) we have not had any material non-compliance issues in the respective municipalities; and (3) historical administrative penalties or discrepancies with certain local requirements in any particular respect, where applicable, do not constitute material non-compliance, or jeopardize the nature of our business as a carpooling marketplace service provider, or subject us to the licensing requirement applicable to ride-hailing service providers.

Furthermore, from February 2024 to March 2024, with the assistance of our PRC legal advisors and the participation of the Joint Sponsors and their PRC legal advisors, we conducted further telephonic and onsite consultations (the "Supplementary Consultations") with the representatives of municipal transportation authorities in respect of the regulatory compliance of our business and local regulations relating to carpooling marketplace services in a total of 14 Major Cities, which contributed an aggregate of 54.5% of the total GTV of our carpooling marketplace services in 2023. The 14 Major Cities include (1) the top 10 GTV contributing cities of our carpooling marketplace services in 2023, where we generated an aggregate of 50.2% of the total GTV of our carpooling marketplace services for that year, and (2) five cities where the local implementation rules had been revised, consisting of (i) two cities, namely Wuxi and Yantai, where the rules were revised substantively, and (ii) three cities, namely Jinan (where the rules have lapsed pending new implementation as of the date of this document), as well as Zhuhai and Hangzhou (where the rules only have textual modifications with no substantive change in the requirements), while Hangzhou was also one of our top 10 GTV contributing cities in 2023 as counted above. In the Supplementary Consultations, we obtained reaffirmations of the above-mentioned conclusions of our previous Consultations. See "Business—Regulations on Carpooling Services and Administrative Penalties—Regulatory Regime and Municipal Implementation Rules" for details.

KEY OPERATING DATA

Our business volume has experienced a recovery to the pre-COVID-19 level in 2023 after the PRC government at all levels strategically adjusted the pandemic prevention policies and significantly lift the restrictive measures aimed at controlling the spread of the COVID-19 virus. The following table sets forth the key operating data for our carpooling marketplace services and taxi online-hailing services for the years indicated.

	Year ended December 31,		
	2021	2022	2023
Carpooling marketplace services			
GTV	RMB7.8 billion	RMB6.1 billion	RMB8.6 billion
Number of carpooling rides we facilitated	129.7 million	94.2 million	130.3 million
Average fare per carpooling ride	RMB59.8	RMB64.3	RMB66.3
Average fare per kilometer for carpooling rides[(1)]	RMB1.1	RMB1.2	RMB1.1
Number of average monthly active certified private car owners	1.6 million	1.2 million	1.6 million
Number of average monthly active carpooling riders	4.8 million	3.7 million	4.8 million
New riders	0.8 million	0.7 million	0.9 million
Other riders	4.0 million	3.0 million	3.9 million

	Year ended December 31,		
	2021	**2022**	**2023**
Average monthly number of rides taken per rider[(2)]	2.3	2.1	2.3
Average monthly revenue per certified private car owner[(2)]	RMB36.7	RMB34.6	RMB40.5
Net service fee rate[(3)]	7.4%	7.1%	7.8%
Taxi online-hailing services[(4)]			
GTV[(5)]	RMB827.2 million	RMB427.4 million	RMB223.9 million
Number of taxi online-hailing rides we facilitated	35.5 million	21.5 million	12.1 million
Average fare per taxi online-hailing ride	RMB23.3	RMB19.9	RMB18.6
Average fare per kilometer for taxi online-hailing rides[(6)]	RMB4.4	RMB3.6	RMB3.6
Number of average monthly active certified taxi drivers	200,000	140,000	102,000
Number of average monthly active taxi riders	1.7 million	0.8 million	0.5 million
Average monthly revenue per certified taxi driver[(2)]	RMB13.6	RMB11.5	RMB9.2
Net service fee rate[(3)]	2.1%	1.8%	3.3%

(1) The average fare per kilometer for carpooling rides for a given period is calculated by dividing the aggregate GTV of all carpooling rides facilitated through our platform during that period by the aggregate estimated travel distance of all such carpooling rides in kilometers.

(2) See "Business—Our Service Offerings" for the calculation of average monthly number of rides taken per rider, average monthly revenue per certified private car owner and average monthly revenue per certified taxi driver.

(3) See "Glossary" for the calculation of the net service fee rate.

(4) The operating metrics for our taxi online-hailing services exclude data from our other smart taxi services, such as taxi rides we enabled through *Taxi Hailing Assistant* and *Taxi Smart Code*, which we have not begun to monetize.

(5) The amount of GTV excludes those of taxi rides we enabled through other smart taxi services, such as *Taxi Hailing Assistant* and *Taxi Smart Code*, which we have not begun to monetize. We will step up our monetization efforts as we enlarge the user base of our other smart taxi services and deepen our collaborations with local taxi companies and associations.

(6) The average fare per kilometer for taxi online-hailing rides for a given period is calculated by dividing the total GTV of all taxi online-hailing rides facilitated through our platform during that period by the aggregate estimated travel distance of all such taxi online-hailing rides in kilometers.

The number of carpooling rides we facilitated decreased in 2022, primarily due to the regional resurgence of COVID-19 in multiple localities, particularly in the cities where we had major operations, which also led to the decrease in GTV for the same year. The GTV of our carpooling marketplace services increased from 2022 to 2023, along with our business recovery from the adverse impact of the pandemic.

The GTV generated from our taxi online-hailing services and the number of taxi online-hailing rides we facilitated decreased in 2023 compared to 2022, primarily due to (1) the decrease in the number of average monthly active certified taxi drivers on our platform because of shifts in the competitive dynamics of the taxi online-hailing industry and the general decline of the taxi industry resulting from intensified competition from the ride-hailing industry, which negatively affected our service volume; in contrast, our carpooling service was less impacted because of its reliance on private car owners (rather than professional drivers) and its collaborative (rather than commercial) nature; and (2) the gradual cessation of our cooperation with aggregation platforms related to taxi online-hailing services, primarily because these aggregation platforms started focusing on building their own taxi online-hailing business or prioritized dispatching orders to ride-hailing drivers rather than taxi drivers for higher commissions.

RECENT BUSINESS DEVELOPMENT

The following table sets forth the key operating data for our carpooling marketplace services and taxi online-hailing services for the two months ended February 29, 2024 and the corresponding periods in 2021, 2022 and 2023, respectively.

	For the two months ended February 28 or 29,			
	2021	**2022**	**2023**	**2024**
Carpooling marketplace services				
GTV	RMB1.2 billion	RMB1.1 billion	RMB1.3 billion	RMB1.3 billion
Number of carpooling rides we facilitated	19.2 million	17.0 million	17.6 million	18.4 million
Number of average monthly active certified private car owners	1.5 million	1.4 million	1.5 million	1.6 million
Number of average monthly active carpooling riders	4.4 million	4.4 million	4.3 million	4.6 million
Taxi online-hailing services(1)				
GTV	RMB120.0 million	RMB100.1 million	RMB48.1 million	RMB20.9 million
Number of taxi online-hailing rides we facilitated	5.5 million	4.5 million	2.5 million	1.1 million
Number of average monthly active certified taxi drivers	201,000	165,000	114,000	69,000
Number of average monthly active taxi riders	1.4 million	1.0 million	0.6 million	0.3 million

(1) The operating metrics for our taxi online-hailing services exclude data from our other smart taxi services, such as taxi rides we enabled through *Taxi Hailing Assistant* and *Taxi Smart Code*, which we have not begun to monetize.

The number of carpooling rides we facilitated through our carpooling marketplace services increased in the two months ended February 29, 2024 compared to the corresponding periods ended February 28, 2022 and 2023, respectively, along with our business recovery from the adverse impact of the pandemic. The GTV generated from our taxi online-hailing services and the number of taxi online-hailing rides we facilitated decreased in the two months ended February 29, 2024 compared to the corresponding periods ended February 28, 2021, 2022 and 2023, respectively, primarily due to the same reasons for the decrease in 2023 as detailed above. See "—Key Operating Data."

Established carpooling marketplace and taxi online-hailing platforms with advanced technologies and proven market acceptance are poised to promptly react to evolving demand, maximize user satisfaction and trust, drive industry recovery, and strengthen their market position in the post-COVID era. Going forward, we will continue to leverage the network effect of our platform to grow our user base by optimizing our service offerings and improving user experience. For example, to strengthen our market presence and brand influence in the carpooling industry in China, we plan to further increase matching efficiency with operational knowhow and technological advancement. In 2023, we initiated eight new research and development projects primarily relating to AI algorithm design, sales and marketing management, big data technologies, map point of information ("POI") search and route planning. In addition, we will further enhance our monetization capabilities. For our carpooling marketplace, we intend to further develop advertising and other services, such as automobile value-added services, to capture monetization opportunities along the value chain of China's mobility market. For our smart taxi services, we intend to step up our monetization efforts nationwide and explore additional types of service charges as we continue to refine our services and products and enlarge our user base. For example, we had entered into strategic cooperation agreements or memoranda for our taxi online-hailing and/or other smart taxi services with local transportation authorities, taxi companies and/or municipal or district taxi associations in 79 cities as of December 31, 2023, compared to 21 cities as of December 31, 2020.

RECENT REGULATORY DEVELOPMENTS

Overseas Listing

On February 17, 2023, the China Securities Regulatory Commission (中國證券監督管理委員會) (the "CSRC") released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) (the "Trial Measures") and five supporting guidelines, which came into effect on March 31, 2023. Pursuant to the Trial Measures, domestic companies that seek to offer or list securities overseas (the "Overseas Offering and Listing"), either directly or indirectly, shall fulfill the filing procedure and report relevant information to the CSRC. Specifically, following the principle of substance over form, if an issuer meets both of the following criteria, its overseas offering and listing will be deemed as an indirect Overseas Offering and Listing by a domestic enterprise: (1) any of the total assets, net assets, revenues or profits of the domestic operating entities of the issuer in the most recent fiscal year accounts for more than 50% of the corresponding figure in the issuer's audited consolidated financial statements for the same fiscal year; and (2) its major operational activities are carried out in China or its main places of business are located in China, or the senior managers in charge of operation and management of the issuer are mostly Chinese citizens or are domiciled in China. The Trial Measures also requires subsequent reports to be submitted to the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings. On the same day, the CSRC also held a press conference for the release of the Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (關於境內企業境外發行上市備案管理安排的通知) (the "Notice"), which, among others, contains certain transition arrangements for existing issuers. For details, see "Regulations—Regulations Relating to Overseas Offering and Listing" and "Risk Factors—Risks Relating to Doing Business in China—We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities, and, if required, we cannot predict whether we will be able to obtain such approval or complete such filing."

As advised by our PRC legal advisors, based on the Trial Measures and the Notice, our Directors are of the view that we are required to submit and complete the filing under the Trial Measures prior to the completion of the [**REDACTED**]. Based on the advice of the Joint Sponsors' PRC legal advisors, nothing has come to the attention of the Joint Sponsors, who are not legal experts, to cast doubt on the Directors' view. We submitted the filing report on April 1, 2023, and have completed filing with the CSRC and obtained the notice of filing on February 6, 2024. In addition, after discussion with our PRC legal advisors, our Directors confirmed that we do not fall under any of the circumstances as set forth in Article 8 of the Trial Measures, under which overseas offerings and listing shall be prohibited. We have taken comprehensive measures to ensure our compliance with the relevant laws and regulations and will continue to pay close attention to the implementation of the Trial Measures and legislative and regulatory developments in respect of overseas listing of domestic companies.

Cybersecurity and Data Security

On December 28, 2021, the Cyberspace Administration of China (國家互聯網信息辦公室) (the "CAC"), the NDRC, the MIIT, and several other PRC governmental authorities jointly issued the Cybersecurity Review Measures (網絡安全審查辦法), which became effective on February 15, 2022. On November 14, 2021, the CAC published a draft of the Administrative Regulations for Internet Data Security (網絡數據安全管理條例(徵求意見稿)) (the "Draft Cyber Data Security Regulations"). For details, see "Regulations—Regulations on Cybersecurity, Data Security and Protection of Personal Information." On January 31, 2023, our PRC legal advisors and the PRC legal advisors to the Joint Sponsors conducted a telephonic consultation with the China Cybersecurity Review Technology and Certification Center (中國網絡安全審查技術與認證中心) (the "CCRC"), which is the competent authority according to our PRC legal advisors. The CCRC confirmed that (1) the term of "listing abroad" (國外上市) under the Cybersecurity Review Measures does not apply to listings in Hong Kong, and thus we are not required to proactively submit an application for cybersecurity review for our [**REDACTED**] in Hong Kong; and (2) since the Draft Cyber Data Security Regulations has not become effective or been formally implemented, currently we are not required to apply for cybersecurity review under the Draft Cyber Data Security Regulations.

If the Draft Cyber Data Security Regulations were implemented in its current form, our Directors believe that our business operations and financial performance will not be materially and adversely affected, and there are currently no substantive obstacles for us to fulfill the obligations that may be applicable to us in all material respects, on the basis that:

(1) as of the Latest Practicable Date, we had not been subject to any material fine or administrative penalty, mandatory rectifications, or other sanctions by any competent authorities in relation to the infringement of cybersecurity and data protection laws and regulations; and there had been no material leakage of data or personal information or violation of cybersecurity and data protection and privacy laws and regulations by us which would have material adverse impact on our business operations;

(2) we had not been involved in any investigations on cybersecurity review initiated by the CAC nor had we received any inquiry, notice, warning, or sanctions in such respect;

(3) we had implemented effective cybersecurity and data protection policies, procedures, and measures to ensure secured storage and transmission of data and prevent unauthorized access or use of data; and

(4) we continuously followed the legislative and regulatory development in cybersecurity and data protection, maintained ongoing communication with relevant government authorities and implemented all necessary measures in a timely manner to ensure continuous compliance with the relevant laws and regulations.

Based on the aforesaid and the consultation with the CCRC, our PRC legal advisors advise that there is no material legal impediment for our Company to undertake measures to comply with the Cybersecurity Review Measures, and the Draft Cyber Data Security Regulations should they be adopted in the current form, in all material respects. Having taken into account the view and analysis of our Company and our PRC legal advisors as described above, as well as the due diligence conducted, nothing has come to the attention of the Joint Sponsors which would cause them to disagree with the reasonableness of our Directors' view that (1) we are able to comply with the Cybersecurity Review Measures and the Draft Cyber Data Security Regulations (if implemented in its current form) in all material aspects; and (2) the Cybersecurity Review Measures and the Draft Cyber Data Security Regulations (if implemented in its current form) would not have a material adverse impact on our business, results of operations, financial condition or the [**REDACTED**].

In addition, on July 7, 2022, the CAC promulgated the Data Outbound Transfer Security Assessment Measures (數據出境安全評估辦法) (the "Security Assessment Measures"), which took effect on September 1, 2022. See "Regulations—Regulations on Cybersecurity, Data Security and Protection of Personal Information." During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any cross-border data transfer during our daily operations. We do not expect the Security Assessment Measures to have material impact on our daily operations in respect of the outbound data transfer.

We will closely monitor the legislative progress of the further regulatory developments regarding cybersecurity and data privacy laws, including the development on cybersecurity review and seek guidance from relevant regulatory authorities in a timely manner to ensure the appropriate measures taken by us.

We are committed to protecting our users' personal information and privacy. We have implemented a variety of protocols and procedures to ensure our ongoing compliance with the applicable regulations related to cybersecurity, information security, privacy and data security. For details, see "Business—Data Privacy and Security."

Anti-monopoly

On February 7, 2021, the Anti-monopoly Commission of the State Council issued the Anti-Monopoly Guidelines for the Internet Platform Economy Sector (關於平台經濟領域的反壟斷指南) which specifies that certain activities of internet platforms may be identified as monopolistic and that concentrations of undertakings involving variable interest entities are subject to anti-monopoly scrutiny. Moreover, the Anti-Monopoly Law promulgated by the Standing Committee of the National People's Congress of China, as lastly amended on June 24, 2022 and effective from August 1, 2022 (the "Revised Anti-monopoly Law"), requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the relevant anti-monopoly authority before they can be completed. It also requires business operators not to abuse data, algorithms, technology, capital advantages and platform rules to exclude or limit competition. On the basis that (1) during the Track Record Period and up to the Latest Practicable Date, we had not resorted to any monopolistic behavior in our business operations, and had not entered into any monopolistic agreement; (2) we had not been subject to any penalties, regulatory actions, or investigations in connection with anti-monopoly activities, our PRC legal advisors are of the view that the Revised Anti-Monopoly Law will not have any material adverse effect on us. However, these laws and guidelines may limit our ability to pursue growth through acquisitions in the PRC. See "Risk Factors—Risks Relating to Doing Business in China—The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China."

Based on currently known circumstances, our Directors believe that we will not incur material additional costs or be required to materially alter our business operations as a result of the above changes in laws and regulations in relation to anti-monopoly. Based on the foregoing, our Directors are of the view that the above changes will not have a material adverse effect on our business and operations. Having taken into account the factors above and the view of the Directors and the PRC legal advisors, nothing has come to the attention of the Joint Sponsors and their PRC legal advisors that would cause them to disagree with the reasonableness of the above-mentioned view of our Directors.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, up to the date of this document, there had been no material adverse change in our financial, operating or trading conditions since December 31, 2023, being the end of the period reported in the Accountants' Report in Appendix I to this document.

STATISTICS OF THE [REDACTED]

All statistics in the following table are based on the assumptions that (1) the [**REDACTED**] has been completed and [**REDACTED**] Shares are issued or sold pursuant to the [**REDACTED**], (2) options granted under the [**REDACTED**] are not exercised, and (3) no Shares may be issued under the Share Incentive Schemes.

	Based on an [REDACTED] of HK$[REDACTED] per Share	**Based on an [REDACTED] of HK$[REDACTED] per Share**
[**REDACTED**] of our Shares(1)	HK$[REDACTED] million	HK$[REDACTED] million
Unaudited [**REDACTED**] adjusted consolidated tangible assets less liabilities of our Group attributable to owners of our Company per Share(2)	HK$[REDACTED]	HK$[REDACTED]

(1) The calculation of market capitalization is based on [**REDACTED**] Shares expected to be issued and outstanding following the completion of the [**REDACTED**]. The [**REDACTED**] Shares used in deriving the market capitalization includes [**REDACTED**] Shares as used in Appendix II to this document, [**REDACTED**] Preferred Shares that are expected to be converted into Ordinary Shares upon completion of the [**REDACTED**] and [**REDACTED**] Shares held by Firefiles Limited which are considered as treasury shares in Appendix II to this document and not counted as ordinary shares.

(2) The unaudited [**REDACTED**] adjusted consolidated tangible assets less liabilities of our Group attributable to owners of our Company per Share is calculated after making the adjustments on the basis that [**REDACTED**] Shares are issued and outstanding immediately upon completion of the [**REDACTED**] (without taking into account of any Shares which may be allotted and issued upon exercise of the [**REDACTED**]), which is assumed to be on December 31, 2023 for the purpose of the [**REDACTED**] financial information, excluding 11,648,137 Shares held by us as treasury stock as of December 31, 2023, which are reserved for grant of options or restricted shares under 2020 Share Incentive Scheme, as well as the automatic conversion of Preferred Shares into the Ordinary Shares upon the completion of the [**REDACTED**]. The unaudited [**REDACTED**] adjusted consolidated [**REDACTED**] less liabilities of our Group attributable to owners of our Company per Share is converted from RMB into Hong Kong dollars at an exchange rate of HK$1.0 to RMB[0.9093].

As of December 31, 2023, the carrying amount of our Preferred Shares of RMB4,256.2 million was recognized as financial liabilities. The Preferred Shares shall automatically be converted without payment of any additional consideration into Ordinary Shares upon the closing of a qualified [**REDACTED**]. See Note 25 to the Accountants' Report in Appendix I to this document.

Assuming then conversion took place on December 31, 2023 on a one-to-one basis, the unaudited [**REDACTED**] adjusted consolidated tangible assets less liabilities of our Group attributable to owners of our Company would have increased from approximately RMB[**REDACTED**] million to approximately RMB[**REDACTED**] million based on the [**REDACTED**] of HK$[**REDACTED**] per Share, or from approximately RMB[**REDACTED**] million to approximately RMB[**REDACTED**] million based on the [**REDACTED**] of HK$[**REDACTED**] per Share. The unaudited [**REDACTED**] adjusted consolidated tangible assets less liabilities of our Group attributable to owners of our Company per Share would have increased to RMB[**REDACTED**] (HK$[**REDACTED**]) and RMB[**REDACTED**] (HK$[**REDACTED**]) based on the [**REDACTED**] of HK$[**REDACTED**] and HK$[**REDACTED**] per Share, respectively.

[**REDACTED**]

We expect to incur a total of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million) of [**REDACTED**] in connection with the [**REDACTED**], representing approximately [**REDACTED**]% of the [**REDACTED**] from the [**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**], being the mid-point of the indicative [**REDACTED**] between HK$[**REDACTED**] and HK$[**REDACTED**], and assuming that the [**REDACTED**] is not exercised), including (1) [**REDACTED**]-related fees and expenses of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), and (2) non-[**REDACTED**] related expenses of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), which consist of (i) fees and expenses of legal advisors and accountants of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million), and (ii) other fees and expenses of approximately RMB[**REDACTED**] million (HK$[**REDACTED**] million). As of December 31, 2023, out of the expected [**REDACTED**], we incurred approximately RMB37.34 million, out of which approximately RMB32.50 million was charged to our consolidated statements of profit or loss, while the remaining amount of approximately RMB[**REDACTED**] million directly attributable to the issuance of Shares will be deducted from equity upon the completion of the [**REDACTED**]. We expect to further incur [**REDACTED**] of approximately RMB[**REDACTED**] million upon the completion of the [**REDACTED**], out of which approximately RMB[**REDACTED**] million is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[**REDACTED**] million is expected to be deducted from equity. The [**REDACTED**] above are the best estimate as of the Latest Practicable Date and for reference only. The actual amount may differ from this estimate.

[**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$[**REDACTED**] per Share, we estimate that the [**REDACTED**] from the [**REDACTED**] will be approximately HK$[**REDACTED**] million (after deducting the estimated [**REDACTED**] and other fees and expenses paid by us during the Track Record Period and payable by us subsequent to December 31, 2023 in connection with the [**REDACTED**]), assuming 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:

- approximately [50.0]%, or HK$[**REDACTED**] million, for enlarging our user base and strengthening our marketing and promotion initiatives;
- approximately [35.0]%, or HK$[**REDACTED**] million, for advancing our technological capabilities and upgrading our safety mechanism; and
- approximately [15.0]%, or HK$[**REDACTED**] million, for enhancing monetization capabilities.

See "Future Plans and [**REDACTED**]."