

CONNECTED TRANSACTIONS

Upon [REDACTED], transactions between members of our Group and our connected persons will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions with the following connected persons, which will constitute our continuing connected transactions upon [REDACTED]:

GAIG and its associates:

Connected Relationship	Name
Substantial Shareholder	GAIG and its associates

Represented Tencent Group:

Connected Relationship	Name
Close associates of Tencent Mobility, our substantial Shareholder	Represented Tencent Group

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Continuing connected transactions	Historical amounts <i>(RMB in thousands)</i>	Proposed annual cap <i>(RMB in thousands)</i>
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Fully Exempt Continuing Connected Transaction

Continuing Connected Transactions with the Represented Tencent Group:

1. Tencent Employee Ride-Hailing Cooperation Agreement

Service fees to be paid by the Represented Tencent Group to us	for the year ended December 31,	for the year ending December 31,
	2021: 196	2024: 2,200
	2022: –	2025: 2,350
	2023: 644	2026: 2,500

Non-exempt Continuing Connected Transactions

Continuing Connected Transactions with GAIG and/or its associates:

1. Products and Services Purchase and Provision Framework Agreement

Provision of Products and Services

Transaction amount to be paid by GAIG and/or its associates to us	for the year ended December 31,	for the year ending December 31,
	2021: 1,887	2024: 145,000
	2022: 16,076	2025: 145,000
	2023: 110,856	2026: 145,000

CONNECTED TRANSACTIONS

Continuing connected transactions	Historical amounts <i>(RMB in thousands)</i>	Proposed annual cap <i>(RMB in thousands)</i>
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Purchase of Products and Services

Transaction amount to be paid by us to GAIG and/or its associates	for the year ended December 31, 2021: 11,094 2022: 48,898 2023: 240,091	for the year ending December 31, 2024: 490,000 2025: 605,000 2026: 720,000
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Continuing Connected Transactions with the Represented Tencent Group:

2. Cloud and Map Services and Technical Services Framework Agreement

Service fees to be paid by us to the Represented Tencent Group	for the year ended December 31, 2021: 15,834 2022: 30,757 2023: 37,282	for the year ending December 31, 2024: 67,000 2025: 88,000 2026: 145,000
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3. Weixin Services Framework Agreement

Service fees to be paid by us to the Represented Tencent Group	for the year ended December 31, 2021: 5,682 2022: 6,118 2023: 7,636	for the year ending December 31, 2024: 19,000 2025: 25,000 2026: 35,000
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4. Marketing Promotion Services Framework Agreement

Service fees to be paid by us to the Represented Tencent Group	for the year ended December 31, 2021: – 2022: 51 2023: 13,297	for the year ending December 31, 2024: 30,000 2025: 45,000 2026: 70,000
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Contractual Arrangements

5. Contractual Arrangements	N/A	N/A
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FULLY EXEMPT CONTINUING CONNECTED TRANSACTION

1. Tencent Employee Ride-Hailing Cooperation Agreement

Parties

Qichen Technology; and

Tencent Technology (Shenzhen) Company Limited (“**Tencent Technology**”)

CONNECTED TRANSACTIONS

Principal terms

On February 20, 2023, Qichen Technology and Tencent Technology entered into a Tencent Employee Ride-Hailing Cooperation Agreement (the “**Tencent Ride-Hailing Agreement**”) pursuant to which Qichen Technology agreed to provide our enterprise solutions for ride-hailing services to Tencent Technology and its affiliates. Fees will be paid by Tencent Technology to Qichen Technology.

The initial term of the Tencent Ride-Hailing Agreement commenced on January 1, 2023 and will end on December 31, 2025, subject to renewal upon the mutual agreement of both parties thereto.

Reasons for the transaction

We offer our enterprise solutions to address business use-cases and provide enterprise customers with premium benefits. With our strong network in Guangdong Province where Tencent is headquartered, Tencent selected us as their enterprise ride-hailing service provider.

Historical amounts and expected future transaction amounts

We provided our enterprise solutions for ride-hailing services to Tencent Technology and its affiliates only in certain months in 2021, and suspended the service in 2022. Starting from August 2023, we resumed the service and recorded transaction amount of RMB644.24 thousand for a period of more than four months in 2023. For the years ending December 31, 2024, 2025 and 2026, we expect to receive fees of RMB2,200 thousand, RMB2,350 thousand and RMB2,500 thousand from Tencent Technology, respectively. The estimated transaction amount for the years ending December 31, 2024, 2025 and 2026 was determined by based on the average transaction amount per order since September 2023 and 5% increase of the order volume each year over the average order volume since September 2023.

Listing Rules implications

In respect of the transactions under the Tencent Ride-Hailing Agreement, as the highest applicable percentage ratio for each of the years ending December 31, 2026 calculated based on the expected future transaction amounts for the purpose of Chapter 14A of the Listing Rules exceeds 0.1% but is less than 5%, and the total consideration thereunder is less than HK\$3,000,000, such transactions will, upon [REDACTED], be fully exempted from the reporting, annual review, announcement, and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have conducted the following transactions in the ordinary and usual course of our business, which will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual reporting, announcement and independent Shareholders’ approval (as the case may be) requirements under Chapter 14A of the Listing Rules (the “**Non-exempt Continuing Connected Transactions**”).

1. **Products and Services Purchase and Provision Framework Agreement**

Parties

Our Company; and

GAIG

Principal terms

On [●], 2024, our Company (for itself and on behalf of other members of our Group) entered into a products and services purchase and provision framework agreement with GAIG (the “**Products and Services Purchase and Provision Framework Agreement**”), pursuant to which (i) our Company will provide various types of products and services to GAIG and/or its associates; and (ii) GAIG and/or its associates will provide a wide spectrum of products and services to us.

The initial term of the Products and Services Purchase and Provision Framework Agreement will commence on the [REDACTED] and end on December 31, 2026, subject to renewal upon the mutual agreement of both parties and in compliance with the Listing Rules.

Separate underlying agreements will be entered into which will set out the precise scope of products and services, service fees calculation, method of payment and other details of the products and services arrangement in the manner provided in the Products and Services Purchase and Provision Framework Agreement.

Provision of Products and Services by Our Group

Pursuant to the Products and Services Purchase and Provision Framework Agreement, our Company will provide various types of products and services to GAIG and/or its associates, including, but not limited to our enterprise solutions for ride-hailing service, ride-hailing car related material sales (including our uniforms, tissue boxes, etc., which will be ultimately used in cars managed by associates of GAIG that are our car partners), technology services (i.e. autonomous driving data solutions and smart transportation solutions), auto services and products offered through OnTime auto service center (including sales of vehicles, vehicle maintenance and repair), referral service, etc. Fees will be paid to the Company by GAIG and/or its associates in respect of the provision of such products and services.

CONNECTED TRANSACTIONS

Reasons for the transaction

Our Directors consider that the provision of products and services to GAIG and/or its associates would benefit our Company for the following reasons:

- according to Frost & Sullivan, the collaboration between the mobility platform and the OEMs is a mutually beneficial relationship. The OEMs provide customized vehicles and technical support, enabling the platform to deliver high-quality services. In return, the platform offers market expansion opportunities, and valuable market insights for the OEMs’ product development, including but not limited to Robotaxi initiatives. This partnership drives business growth and industry development. Since the mobility business of our Company and automobile business of GAIG and its associates are inextricably linked together in multiple aspects, our Company’s business and those of GAIG and its associates are highly complementary and beneficial to each other; considering GAIG’s leading position in the research and development, manufacturing and sales of automobile, it is natural and in the best interests of the Company to cooperate with GAIG. In our case, associates of GAIG, as the OEMs, provide AION branded new energy vehicles and GAC-Honda branded vehicles to be used by car partners on our platform, which enables them to deliver high-quality services. On the other hand, use of vehicles manufactured by associates of GAIG provides the OEMs with market expansion opportunities for those OEM’s products. Furthermore, our provision of Robotaxi service under mobility services and provision of technology services also provides valuable market insights for the OEMs’ product development;
- in particular, in respect of our enterprise solutions for ride-hailing service, leveraging the large user base and reliable and trustworthy reputation of GAIG, provision of such service to GAIG and/or its associates may further increase our user base and promote our brand and services to a wider range of customers;
- in respect of ride-hailing car related material sales, we encourage cars in our network to use uniformed materials and as our car partners, associates of GAIG need to purchase such materials from us and use them in their managed cars;
- in respect of technology service, our data assets, combined with our market insights as an experienced market leader in China’s mobility service market, support our expansion into autonomous driving data solutions and smart transportation solutions which GAIG and its associates need for their business development;

CONNECTED TRANSACTIONS

- we aim to build a one-stop standardized automobile service platform, OnTime auto service center, and create an industry network encompassing driver services, after-sales services, and other ancillary services in extended scenarios. We offer sales of vehicles and vehicle maintenance and repair through our OnTime auto service centers to car partners that are associates of GAIG;
- in respect of referral services, we refer drivers to car partners which are associates of GAIG and potential car buyers to authorized dealers which are associates of GAIG; and
- as both parties enjoy respective advantages in different business fields, our collaboration may bring synergy into full play and share development achievements.

Pricing policies

- In respect of our enterprise solutions for ride-hailing service, the fee charged by us will be determined based on arm's length negotiation, taking into account the volume of service requested by GAIG and its associates as a whole, the business scale of GAIG and its associates, and the market price for our enterprise solutions, and shall be no less than that charged to independent third-party customers with comparable transaction volume;
- In respect of ride-hailing car related materials, the Group shall adopt consistent pricing policy for all customers including both GAIG and independent third parties;
- In respect of technology services, the fee charged by us will be determined based on arm's length negotiation with reference to our manpower deployed, the nature of the service provided, the frequency of service, the expected transaction amount, the business potential of the service provided, etc.;
- In respect of auto services and products offered through OnTime auto service center, fee charged by us will be determined based on arm's length negotiation with reference to market price charged by OEMs and shall be no less than that charged to independent third parties;
- In respect of referral service, fee charged by us will be determined based on arm's length negotiation with reference to market price for similar services, the nature of service, business potential of service, etc.; and
- for those products and services that our Group also provide to independent third parties, the Group shall compare the price offered by GAIG and/ or its associates and independent third parties with reference to market prices if available.

CONNECTED TRANSACTIONS

Historical amounts and proposed annual caps

The following table sets forth (a) the aggregate amounts of fees relating to products and services paid to us by GAIG and/or its associates during the Track Record Period; and (b) the proposed annual caps for the provision of products and services under the Products and Services Purchase and Provision Framework Agreement:

	Year ended December 31,		
	2021	2022	2023
	<i>(RMB in thousands)</i>		
Transaction amount paid by GAIG and/or its associates to us	1,887	16,076	110,856
	Year ending December 31,		
	2024	2025	2026
	<i>(RMB in thousands)</i>		
Transaction amount to be paid by GAIG and/or its associates to us	145,000	145,000	145,000

The substantial increase of transaction amount paid by GAIG and/or its associates to us for the year ended December 31, 2022 as compared with that for 2021 was primarily because we tapped into the fleet management & services in 2022 and started to provide vehicle maintenance and repair services and sales of vehicles through our OnTime auto service center to GAIG and/or its associates. The substantial increase of transaction amount paid by GAIG and/or its associates to us for the year ended December 31, 2023 as compared with that for 2022 was primarily due to the increase of sales of vehicles to associates of GAIG that are our car partners and technology service provided to GAIG and/or its associate.

Basis of caps

The above proposed annual caps for the transaction amount to be paid by GAIG and/or its associates to us in respect of the provision of products and services are determined based on historical transaction amounts with reference to our estimated growth of business in the next three years. The increase of proposed annual cap for the year ending December 31, 2024 as compared with the historical transaction amount for the year ended December 31, 2023 is primarily due to:

- the expected transaction amount in respect of enterprise solutions for ride-hailing service for the year ending December 31, 2024 is estimated based on the historical transaction amount for the year ended December 31, 2023, taking into consideration that more associates of GAIG purchased our enterprise solutions in 2024;

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- in respect of ride-hailing car related materials, the expected transaction amount for the year ending December 31, 2024 is estimated based on our estimated new drivers and driver force of car partners that are associates of GAIG, which will procure our uniforms and tissue boxes;
- in view of our developing capability in offering technology services, we expect to have more technology services to be provided to GAIG and/or its associates for the year ending December 31, 2024;
- in respect of auto services and products, we received large amount of tentative vehicle purchase orders from associates of GAIG that are our car partners to replace and upgrade their existing service fleets, which are expected to continue to deliver them in 2024; and
- in respect of referral services, the expected transaction accounts for the year ending December 31, 2024 are estimated based on demands of GAIG and/or its associate pursuant to discussion with them.

For the years ending December 31, 2025 and 2026, the proposed annual caps are estimated with reference to (i) the estimated growth of business; and (ii) the life cycle of vehicle for ride-hailing services.

Purchase of Products and Services by Our Group

Pursuant to the Products and Services Purchase and Provision Framework Agreement, GAIG and/or its associates will provide a wide spectrum of products and services to us, including but not limited to franchise management services (which are provided by car partners that are associates of GAIG assisting us in managing car and drivers), sales of passenger vehicles (manufactured by associates of GAIG including AION branded new energy vehicles and GAC-Honda branded vehicles), automobile components, vehicle maintenance and repair service and insurance service (in relation to insurance coverage over our operation of ride-hailing, hitch and Robotaxi services). We will, in return, pay products and service fees to GAIG and/or its associates.

Reasons for the transaction

Our Directors consider that purchasing products and services from GAIG and/or its associates would benefit the Company for the following reasons:

- according to Frost & Sullivan, the collaboration between the mobility platform and the OEMs is a mutually beneficial relationship. The OEMs provides customized vehicles and technical support, enabling the platform to deliver high-quality services. In return, the platform offers market expansion opportunities, and valuable market insights for the OEMs’ product development, including but not limited to Robotaxi initiatives. This partnership drives business growth and industry

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development. Since the mobility business of our Company and automobile business of GAIG and its associates are inextricably linked together in multiple aspects, the Company’s business and those of GAIG and its associates are highly complementary and beneficial to each other; considering GAIG’s leading position in the research and development, manufacturing and sales of automobile, it is natural and in the best interests of the Company to cooperate with GAIG. In our case, associates of GAIG, as the OEMs, provide AION branded new energy vehicles and GAC-Honda branded vehicles to be used by car partners on our platform, which enables them to deliver high-quality services. On the other hand, use of vehicles manufactured by associates of GAIG provides the OEMs with market expansion opportunities for those OEM’s products. Furthermore, our provision of robotaxi service under mobility services and provision of technology services also provides valuable market insights for the OEMs’ product development;

- in particular, GAIG and/or associates are specialized in vehicle maintenance and repair and can supplement our after sales maintenance and repair services including new energy battery repair;
- as GAIG and/or its associates have comprehensive understanding of our business needs, and we have established a good foundation of mutual trust with each other; GAIG and/or its associates can provide stable and high-quality services and products that can effectively and reliably meet our needs;
- in particular, as our car partners, associates of GAIG can ensure effective communication and management over cars and drivers thereby providing stable and quality services to our end customers;
- in respect of purchase of passenger vehicles, with a view to building a one-stop standardized automobile service platform to serve our car partners and drivers, we consolidate the demands from our car partners and drivers, and negotiate directly with automobile manufacturers including GAIG and its associates for a collective deal, and therefore we purchase passenger vehicles from associates of GAIG;
- for those maintenance and repair services beyond our own capability, we need to purchase such services and automobile components from GAIG and/or its associates; for instance, we delegate associates of GAIG to provide battery repair for AION branded new energy vehicle; and
- as both parties enjoy respective advantages in different business fields, our collaboration may bring synergy into full play and share development achievements.

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Pricing policies

- In respect of franchise management service, we adopt the same level of charge in each business line for car partners in the same city, and therefore the service fee rate charged by us to GAIG’s associates are the same as those who are independent third parties;
- In respect of sales of passenger vehicles by GAIG and/or its associates to us, the unit price of passenger vehicles shall be determined by manufacturers of passenger vehicles, whilst we will compare the unit price offered by GAIG and/or its associates and that by independent third parties, and will make the procurement from the better terms offered;
- In respect of sales of automobile components by GAIG and/or its associates to us, the price shall be determined by manufacturers of passenger vehicles and shall be in line with that offered by independent third parties;
- In respect of vehicle maintenance and repair service, the price shall be determined by providers of such service and shall be in line with that offered by independent third parties;
- In respect of purchase of insurance, the price shall be determined by providers of such service or product and shall be in line with that offered by independent third parties; and
- for those products and services that our Group also purchase from independent third parties, the Group shall compare the price charged by GAIG and/or its associates and independent third parties with reference to market prices if available.

Historical amounts and proposed annual caps

The following table sets forth (a) the aggregate amounts of fees relating to products and services paid by us to GAIG and/or its associates during the Track Record Period; and (b) the proposed annual caps for the purchase of products and services under the Products and Services Purchase and Provision Framework Agreement:

	Year ended December 31,		
	2021	2022	2023
	<i>(RMB in thousands)</i>		
Transaction amount paid by us to GAIG and/or its associates	11,094	48,898	240,091

CONNECTED TRANSACTIONS

	Year ending December 31,		
	2024	2025	2026
	<i>(RMB in thousands)</i>		
Transaction amount to be paid by us to GAIG and/or its associates	490,000	605,000	720,000

Basis of caps

The above proposed annual caps are determined based on historical transaction amounts and our procurement demands with reference to our estimated growth of business in the next three years.

The substantial increase of proposed annual cap for the year ending December 31, 2024 as compared with the historical transaction amount for the year ended December 31, 2023 is primarily due to the increase of purchase of new energy vehicles from associates of GAIG. The expected purchase amount of new energy vehicles for years ending December 31, 2024, 2025 and 2026 is estimated to be RMB465,000 thousand, RMB577,000 thousand and RMB684,000 thousand, respectively, which represents the majority of the respective annual caps.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Products and Services Purchase and Provision Framework Agreement for each of the three years ending December 31, 2026 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

2. Cloud and Map Services and Technical Services Framework Agreement

Parties

Our Company; and

Shenzhen Tencent Computer Systems Company Limited (“**Tencent Computer**”)

CONNECTED TRANSACTIONS

Principal terms

On [●], 2024, our Company (for itself and on behalf of other members of our Group) entered into a cloud and map services and technical services framework agreement with Tencent Computer (for itself and on behalf of the Represented Tencent Group) (the “**Cloud and Map Services and Technical Services Framework Agreement**”), pursuant to which the Represented Tencent Group will provide cloud and digital map services and other cloud-related technical services to us for service fees. Cloud and digital map services and other cloud-related technical services, include but not limited to, provision of computing and network, cloud servers, cloud database, cloud security, monitoring and management, domain name resolution services, video services, digital map, big data and AI and other products and services.

The initial term of the Cloud and Map Services and Technical Services Framework Agreement will commence on the [REDACTED] and end on December 31, 2026, subject to renewal upon the mutual agreement of both parties and in compliance with the Listing Rules.

Separate underlying agreements will be entered into which will set out the precise scope of service, service fees calculation, method of payment and other details of the service arrangement in the manner provided in the Cloud and Map Services and Technical Services Framework Agreement.

Reasons for the transactions

The Represented Tencent Group is a leading service provider for a wide range of cloud services in the PRC and is able to provide reliable and cost-efficient services. Leveraging on the cloud and map services provided, part of our servers have become cloud-based, allowing a higher degree of flexibility in managing the number of our servers on an as needed basis. Considering our business has undergone and is expected to undergo rapid growth, we believe that obtaining such services from an integrated service provider is a cost-effective alternative to building all supporting technology infrastructure internally. We therefore entered into the Cloud and Map Services and Technical Services Framework Agreement to govern any cloud and map services and technical services to be provided by the Represented Tencent Group to us.

Pricing policies

Before entering into any cloud and map services agreement or technical services agreement pursuant to the Cloud and Map Services and Technical Services Framework Agreement, we will assess our needs and compare the terms and conditions, and services proposed by the Represented Tencent Group with those offered by other competent service providers who are independent third parties. The service fee will be agreed by the parties through arm’s length negotiations based on the fee rates disclosed on the relevant official platforms or websites of the Represented Tencent Group. In addition, we will take into account a number of factors, including but not limited to (i) the quality, reliability and stability of cloud and technical services of different service providers; and (ii) the service fee rates. We will only

CONNECTED TRANSACTIONS

enter into a cloud and map services and technical services agreement with the Represented Tencent Group if (i) the terms and conditions are fair and reasonable and based on normal or no less favorable commercial terms than those offered by other independent third-party service providers who can provide comparable services; and (ii) it is in the best interests of our Company and the Shareholders as a whole.

Historical amounts and proposed annual cap

The following table sets forth (a) the aggregate amounts of fees relating to cloud and map services and technical services paid to the Represented Tencent Group by us during the Track Record Period; and (b) the proposed annual caps under the Cloud and Map Services and Technical Services Framework Agreement:

	Year ended December 31,		
	2021	2022	2023
	<i>(RMB in thousands)</i>		
Services fees paid by us to the Represented Tencent Group	15,834	30,757	37,282

	Year ending December 31,		
	2024	2025	2026
	<i>(RMB in thousands)</i>		
Services fees to be paid by us to the Represented Tencent Group	67,000	88,000	145,000

Basis of cap

When estimating the annual caps, our Directors have taken into consideration the following factors, including:

- the aforesaid historical transaction amounts and the existing agreements between our Group and the Represented Tencent Group. The service fees for cloud and map services and technical services paid by us to the Represented Tencent Group increased significantly during the Track Record Period from RMB15,834 thousand in 2021 to RMB30,757 thousand in 2022, with further increase to RMB37,282 thousand in 2023. The historical increase in the service fees we paid to the Represented Tencent Group was mainly due to the increase in our user traffic and the overall growth of our business; and
- as we expect growth in the number of our users, higher user engagement on our platform, continual development of our products and services and the corresponding demand for cloud and map services and technical services, the estimated amount of fees is expected to increase along with the overall growth of our business.

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Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Cloud and Map Services and Technical Services Framework Agreement for the three years ending December 31, 2026 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5%, on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

3. Weixin Services Framework Agreement

Parties

Our Company; and

Tencent Computer

Principal terms

On [●], 2024, our Company (for itself and on behalf of other members of our Group) entered into a Weixin services framework agreement (the “**Weixin Services Framework Agreement**”) with Tencent Computer (for itself and on behalf of the Represented Tencent Group), pursuant to which the Represented Tencent Group will provide us with (i) payment services through its payment channels to enable our users to conduct online transactions on our platform through Tencent payment channel, (ii) technical services based on Weixin mini program, and (iii) technical services based on WeCom, Weixin’s platform for enterprises. We shall in return pay payment processing costs to the Represented Tencent Group.

The initial term of the Weixin Services Framework Agreement will commence on the [REDACTED] and end on December 31, 2026, subject to renewal upon the mutual agreement of both parties and in compliance with the Listing Rules.

Separate underlying agreements will be entered into which will set out the charge rates, method of payment and other details of the service arrangement in the manner provided in the Weixin Services Framework Agreement. The payment processing costs will be determined after arm’s length negotiation between the parties with reference to the market rates. The charge rates and calculation method shall be agreed between the parties separately.

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Reasons for the transaction

Our users use online payment services mainly to settle their payments in connection with our mobility services. There are limited choices of online payment channels in the PRC. Given that the Represented Tencent Group operates one of the leading online payment service and many of our users use the online payment services provided by the Represented Tencent Group, such cooperation would enable us to provide our users with quality payment services and therefore enhance our users’ satisfaction with our services.

Pricing policies

Before entering into any payment service agreement pursuant to the Weixin Services Framework Agreement, we will assess our business needs and compare the terms and conditions, and services proposed by the Represented Tencent Group with those offered by other comparable service providers who are independent third parties. In addition, we will take into account a number of factors, including but not limited to (i) the efficiency and prevalence of payment channels operated by different online payment service providers; (ii) our users’ preference among different online payment service providers; and (iii) the charge rates. We will only enter into a payment service agreement with the Represented Tencent Group if (i) the terms and conditions are fair and reasonable and based on normal or no less favorable commercial terms than those offered by other independent third-party service providers who can provide comparable services; and (ii) it is in the best interests of our Company and the Shareholders as a whole. With respect to the technical services based on Weixin mini program and technical services based on WeCom, Weixin’s platform for enterprises pursuant to the Weixin Services Framework Agreement, we will only enter into an agreement with the Represented Tencent Group if the rates charged to us are not higher than those charged to other independent third parties provided with similar services.

Historical amounts and proposed annual caps

The following table sets forth (a) the aggregate amounts of payment processing costs paid by us to the Represented Tencent Group during the Track Record Period; and (b) the proposed annual caps under the Weixin Services Framework Agreement:

	Year ended December 31,		
	2021	2022	2023
	<i>(RMB in thousands)</i>		
Services fees to be paid by us to the Represented Tencent Group	5,682	6,118	7,636

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	Year ending December 31,		
	2024	2025	2026
	<i>(RMB in thousands)</i>		
Services fees to be paid by us to the Represented Tencent Group	19,000	25,000	35,000

Basis of caps

When estimating the proposed annual caps for the payment processing costs for the three years ending December 31, 2026, we have taken into account the following key factors:

- the aforesaid historical transaction amounts and the existing agreements between our Group and the Represented Tencent Group. The services fees paid by us to the Represented Tencent Group increased during the Track Record Period from RMB5,682 thousand in 2021 to RMB6,118 thousand in 2022 and RMB7,636 thousand in 2023. The increase in the service fees we incurred with the Represented Tencent Group was mainly attributable to the growth of our mobility service business and the overall expansion of our business;
- for the three years ended 2021, 2022 and 2023, the payment processing cost paid by the Group to the Represented Tencent Group as to the total payment processing cost incurred on our platforms was 95.29%, 95.37% and 96.22%, respectively representing high correlation between our business and the payment processing cost paid to Represented Tencent Group. Given the popularity of the online payment channel offered by the Represented Tencent Group, we expect that the online payment channel offered by the Represented Tencent Group will continue to be one of the most popular payment channels among our users, and the proportion of the payment processing cost payable by the Group to the Represented Tencent Group as to the total payment processing cost to be incurred by the Group for the next three years will remain relatively stable; and
- we started to purchase technical services based on Weixin mini program and WeCom, Weixin’s platform for enterprises, and will continue to purchase them in the three years ending December 31, 2026.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Weixin Services Framework Agreement for each of the three years ending December 31, 2026 calculated for the purpose of Chapter 14A of the Listing Rules is expected to exceed 0.1% but less than 5%, on an annual basis, pursuant to Rule 14A.76(2) of the Listing Rules, such transactions will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

CONNECTED TRANSACTIONS

4. Marketing Promotion Services Framework Agreement

Parties

Our Company; and

Tencent Computer

Principal terms

On [●], 2024, our Company (for itself and on behalf of other members of our Group) entered into a marketing and promotion services framework agreement with Tencent Computer (for itself and on behalf of the Represented Tencent Group) (the “**Marketing Promotion Services Framework Agreement**”), pursuant to which the Represented Tencent Group will provide marketing and promotion services to us, including allowing our mobility services to have access to, and accept orders on, Tencent’s ride-hailing service platforms. We will in turn pay marketing and promotion service fees to the Represented Tencent Group.

The initial term of the Marketing Promotion Services Framework Agreement will commence on the [REDACTED] and end on December 31, 2026, subject to renewal upon the mutual agreement of both parties and in compliance with the Listing Rules.

Separate underlying agreements will be entered into which will set out the precise scope of service, service fees calculation, method of payment and other details of the service arrangement in the manner provided in the Marketing Promotion Services Framework Agreement.

Reasons for the transactions

Given that the Represented Tencent Group is a leading player in the PRC Internet, social network and media entertainment industries, the use of marketing and promotion services on its platforms would enable us to gain more popularity and reach more potential customers, hence further enhancing our business growth.

Pricing policies

Before entering into any marketing and promotion agreement pursuant to the Marketing Promotion Services Framework Agreement, we will assess our business needs and compare the rates of marketing and promotion services fees proposed by the Represented Tencent Group with the rates offered by other comparable marketing and promotion service providers. We will only enter into a marketing and promotion service agreement with the Represented Tencent Group when the rates of marketing and promotion service fees proposed by the Retained Tencent Group are in line with or lower than the market rates and the agreement is in the best interests of our Company and our Shareholders as a whole.

CONNECTED TRANSACTIONS

Historical amounts and proposed annual cap

The following table sets forth (a) the aggregate amounts of fees relating to marketing promotion services paid to the Represented Tencent Group by us during the Track Record Period; and (b) the proposed annual caps under the Marketing and Promotion Services Framework Agreement:

	Year ended December 31,		
	2021	2022	2023
	<i>(RMB in thousands)</i>		
Services fees paid by us to the Represented Tencent Group	–	51	13,297

	Year ending December 31,		
	2024	2025	2026
	<i>(RMB in thousands)</i>		
Services fees to be paid by us to the Represented Tencent Group	30,000	45,000	70,000

Basis of cap

To support our Company’s development, Tencent did not charge us for marketing services for the year ended December 31, 2021. Starting from 2022, Tencent only charged service fees for orders in Changsha City, Hunan Province, and thus we paid service fees of RMB51 thousand to Tencent. For the year ended December 31, 2023, Tencent charged fees for provision of marketing services to us in all areas we operate. The proposed annual caps for the three years ending December 31, 2026 was determined based on the estimated orders on Tencent’s platform, and our business needs according to our future growth for the three years ending December 31, 2026.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Marketing Promotion Services Framework Agreement for the three years ending December 31, 2026 calculated for the purpose of Chapter 14A of the Listing Rules is expected to be more than 5%, on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

CONNECTED TRANSACTIONS

5. Contractual Arrangements

Background

Due to regulatory restrictions on foreign ownership in the PRC, we conduct a portion of our business through our Consolidated Affiliated Entities in the PRC. We do not hold any equity interests in our Consolidated Affiliated Entities. The Contractual Arrangements among relevant members of our Group, our Consolidated Affiliated Entities and the Registered Shareholders enable us to (i) exercise effective control over our Consolidated Affiliated Entities; (ii) receive substantially all of the economic benefits from our Consolidated Affiliated Entities; and (iii) have an exclusive option to purchase all or part of the equity interests in, and/or assets, our Consolidated Affiliated Entities when and to the extent permitted by the PRC laws.

Please see the section headed “Contractual Arrangements” for details of the agreements underlying the Contractual Arrangements.

Listing Rules Implications

The transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of our Company under the Listing Rules upon [REDACTED] as certain parties to the Contractual Arrangements, namely the Registered Shareholders, are connected persons of our Group.

Waiver Application

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to our legal structure and business operations, that such transactions have been and will be entered into in our ordinary and usual course of business, are normal commercial terms or better, and the terms are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

Our Directors also believe that our structure, whereby the financial results of our Consolidated Affiliated Entities are consolidated into our financial statements as if they were our Company’s subsidiaries and all the economic benefits of their business flows to our Group, places our Group in a special position in relation to the connected transaction rules.

Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing transactions, contracts and agreements to be entered into, among others, by our Consolidated Affiliated Entities and any member of our Group from time to time (“**New Intergroup Agreements**”) will technically constitute continuing connected transactions under Chapter 14A of the Listing Rules. Our Directors consider that it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, for all such

CONNECTED TRANSACTIONS

transactions to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and independent shareholders' approval requirements. In addition, given the Contractual Arrangements were entered into prior to the [REDACTED] and are disclosed in this Document, and potential investors of our Company will participate in the [REDACTED] on the basis of such disclosure, our Directors consider that compliance with the announcement and the independent shareholders' approval requirements in respect thereof immediately after [REDACTED] would add unnecessary administrative costs to our Company.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under relevant framework agreements for the continuing connected transactions are fair and reasonable, and no less favorable to us than terms available to or from Independent Third Parties, and the connected transactions are carried out under normal commercial terms, we have adopted the following internal control procedures:

- we have adopted and implemented a management system on connected transactions. Under such system, the Audit Committee under the Board is responsible for the review on compliance with relevant laws, regulations, the Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the Audit Committee under the Board, the Board and various internal departments of the Company are jointly responsible for evaluating the terms under framework agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;
- the Audit Committee under the Board, the Board and various internal departments of the Company also regularly monitor the fulfillment status and the transaction updates under the framework agreements. In addition, the management of the Company also regularly reviews the pricing policies of the framework agreements;
- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation to ensure that, in accordance with the Listing Rules, the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the pricing policy; and
- when considering the service fees and other fees provided by us to the above connected persons, the Company will continue to regularly research in prevailing market conditions and practices and make reference to the pricing and terms between the Company and Independent Third Parties for similar transactions, to ensure that the pricing and terms offered by the above connected persons, either from bidding procedures or mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered to Independent Third Parties. For the specific internal control procedures for each of the continuing connected transaction under their framework agreements, please refer to the relevant disclosure for the respective continuing connected transaction in this section.

CONNECTED TRANSACTIONS

CONFIRMATION BY DIRECTORS

The Directors (including independent non-executive Directors) are of the view that (i) the Non-exempt Continuing Connected Transactions have been and will continue to be carried out in our ordinary and usual course of business of the Company and on normal commercial terms or better that are fair and reasonable and in the interests of the Company and our Shareholders as a whole, (ii) the proposed annual caps (if any) for the Non-exempt Continuing Connected Transactions are fair and reasonable and in the interests of the Company and our Shareholders as a whole, and (iii) it is normal business practice for the Contractual Arrangements to be of a term greater than three years.

CONFIRMATION BY THE JOINT SPONSORS

The Joint Sponsors have (i) reviewed the relevant documents and information provided by the Company in relation to the above Non-exempt Continuing Connected Transactions; (ii) obtained necessary representations and confirmations from the Company and the Directors, and (iii) participated in the due diligence and discussions with the management of the Group.

Based on the above, the Joint Sponsors are of the view that the aforesaid (i) Non-exempt Continuing Connected Transactions, for which waivers have been sought, have been entered into in the ordinary and usual course of our business on normal commercial terms or better that are fair and reasonable and in the interest of the Company and its Shareholders as a whole; and (ii) the proposed annual caps of the Non-exempt Continuing Connected Transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

With respect to the term of the relevant agreements underlying the Contractual Arrangements which is of a duration longer than three years, the Joint Sponsors are of the view that (i) the Contractual Arrangements are fundamental to the Group’s legal structure and business operations; (ii) it is a justifiable and normal business practice for the Contractual Arrangements of this type to be of such duration and terms to ensure that (A) policies of the Consolidated Affiliated Entities can be effectively controlled by Chenqi Mobility; (B) Chenqi Mobility can obtain the economic benefits derived from our Consolidated Affiliated Entities; and (C) any possible leakages of assets and values of our Consolidated Affiliated Entities can be prevented on an uninterrupted basis.

WAIVERS GRANTED BY THE STOCK EXCHANGE

In respect of the continuing connected transactions as described above under the Products and Services Purchase and Provision Framework Agreement, the Cloud and Map Services and Technical Services Framework Agreement and Marketing Promotion Services Framework Agreement, the highest applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules for the three years ending December 31, 2026 are expected to be more than 5% on an annual basis. Accordingly, the continuing connected transactions under these framework agreements are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

CONNECTED TRANSACTIONS

In respect of the continuing connected transactions as described above under the Weixin Services Framework Agreement, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules for the three years ending December 31, 2026 is expected to be more than 0.1% but less than 5% on an annual basis. Accordingly, the continuing connected transactions under this framework agreement are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

As the above continuing connected transactions are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the aforesaid announcement and independent Shareholders’ approval requirements will be impractical, and such requirements will lead to unnecessary administrative costs and create an onerous burden on us. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, pursuant to Rule 14A.105 of the Listing Rules, waivers from strict compliance with the announcement and independent Shareholders’ approval requirements under Rule 14A.35 and Rule 14A.36 of the Listing Rules (in case of the Weixin Services Framework Agreement and the Marketing Promotion Services Framework Agreement, the announcement requirement under Rule 14A.35 of the Listing Rules) in respect of the transactions Non-exempt Continuing Connected Transactions, provided that the total amount of transactions for each of the three years ending December 31, 2026 will not exceed the relevant proposed annual caps as set out in this section. The independent non-executive Directors and auditors of the Company will review whether the transactions under the above continuing connected transactions have been entered into pursuant to the principal terms and pricing policies under the relevant framework agreements as disclosed in this section. The confirmation from our independent non-executive Directors and our auditors will be disclosed annually according to the requirements of the Listing Rules.

The Contractual Arrangements

In respect of the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with (i) the announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules; (ii) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules; and (iii) the requirement of limiting the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are [REDACTED] on the Stock Exchange, subject, however, to the following conditions:

No change without independent non-executive Directors’ approval

No change to the Contractual Arrangements (including with respect to any fees payable to Chenqi Mobility thereunder) will be made without the approval of our independent non-executive Directors.

CONNECTED TRANSACTIONS

No change without independent Shareholders’ approval

Save as described in paragraph (d) below, no change to the agreements governing the Contractual Arrangements will be made without the independent Shareholders’ approval. Once independent Shareholders’ approval of any change has been obtained, no further announcement or approval of the independent Shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company (as set out in paragraph (e) below) will, however, continue to be applicable.

Economic benefits and flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by our Consolidated Affiliated Entities through (i) our Group’s option (if and when so allowed under the applicable PRC laws) to acquire all or part of the entire equity interests in our Consolidated Affiliated Entities at a consideration which shall be the higher of (a) a nominal price, or (b) the lowest price as permitted and applicable PRC laws; (ii) the business structure under which the profit generated by our Consolidated Affiliated Entities is substantially retained by our Group, such that no annual cap shall be set on the amount of service fees payable to Chenqi Mobility by our Consolidated Affiliated Entities under our Contractual Arrangements; and (iii) our Group’s right to control the management and operation of, as well as the substance of, all of the voting rights of our Consolidated Affiliated Entities.

Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and its subsidiaries in which our Company has direct shareholding, on one hand, and our Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements. The directors, chief executive or substantial shareholders of any existing or new wholly foreign owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish will, upon renewal and/or reproduction of the Contractual Arrangements, however, be treated as connected persons of our Company and transactions between these connected persons and our Company other than those under similar contractual arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to relevant PRC laws, regulations and approvals.

CONNECTED TRANSACTIONS

Ongoing reporting and approvals

We will disclose details relating to the Contractual Arrangements on an on-going basis as follows:

- the Contractual Arrangements in place during each financial period will be disclosed in our Company’s annual report and accounts in accordance with the relevant provisions of the Listing Rules;
- our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company’s annual report and accounts for the relevant year that (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements; (ii) no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group; and (iii) any new contracts entered into, renewed or reproduced between our Group and our Consolidated Affiliated Entities are fair and reasonable, or advantageous to our Shareholders, so far as our Group is concerned and in the interests of our Company and our Shareholders as a whole;
- our Company’s auditor will carry out review procedures annually on the transactions, pursuant to the Contractual Arrangements, and will provide a letter to our Directors with a copy to the Stock Exchange confirming that the transactions have received the approval of our Directors, have been entered into in accordance with the relevant Contractual Arrangements, and that no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;
- for the purpose of Chapter 14A of the Listing Rules, and in particular the definition of “connected person”, our Consolidated Affiliated Entities will be treated as our Company’s subsidiaries, and at the same time, the directors, chief executives or substantial shareholders of our Consolidated Entities and their respective associates will be treated as connected persons of our Company (excluding, for this purpose, our Consolidated Affiliated Entities), and transactions between these connected persons and our Group (including, for this purpose, our Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules; and
- our Consolidated Affiliated Entities will undertake that, for so long as the Shares are [REDACTED] on the Stock Exchange, our Consolidated Affiliated Entities will provide our Group’s management and our Company’s auditor full access to its relevant records for the purpose of our Company’s auditor’s review of the connected transactions.

CONNECTED TRANSACTIONS

In addition, we have also applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver pursuant to Rule 14A.105 of the Listing Rules from strict compliance with (i) the announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated in any New Intergroup Agreements (as defined above); (ii) the requirement of setting an annual cap for the fees payable by/to any member of our Group to/from our Consolidated Affiliated Entities in any New Intergroup Agreements; and (iii) the requirement to limit the term of any New Intergroup Agreement to three years or less, for so long as Shares are [REDACTED] on the Stock Exchange. The waiver is subject to the condition that the Contractual Arrangements subsist and that our Consolidated Affiliated Entities will continue to be treated as our Company’s subsidiary, but their directors, chief executives or substantial shareholders of our Consolidated Affiliated Entities and its associates will be treated as connected persons of our Company (excluding, for this purpose, our Consolidated Affiliated Entities), and transactions between these connected persons and our Group (including, for this purpose, our Consolidated Affiliated Entities), other than those under the Contractual Arrangements, will be subject to requirements under Chapter 14A of the Listing Rules. We will comply with the applicable requirements under the Listing Rules, and will immediately inform the Stock Exchange if there are any changes to these continuing connected transactions.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this section, we will take immediate steps to ensure compliance with such new requirements within a reasonable time.