This summary aims to give you an overview of the information contained in this Document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be in conjunction with, the full text of this Document. You should read the entire Document before you decide to [**REDACTED**] *in the* [**REDACTED**].

There are risks associated with any [**REDACTED**]. *Some of the particular risks in* [**REDACTED**] *in the* [**REDACTED**] *are set out in "Risk Factors." You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

OVERVIEW

We are a mobility technology and service company in China. According to Frost & Sullivan, our mobility services ranked second in the Greater Bay Area in terms of the GTV in 2023. We serve and connect various participants of the mobility industry including the riders, drivers, automobile OEMs, vehicle service providers and autonomous driving solution providers. We offer (i) mobility services, primarily ride-hailing and Robotaxi services; (ii) technology services, primarily AI data and model solutions, and high-definition (HD) maps; and (iii) fleet management & services where we offer a full suite of support for drivers and car partners.

Our shareholders with diverse background have enriched our market insights and understanding of key stakeholders along the entire mobility service value chain, enabling us to integrate rich resources across the automobile and mobility service industries. We were founded by GAC Group and Tencent, and subsequently introduced Pony AI, a leading autonomous driving solution provider, as a strategic shareholder. As a top automobile conglomerate in China, GAC Group continuously supports us as our smart mobility business develops and grows. Tencent, a leading internet service provider, empowers our platform operation as well as market expansion. Pony AI seamlessly collaborates with us on our innovative initiatives, equipping us with cutting edge technologies in exploring autonomous driving mobility service at the dawn of its large-scale commercialization. Connecting automobile manufacturers, internet companies and autonomous driving solution providers, we are an early-mover in promoting the commercialization of autonomous driving technologies.

Known for high compliance rate and service quality, we offer efficient and high-quality services in a broad geographic region. As of December 31, 2023, we strategically focused on nine foothold cities, the majority of which are in the Greater Bay Area. We have strategically prioritized resources on our foothold cities to quickly penetrate the market and achieve rapid market penetration. Once we reach a critical scale, we can achieve greater efficiency and returns from these cities. We then leverage our successes in foothold cities to drive our expansion into the neighboring areas. In expanding our network, taking into account the demographic and socioeconomic conditions of municipal markets, we prioritize cities that have synergistic potential with our existing network. Guided by such geographical expansion strategy, we have successfully replicated the market entry strategies, operational expertise and management systems that have been tested and proven effective in established markets to new markets in adjacent regions. Our geographical expansion strategy enables us to lower the cost of market penetration and customer acquisition, and therefore to achieve sustainable and efficient growth. As of December 31, 2023, our user penetration rate in the Greater Bay Area exceeded 45%, ranking second in the Greater Bay Area, according to Frost & Sullivan. In addition, according to information published by the MOT, as of December 31, 2023, our MOT Order Compliance Rate ranked first 17 times. We continually improved our order compliance rate during the Track Record Period, and are dedicated to providing riders with safe and convenient smart mobility services.

We are committed to R&D and have built robust technology advantages in smart mobility. Our self-developed AI algorithm model generates smart routing and matching plans for drivers and riders, forming the foundation of an efficient, reliable and safe mobility service platform. Our proprietary open Robotaxi operation technology platform is designed for the Robotaxi context, comprising three core modules including vehicle management system (VMS), operation management platform (OMP) and Robotaxi data platform (RDP). This technology platform allows the remote management and control of Robotaxi through cloud technology, and improves both vehicle operational efficiency and service quality. We also provide autonomous driving data solutions such as AI data and model solutions, HD map, and smart transportation solutions, to autonomous driving solution providers, OEMs and government departments. In our technology services, our proprietary AI perceptive algorithm base model has achieved over 95% recall and precision in AI pre-annotations of driving data sets, and is applied in our AI data and model solutions. In 2021, 2022 and 2023, our R&D expenses accounted for 11.5%, 7.7%, and 5.5% of our total revenue, respectively.

We experienced rapid growth during the Track Record Period, while continually improving our operational efficiency and optimizing our business model. As of December 31, 2023, the number of registered riders on our mobility service platform reached 23.8 million. Our revenue from mobility services increased from RMB1,012.5 million in 2021 to RMB1,249.8 million in 2022, and further to RMB1,814.1 million in 2023, representing a CAGR of 33.9%. Our total revenue increased from RMB1,013.5 million in 2021 to RMB1,368.4 million in 2022, and further to RMB2,161.1 million in 2023, representing a CAGR of 46.0%. In October 2022, we were the first mobility platform in the world to launch a commercialized hybrid operation of manned ride-hailing and Robotaxi services, according to Frost & Sullivan, marking a significant step towards the large-scale commercialization of Robotaxi. Upon launch, third-party Robotaxis were connected to our platform for demonstrative commercial operation, and we charge a service fee in accordance with the applicable rules and regulations of the local competent authorities.

PATH TO PROFITABILITY

In addition to our robust revenue growth during the Track Record Period, we have successfully narrowed our gross margins since 2021, from -24.2% in 2021 to -10.7% in 2022, and further decreased to -7.0% in 2023. On the other hand, we have recorded operating losses, net losses and adjusted net losses during the Track Record Period primarily due to the costs and expenses incurred by us to quickly establish our presence in major cities of the Greater Bay Area and increase our penetration rates in those markets. Instead of pursuing short-term financial returns, we remain dedicated to cementing the foundation for our long-term success, focusing on cultivating a solid rider and driver base by offering quality experience and increasing our geographical coverage in China. Accordingly, our growth in revenue may not be able to fully cover the various costs and expenses incurred in the near future, and we expect to continue incurring net loss and net operating cash outflow in 2024, 2025 and 2026. We plan to follow the designed path to maintain sustainability and achieve profitability through: (i) expanding business scale and promoting revenue growth; (ii) improving gross margin; (iii) enhancing operation and management efficiency; and (iv) improving net current liabilities position. With the implementation of those strategies and plans, we expect to reach profitability, achieve sustainable growth of our revenue and improve our operating cash flow conditions. See "Business – Path to Profitability."

OUR STRATEGIES

To achieve our goals, we have formulated the following strategies:

- Leverage Success in Key Regions and First-Mover Advantage in Robotaxi Operation to Build Mobility Service Platform With Full-Suite of Offerings
- Continue to Implement our Geographical Expansion Strategy to Enhance Ride-Hailing Operational Efficiency
- Refine Hybrid Operation Model and Offer Smooth Robotaxi Experience
- Optimize Operational Management with Data Analysis
- Enhance Brand Awareness
- Recruit and Cultivate Leading Talent

See "Business – Our Strategies."

OUR STRENGTHS

We believe the following competitive strengths have contributed to our success:

- Mobility Technology and Service Company with Strong Presence in GBA
- Robust Industry Resources and Supportive Policies
- Continual Improvement of Operational Efficiency

- High-Quality Mobility Services
- Strong Capabilities to Promote Robotaxi Commercialization
- Advanced Technological Capabilities
- Diverse Service Offering Empowered by Broad Industry Resources
- Leadership with Shared Mission, Discernment and Strong Execution Capabilities

See "Business – Our Strengths."

OUR BUSINESS MODEL

We have built a multi-dimensional mobility service system, serving and connecting various participants of the mobility industry, underpinned by our exceptional capabilities in delivering mobility services, technology services and fleet management & services. The interactions of these three services facilitate the sharing of industry insight, information and experience, generating synergistic effects and facilitating our continuous growth and future success. We generate revenue primarily from charging service fees from riders using ride-hailing services on our platform. We also generate revenue from (i) other mobility services other than ride-hailing, (ii) technology services and (iii) fleet management & services.

Our hybrid operation model provides riders with a consolidated single portal to choose between the manned ride-hailing option and Robotaxi service option. We support the operation management, maintenance and repairs of Robotaxi with robust capabilities accumulated from serving manned ride-hailing, to achieve competitive Robotaxi operational efficiency.

As a proactive promoter of industry development, our achievements have been widely recognized. In 2022, we were awarded "Science and Innovative Pioneer Enterprises in the Greater Bay Area" by Southern Finance Omnimedia Corp., "WISE2022 – The King of the New Economy King – Enterprise of the Year in the Field of Automobile Mobility" by 36Kr, "Best Technology Innovation Award of the Year in the New Ecology Field" by Caijing New Media, and "General Autonomous Driving Technology Innovative Platform of 2022 in the Autonomous Driving Technology Field" by Heart of the Car. In 2023, we were awarded "Outstanding Autonomous Driving Solution Provider" by the World Intelligent Connected Vehicles Conference, "Unicorn Enterprise of Global Unicorn Index 2023" by Hurun Report, "2022 New Unicorns in China" by Forbes China, and were recognized as Guangdong engineering technology research center, and Guangdong "specialized, refinement, differential and innovation (專精特新)" small and medium-sized enterprise. In addition, as a member of the Committee of Demonstrative Operation of Autonomous Driving Technology in Guangzhou, we play a pivotal role in the formulation of policies and standards with respect to the commercialization of Robotaxi in Guangzhou.

OUR SERVICE OFFERINGS

We were the second-largest mobility service platform in the Greater Bay Area in terms of GTV in 2023, according to Frost & Sullivan. We serve and connect various participants of the mobility industry including the riders, drivers, automobile OEMs, vehicle service providers and autonomous driving solution providers. Our major operations include:

Mobility Services

The following table sets forth the key operating data of our mobility services (including ride-hailing, Robotaxi and hitch services) for the periods indicated:

	Year ended December 31,		
	2021	**2022**	**2023**
GTV *(RMB in millions)*	1,347.4	1,795.6	2,741.0
Order volume *(millions)*	46.9	66.6	97.7
Daily order volume *(thousands)*	128.6	182.4	267.8
Average monthly active riders *(thousands)*	1,031.7	1,203.8	1,047.3
Average GTV per order *(RMB)*	28.7	27.0	28.0

- ***Ride-Hailing***. We began our ride-hailing service in Guangzhou in 2019. Guangzhou remains our biggest municipal market, with an order volume of our ride-hailing services of 40.8 million in 2023. Backed by our strong service fleet and powered by our proprietary algorithms and data analytical capabilities, we are able to match riders' demands with available drivers efficiently, and maintain and steadily improve a high response rate. Our proprietary one-stop data management and application development platform, *Qi Cube*, serves as the brain of our mobility service platform. It manages our internal data and acts as the primary tool for developing external applications, such as safety monitoring and dispatch modules. Powered by AI analytical technologies, it features strong capability in the real-time prediction of supply and demand, and helps us optimize the matching of mobility supply to demand. During the Track Record Period, the order volume of our ride-hailing services increased from 46.0 million in 2021 to 97.3 million in 2023, representing a CAGR of 45.4%; our ride-hailing GTV increased from RMB1,310.5 million in 2021 to RMB2,714.0 million in 2023, representing a CAGR of 43.9%.

The following table sets forth the key operating data of our ride-hailing services for the periods indicated:

	Year ended December 31,		
	2021	**2022**	**2023**
GTV *(RMB in millions)*	1,310.5	1,756.9	2,714.0
Order volume *(millions)*	46.0	66.0	97.3
Daily order volume *(thousands)*	126.1	180.7	266.7
Average monthly active riders *(thousands)*	980.0	1,160.7	996.9
Average monthly active drivers *(thousands)*	11.9	18.6	36.8
Response rate	81.5%	84.8%	88.9%
Average ride frequency *(orders per rider)*	8.8	10.2	9.0
Annual rider retention rate *(%)*	31.7	31.0	27.8
Average GTV per order *(RMB)*	28.5	26.6	27.9

We saw an overall increasing trend in our key operating data of our ride-hailing services during the Track Record Period, primarily driven by the expansion of our ride-hailing services. The average monthly active riders, average ride frequency and annual rider retention rate of our ride-hailing services decreased from 1,160.7 thousand, 10.2 and 31.0%, respectively, in 2022 to 996.9 thousand, 9.0 and 27.8%, respectively, in 2023, primarily resulting from our fulfillment of the increasing number of orders from third-party mobility service platforms, which grew significantly from 18.7 million in 2022 to 57.0 million in 2023, which is in line with the industry trend according to Frost & Sullivan.

- ***Robotaxi***. Recognizing the opportunities brought by the rapid advancement of autonomous driving technologies, we leverage our position as a mobility service provider with deep ties to various industry participants to promote the commercialization of Robotaxi. We started promoting the development and commercialization of Robotaxi in 2021. Our Robotaxi operation technology platform is compatible with various autonomous driving solutions as well as Robotaxi vehicle models. Our platform connects with the leading autonomous driving solution providers and automobile manufacturers to offer Robotaxi mobility options in parallel with manned ride-hailing services under our hybrid operation model.

  We also provide other services including hitch and marketing and promotion services via our mobility service platform.

Technology Services

- ***AI Data and Model Solutions***. Our AI data and model solutions focus on providing one-stop solutions encompassing data collection, data annotation, data management and model training for the autonomous driving industry. We have developed a set of tools and platform that can be used for multimodal data training, including OnTime Data Collects (data collection), OnTime Data Management (data management), OnTime Data Encoder (data annotation) and OnTime AI Trainer (an integrated platform combining data container management, with model development, model training and model evaluation functions).

- ***High-definition Map***. Our HD map, OnTime MapNet, integrates data collection, real-time vehicle-end cloud updates and multilayer integration, and is committed to providing real-time, low-cost, high-quality, HD map update solutions for automobile manufacturers and map developers.

We also provide other technology services, primarily including smart transportation solutions, which are typically delivered on a project basis.

Fleet Management & Services

We tapped into the automobile service business in April 2022, covering sales of vehicles and spare parts, maintenance and repair and driver service. We aspire to build a one-stop standardized automobile service platform and create an industry network with various industry partners, customers and drivers. We do not prevent our drivers from registering with other ride-hailing platforms and working concurrently with them. We offer our drivers comprehensive support, help them improve operational efficiency and offer stable and competitive income, and believe that, by doing so, we are growing a robust and loyal driver base. As of December 31, 2023, we were capable of providing fleet management & services to 135.2 thousand drivers. In addition, we launched the Robotaxi VMS, expanding our fleet management & services to Robotaxi.

See "Business – Our Service Offerings."

SAFETY

We attach great importance to the safety of our riders and drivers. Since our inception, we have made significant investment in establishing safety management protocols and implementing technological security solutions. We have an extensive array of safety protocols to cover risks before, during and after each ride, and a dedicated dispute resolution process. Our measures to ensure and enhance compliance rate and safety of our services include identity, qualification and background check, emergency assistance, audio and video recording, "Qi Cube" – safety monitoring, driver rating and training, non-compliant behavior management and dispute resolution process.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material safety incident.

See "Business – Safety."

CUSTOMERS

We have a broad customer base for our mobility services. As of December 31, 2023, we had 23.8 million registered riders on our mobility service platform. During the Track Record Period, substantially all of our revenue was from individual customers under our ride-hailing services. We provide enterprise solutions under our ride-hailing services to corporate customers. We also provide technology services to autonomous driving solution providers and fleet management & services to our drivers and car partners.

Revenue from our five largest customers in each period of the Track Record Period amounted to RMB10.8 million, RMB71.2 million and RMB265.8 million, representing 1.1%, 5.2% and 12.3%, respectively, of our total revenue for the respective periods.

GAIG was among both our five largest customers and our five largest suppliers in each period of the Track Record Period. Revenue from GAIG in each period of the Track Record Period amounted to RMB5.2 million, RMB20.0 million and RMB113.5 million, accounting for 0.5%, 1.5% and 5.3%, respectively, of our total revenue for the respective periods.

See "Business – Customers."

SUPPLIERS

Our major suppliers mainly include suppliers of services mainly including vehicle rental, drivers' services, drivers' management services, payment channel services, information technology support services, technology support services, marketing services and message services as well as products mainly including dash cams, vehicles, automobile products and autonomous vehicles.

Purchases from our five largest suppliers in each period of the Track Record Period amounted to RMB225.3 million, RMB192.7 million and RMB480.2 million, representing 14.3%, 11.0% and 18.8%, respectively, of our total purchases for the respective periods.

GAIG was among both our five largest customers and our five largest suppliers in each period of the Track Record Period. Purchases from GAIG in each period of the Track Record Period amounted to RMB104.1 million, RMB69.4 million and RMB279.0 million, representing 6.6%, 4.0% and 10.9%, respectively, of our total purchases for the respective periods.

See "Business – Suppliers."

COMPETITIVE LANDSCAPE

China's mobility service market is intensely competitive and characterized by rapid changes in technology, shifting user preferences and frequent introduction of new services and products.

We compete directly with other mobility service platforms that provide ride-hailing services. 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. During the Track Record Period, we primarily competed with other mobility service providers in the Greater Bay Area. As we continue to expand into other cities and regions, we face competition from industry participants in different geographical markets.

We also compete with providers of other means of transportation, including railways, buses and short-haul flights, primarily based on ride experience, efficiency and price.

See "Business – Competition."

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

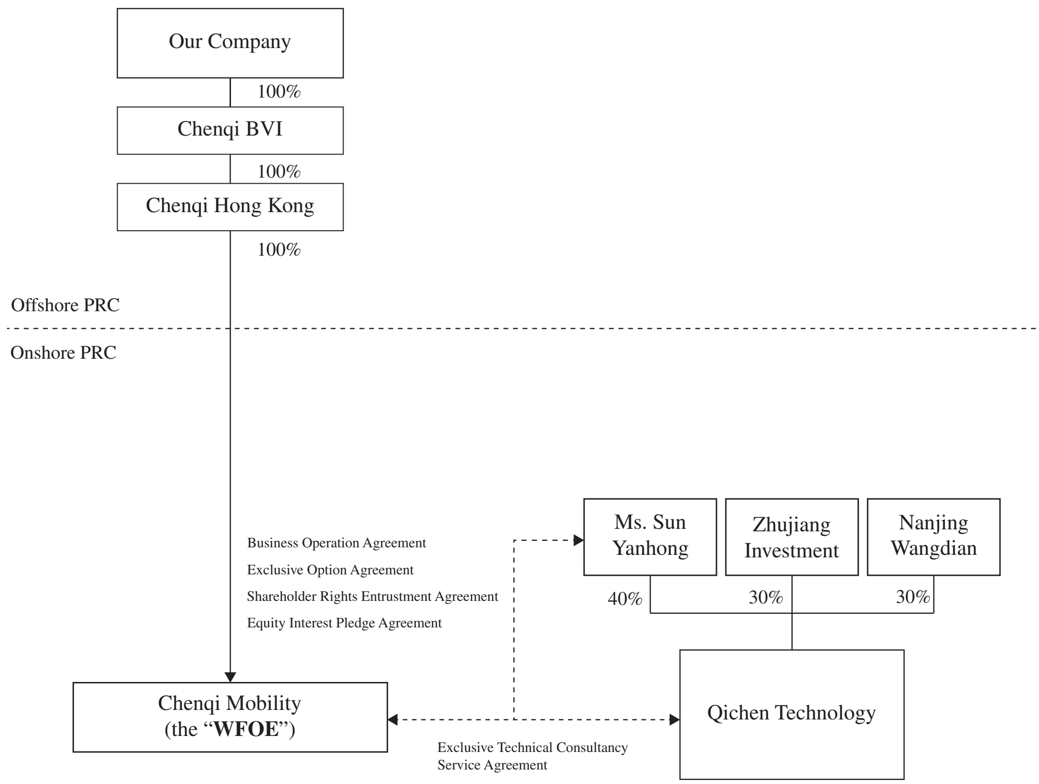
Industry regulators have, in recent years, emphasized the importance of compliance of mobility services. We have proactively taken measures to ensure ongoing compliance, and have reached high compliance rate during the Track Record Period.

See "Business – Legal Proceedings and Compliance."

CONTRACTUAL ARRANGEMENTS

Investment in certain areas of the industries in which our Consolidated Affiliated Entities currently operate is subject to restrictions under current PRC laws and regulations. In line with common practice in industries in the PRC subject to foreign investment restrictions, we would gain effective control over, and receive all the economic benefits generated by, the businesses currently operated by our Consolidated Affiliated Entities through the Contractual Arrangements entered into between Chenqi Mobility, Qichen Technology and the Registered Shareholders on July 10, 2019 and as amended on August 11, 2023. For more details, see the section headed "Contractual Arrangements" in this Document.

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to Chenqi Mobility and our Company under the Contractual Arrangements:



Notes:

(1) Qichen Technology is held by Ms. Sun Yanhong, Zhujiang Investment and Nanjing Wangdian, as to 40%, 30% and 30% of the total issued share capital of Qichen Technology, respectively.

Ms. Sun Yanhong is a shareholder as to approximately 20% of the shares in China Drive Investment Limited, a Shareholder of our Company.

Zhujiang Investment is an entity owned as to 99% by Mr. Zhu Weihang. Mr. Zhu Weihang is the sole shareholder of Redmount Investments Limited, a Shareholder of our Company.

Nanjing Wangdian is a subsidiary of Tencent.

(2) "⟶" denotes direct legal and beneficial ownership in equity interest.

(3) "◄- - - -►" denotes contractual relationship.

(4) As of the Latest Practicable Date, Qichen Technology held the Surveying and Mapping Qualification Certificate (測繪資質證書) (Category B mapping qualifications for geographic information system engineering and internet map services) and the ICP License.

For the risks relating to the Contractual Arrangements, see the section headed "Risk Factors – Risks Relating to Our Corporate Structure" in this Document.

On March 15, 2019, the National People's Congress approved the Foreign Investment Law (《外商投資法》) (the "**Foreign Investment Law**") which became effective on January 1, 2020. The Foreign Investment Law replaced the Sino-Foreign Equity Joint Venture Enterprise Law (《中外合資經營企業法》), the Sino-Foreign Cooperative Joint Ventures Enterprise Law (《中外合作經營企業法》) and the Wholly Foreign-Invested Enterprises Law (《外資企業法》) to become the legal foundation for foreign investment in the PRC. It is formulated to further expand opening-up, vigorously promote foreign investment and protect the legitimate interests and rights of foreign investors. According to the Foreign Investment Law, China adopts a system of national treatment together with the Negative List with respect to foreign investment administration, and the Negative List will be issued by, amended or released upon approval by the State Council, from time to time. The Negative List sets out the industries in which foreign investments are prohibited or restricted. Foreign investors would not be allowed to make investments in prohibited industries, while foreign investment must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Foreign investment and domestic investment in industries outside the scope of the Negative List shall be treated equally. On December 26, 2019, the State Council promulgated the Regulations on the Implementation of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》) (the "**Implementation Regulations**"), which came into effect on January 1, 2020.

As advised by our PRC Legal Advisor, the Foreign Investment Law stipulates certain forms of foreign investment, but does not explicitly stipulate contractual arrangements as a form of foreign investment, and the Implementation Regulations are also silent on whether foreign investment includes contractual arrangements.

[REDACTED] INVESTORS

We received three rounds of [**REDACTED**] Investments since our establishment. We have a broad and diverse base of [**REDACTED**] Investors, including GAC, GAIG, Tencent Mobility, Pony AI, SPARX Group, DMR, Guangzhou Industry Investment Group, Hefei Gotion and other institutional investors. See "History, Reorganization and Corporate Structure – [**REDACTED**] Investments" for details.

OUR SINGLE LARGEST SHAREHOLDER GROUP

As of the Latest Practicable Date, GAIG, directly and indirectly through GAC and China Lounge, was interested in approximately 35.21% of the issued share capital of our Company. Immediately upon the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), GAIG, through GAC and China Lounge, will be interested in approximately [**REDACTED**]% of the total issued share capital of our Company, and GAIG, GAC and China Lounge are and will continue to be the Single Largest Shareholder Group.

[REDACTED] EQUITY INCENTIVE PLAN

Our Company has adopted the [**REDACTED**] Equity Incentive Plan. See "Statutory and General Information – D. Share Incentive Scheme" in Appendix IV to this Document for further details.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables present our summary historical financial information for the periods or as of the dates indicated. This summary has been derived from our historical financial information set forth in the Accountant's Report in Appendix I to this Document. The summary historical financial data set forth below should be read together with, and is qualified in its entirety by reference to, the historical financial information included in the Accountant's Report in Appendix I to this Document, including the accompanying notes, and the information set forth in "Financial Information." Our historical financial information was prepared in accordance with IFRSs.

Key Items of Consolidated Statements of Profit or Loss

The following table sets out the key items of our consolidated statements of profit or loss for the periods indicated:

	Year ended December 31,		
	2021	**2022**	**2023**
	(RMB in thousands)		
Revenue	1,013,529	1,368,359	2,161,063
Cost of revenue	(1,258,646)	(1,514,269)	(2,311,508)
Gross loss	**(245,117)**	**(145,910)**	**(150,445)**
Other income	47,455	31,750	54,315
Selling and marketing expenses	(264,667)	(231,354)	(218,895)
General and administrative expenses	(99,860)	(106,772)	(154,979)
Research and development expenses	(116,623)	(105,401)	(118,943)
Credit loss on trade and other receivables	(872)	(3,905)	(2,203)
Other net loss	(3,791)	(47)	(2,703)
Loss from operations	**(683,475)**	**(561,639)**	**(593,853)**
Finance costs	(1,152)	(2,640)	(2,615)
Changes in the carrying amount of convertible redeemable preferred shares	–	(10,407)	(64,502)
Changes in the carrying amount of other financial liabilities issued to investors	–	(52,097)	(31,824)
Loss before taxation	**(684,627)**	**(626,783)**	**(692,794)**
Income tax	–	–	–
Loss for the year	**(684,627)**	**(626,783)**	**(692,794)**

Non-IFRS Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRSs. We believe this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items.

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

We define adjusted net loss (non-IFRS measure) as net loss for the year adjusted by adding back changes in the carrying amount of convertible redeemable preferred shares, changes in the carrying amount of other financial liabilities issued to investors, equity-settled share-based payments and [**REDACTED**] expenses related to the [**REDACTED**].

The following table reconciles our adjusted net loss (non-IFRS measure) for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs, which is loss for the periods:

	Year ended December 31,		
	2021	**2022**	**2023**
	(RMB in thousands)		
Reconciliation of loss for the year to adjusted net loss (non-IFRS measure):			
Loss for the year	(684,627)	(626,783)	(692,794)
Add:			
– Changes in the carrying amount of convertible redeemable preferred shares(1)	–	10,407	64,502
– Changes in the carrying amount of other financial liabilities issued to investors(2)	–	52,097	31,824
– Equity-settled share-based payments(3)	16,009	33,166	26,386
– [**REDACTED**](4)	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net loss (non-IFRS measure)	**(668,618)**	**(531,113)**	**(541,216)**

Notes:

(1) Changes in the carrying amount of convertible redeemable preferred shares mainly represent changes in the carrying amount of certain preferred shares we issued to investors pursuant to the financing agreements. All the convertible redeemable preferred shares will be re-designated from financial liabilities to equity as a result of the automatic conversion into our Shares upon the [**REDACTED**].

(2) Changes in the carrying amount of other financial liabilities issued to investors mainly represent changes in the carrying amount of the warrants we issued to certain investors for the right to the subscription of our convertible redeemable preferred shares and related loans provided by the investors.

(3) Equity-settled share-based payments are non-cash employee benefit expenses incurred in connection with our award to key employees. Such expenses in any specific period are not expected to result in future cash payments.

(4) [**REDACTED**]

Revenue

The following table sets forth a breakdown of our revenue by business segments in amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Mobility services	**1,012,464**	**99.9**	**1,249,768**	**91.3**	**1,814,133**	**84.0**
– Ride-hailing services	1,005,188	99.2	1,244,956	91.0	1,812,133	83.9
– Others[1]	7,276	0.7	4,812	0.3	2,000	0.1
Technology services	**1,065**	**0.1**	**–**	**–**	**26,545**	**1.2**
Fleet management & services	**–**	**–**	**118,591**	**8.7**	**320,385**	**14.8**
Total	**1,013,529**	**100.0**	**1,368,359**	**100.0**	**2,161,063**	**100.0**

Note:

(1) Others primarily consist of (i) Robotaxi services, (ii) hitch services, and (iii) marketing and promotion services.

During the Track Record Period, we generated revenue from provision of mobility services, which comprise ride-hailing services and others. The increase in the revenue of our ride-hailing services during the Track Record Period was primarily due to the significant increases in our ride-hailing GTV, which was mainly driven by our expanding rider base and the increased order volume. We also generated revenue from (i) technology services, and (ii) fleet management & services. See "Financial Information — Description of Major Components of Our Results of Operations — Revenue."

Cost of Revenue

The following table sets forth a breakdown of our cost of revenue by nature and as percentages of our total cost of revenue for the periods indicated:

	Year ended December 31,					
	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Drivers' service fee	1,177,283	93.5	1,289,603	85.2	1,794,833	77.6
Car leasing costs	588	0.0	144	0.0	30	0.0
Management fees paid to car partners	38,441	3.1	40,466	2.7	38,455	1.7
IT service fees	15,834	1.3	30,757	2.0	37,150	1.6
Cost of technology services	938	0.1	–	–	21,880	1.0
Payment processing costs	6,102	0.5	6,176	0.4	10,205	0.4
Service costs of third-party mobility service platform	6,910	0.5	26,894	1.8	95,517	4.1
Incentives to drivers for hitch services	6,534	0.5	–	–	–	–
Depreciation and amortization	3,859	0.3	6,661	0.4	6,059	0.3
Cost of auto service center	–	–	112,393	7.4	306,389	13.3
Others	2,157	0.2	1,175	0.1	990	0.0
Total	**1,258,646**	**100.0**	**1,514,269**	**100.0**	**2,311,508**	**100.0**

During the Track Record Period, the largest component of our cost of revenue was drivers' service fee. Drivers' service fee increased during the Track Record Period, which was in line with the expansion of our business scale. Drivers' service fee decreased as a percentage of cost of revenue from 93.5% in 2021 to 85.2% in 2022, and further decreased to 77.6% in 2023, primarily due to (i) the decrease in incentives provided to drivers because of enhanced drivers' stickiness, which results from (a) the stable income leveraged by our abundant order resources and advanced matching algorithms, and (b) a range of vehicle purchase, maintenance, and repair services provided by our fleet management and services, helping them to optimise their cost structure and strengthen their trust in our platform; and (ii) the increase in cost of auto service center in absolute amount and as a percentage of cost of revenue in the respective periods, resulting from the increased vehicle procurement costs of vehicles following the commencement of our fleet management & services in 2021.

We recorded insignificant amounts of car leasing costs in 2021, 2022 and 2023, which were mainly related to other car leasing services we offered to enterprise customers. As of the Latest Practicable Date, we had ceased offering such car leasing services.

Management fees paid to car partners as a percentage of our total cost of revenue decreased during the Track Record Period, primarily due to the improved cost management and operational efficiency of our car partners. The average rate of management fees paid to our car partners remained stable at 3.5% in 2021 and 2022, and then decreased to 2.4% in 2023. See "Business — Relationship with Industry Partners — Car Partners."

IT service fees mainly represent service fees paid to providers for the operation and maintenance of data storage and servers. IT service fees increased from RMB15.8 million in 2021 to RMB30.8 million in 2022, and further increased to RMB37.2 million in 2023, mainly for the expansion of our business scale.

Service costs of third-party mobility service platforms mainly represent the service fees payable to our cooperative third-party mobility service platforms through which their riders placed orders and such orders are fulfilled by us. Service costs of third-party mobility service platforms increased during the Track Record Period, primarily due to the increased volume of orders placed through our cooperative third-party mobility service platforms to us. See "Financial Information — Description of Major Components of Our Results of Operations — Cost of Revenue."

Gross Loss and Gross Margin

The following table sets forth our gross (loss)/profit and gross margin by business segment for the periods indicated:

	Year ended December 31,					
	2021		**2022**		**2023**	
	Gross (loss)/ profit	**Gross (loss)/ profit margin (%)**	**Gross (loss)/ profit**	**Gross (loss)/ profit margin (%)**	**Gross (loss)/ profit**	**Gross (loss)/ profit margin (%)**
	(RMB in thousands, except for percentages)					
Mobility services	(245,244)	(24.2)	(152,108)	(12.2)	(169,106)	(9.3)
Technology services	127	11.9	–	–	4,665	17.6
Fleet management & services	–	–	6,198	5.2	13,996	4.4
Total	**(245,117)**	**(24.2)**	**(145,910)**	**(10.7)**	**(150,445)**	**(7.0)**

While we experienced significant growth during the Track Record Period, we incurred gross losses throughout the Track Record Period, primarily due to high cost of revenue in the early stage of business development during which we were in the process of expanding our geographical coverage and acquiring new users. For the years ended December 31, 2021, 2022 and 2023, our gross loss was RMB245.1 million, RMB145.9 million and RMB150.4 million, respectively; for the same periods, our gross margin was -24.2%, -10.7% and -7.0%, respectively. The gross loss margins of our mobility services had improved since 2021, primarily because (i) we granted less rider incentives per order, as we achieved higher rider stickiness and penetration rate through the enhancement of brand awareness and the implementation of our geographical expansion strategy, and (ii) we continuously improved our operational efficiency. In addition, our technology services and fleet management & services were in the early stage of business development, and their respective gross profit margins fluctuated during the Track Record Period. In particular, as we delivered technology services on a project basis and the prices of such services were negotiated on a case-by-case basis, the gross profit margins varied across the Track Record Period. Moreover, we recorded gross profit margin of 5.2% and 4.4% of fleet management & services in 2022 and 2023, primarily because the maintenance services generally carry higher and stable margins in nature.

Our net loss decreased from RMB684.6 million in 2021 to RMB626.8 million in 2022, primarily due to (i) the gross loss narrowing from RMB245.1 million in 2021 to RMB145.9 million in 2022, and (ii) a decrease in selling and marketing expenses from RMB264.7 million in 2021 to RMB231.4 million in 2022, partially offset by (i) the changes in the carrying amount of other financial liabilities issued to investors of RMB52.1 million, and (ii) the changes in the carrying amount of convertible redeemable preferred shares of RMB10.4 million. Our net loss increased from RMB626.8 million in 2022 to RMB692.8 million in 2023, primarily due to (i) the gross loss increasing from RMB145.9 million in 2022 to RMB150.4 million in 2023, (ii) an increase in general and administrative expenses from RMB106.8 million in 2022 to RMB155.0 million in 2023, and (iii) an increase in losses of changes in the carrying amount of convertible redeemable preferred shares from RMB10.4 million in 2022 to RMB64.5 million in 2023, and partially offset by (i) a decrease in losses of changes in the carrying amount of other financial liabilities issued to investors from RMB52.1 million in 2022 to RMB31.8 million in 2023, and (ii) a decrease in selling and marketing expenses from RMB231.4 million in 2022 to RMB218.9 million in 2023. See "Financial Information – Period-to-Period Comparison of Results of Operations."

Key Items of Consolidated Statements of Financial Position

The following table sets out the key items of our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	(RMB in thousands)		
Property, plant and equipment	28,282	28,171	63,752
Right-of-use assets	22,245	15,169	45,445
Intangible assets	4,446	11,687	29,303
Other non-current assets	3,269	29,581	8,774
Total non-current assets	58,242	84,608	147,274
Inventories	–	7,142	18,311
Trade receivables	5,913	14,261	20,044
Prepayments, deposits and other receivables	18,620	106,876	124,549
Restricted cash	18,725	987	–
Cash and cash equivalents	86,981	553,666	612,858
Total current assets	130,239	682,932	775,762
Trade and bills payables	52,845	58,070	78,168
Accruals and other payables	232,139	424,400	153,043
Loans and borrowings	10,000	23,011	14,033
Contract liabilities	1,292	2,140	2,837
Lease liabilities	9,854	11,535	31,007
Convertible redeemable preferred shares	–	247,973	1,161,283
Other financial liabilities issued to investors	–	726,813	888,913
Total current liabilities	306,130	1,493,942	2,329,284
Net current liabilities	(175,891)	(811,010)	(1,553,522)
Loans and borrowings	–	17,027	13,000
Deferred income	18,273	–	–
Lease liabilities	15,816	6,211	10,916
Total non-current liabilities	34,089	23,238	23,916
Net liabilities	(151,738)	(749,640)	(1,430,164)

Our net current liabilities increased from RMB811.0 million as of December 31, 2022 to RMB1,553.5 million as of December 31, 2023, primarily due to (i) an increase of RMB913.3 million in convertible redeemable preferred shares, primarily related to (a) additional issuance of Series A Preferred Shares, and (b) the conversion from other financial liabilities issued to Series A investors to convertible redeemable preferred shares, following the exercise of Series A warrants by the Series A investors to subscribe Series A Preferred Shares of our Company, and (ii) an increase of RMB162.1 million in other financial liabilities issued to investors, which was the net effect of additional warrants and related loans we issued to the investors with respect to Series B Preferred Shares of our Company and conversion of other financial liabilities issued to investors to convertible redeemable preferred shares upon the exercise of Series A warrants by the Series A investors, partially offset by (i) an increase of RMB59.2 million in cash and cash equivalents primarily as a result of the completion of the Series A financing and Series B financing in 2023, and (ii) a decrease of RMB271.4 million in accruals and other payables, primarily due to a decrease of advance payments from investors from RMB249.9 million in 2022 to nil in 2023, resulting from the completion of the Series B financing in 2023.

Our net current liabilities increased from RMB175.9 million as of December 31, 2021 to RMB811.0 million as of December 31, 2022, primarily due to (i) an increase of RMB726.8 million in other financial liabilities issued to investors, attributable to the warrants and related loans we issued to certain investors with respect to Series A Preferred Shares of our Company, (ii) an increase of RMB248.0 million in convertible redeemable preferred shares, and (iii) an increase of RMB192.3 million in accruals and other payables, primarily due to an increase in advance payments from Series B investors, partially offset by (i) an increase of RMB466.7 million in cash and cash equivalents, and (ii) an increase of RMB88.3 million in prepayments, deposits and other receivables.

Our net liabilities increased from RMB151.7 million as of December 31, 2021 to RMB749.6 million as of December 31, 2022, primarily due to the loss for 2022 of RMB626.8 million, partially offset by (i) the equity-settled share-based transactions of RMB33.2 million, and (ii) the waiver of payment of expenses and costs by a shareholder of RMB1.4 million. Our net liabilities increased from RMB749.6 million as of December 31, 2022 to RMB1,430.2 million as of December 31, 2023, primarily due to the loss in 2023 of RMB692.8 million, partially offset by (i) the equity-settled share-based transactions of RMB26.4 million, (ii) the deemed contribution from investors of RMB12.5 million, and (iii) the waiver of payment of expenses and costs by a shareholder of RMB2.6 million.

We recorded net liabilities of RMB1,430.2 million as of December 31, 2023, primarily attributable to convertible redeemable preferred shares of RMB1,161.3 million and other financial liabilities issued to investors of RMB888.9 million as of December 31, 2023. As of the Latest Practicable Date, all other financial liabilities issued to investors with respect to Series B warrants have been converted into convertible redeemable preferred shares upon exercise of Series B warrants. We expected that the continual fluctuations in the carrying amount of our convertible redeemable preferred shares will affect our financial position until the [**REDACTED**]. All the convertible redeemable preferred shares will be re-classified from financial liabilities to equity as a result of the automatic conversion into our Shares upon the [**REDACTED**] such that the net liability position would turn into a net asset position.

During the Track Record Period, we had financed our operations primarily through cash generated from our operating activities and equity financing activities. As of December 31, 2023, we had RMB612.9 million in cash and cash equivalents and restricted cash. Meanwhile, with the implementation of strategies to maintain sustainability and achieve future profitability, we expect to achieve sustainable revenue growth and solidify our working capital and cash positions. As such, taking into account the financial resources available to us, including cash and liquidity assets and the estimated net [**REDACTED**] from the [**REDACTED**], our Directors are of the view that we possess sufficient working capital for our present requirements, that is for at least 12 months from the date of this Document.

Key Items of Consolidated Statements of Cash Flows

The following table sets out the key items of our cash flows for the periods indicated:

	Year ended December 31,		
	2021	**2022**	**2023**
	(RMB in thousands)		
Loss before taxation	(684,627)	(626,783)	(692,794)
Adjustment for non-cash and non-operating items	24,295	108,573	148,117
Changes in working capital	217,356	(147,609)	(38,450)
Income tax paid	–	–	–
Net cash used in operating activities	(442,976)	(665,819)	(583,127)
Net cash used in investing activities	(10,165)	(37,608)	(27,188)
Net cash generated from financing activities	4,525	1,159,160	673,006
Net (decrease)/increase in cash and cash equivalents	**(448,616)**	**455,733**	**62,691**
Cash and cash equivalent at the beginning of the year	535,597	86,981	553,666
Effect of movements in exchange rates on cash held	–	10,952	(3,499)
Cash and cash equivalents at the end of year	**86,981**	**553,666**	**612,858**

During the Track Record Period, we had net operating cash outflow of RMB443.0 million, RMB665.8 million and RMB583.1 million in 2021, 2022 and 2023, respectively, primarily due to the significant amounts of cost of revenue and operating expenses incurred for the provision of our services, carrying out selling and marketing and R&D activities, as well as general and administrative management. We expect to improve our operating cash flow by implementing strategies to achieve profitability in the future. See "Business – Path to Profitability."

Key Financial Ratios

The following table sets out our key financial ratios for the periods indicated:

	Year ended December 31,		
	2021	2022	2023
Period-to-period revenue growth (%)	150.9	35.0	57.9
Gross margin (%)(1)	(24.2)	(10.7)	(7.0)
Adjusted net margin (non-IFRS measure) (%)(2)	(66.0)	(38.8)	(25.0)

Notes:

(1) Gross margin equals gross profit divided by revenues for the period and multiplied by 100%.

(2) Adjusted net margin (non-IFRS measure) equals adjusted net loss (non-IFRS measure) divided by revenues for the period and multiplied by 100%. For the reconciliation from net loss and adjusted net loss (non-IFRS measure), see "Financial Information – Non-IFRS Measure."

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors." You should carefully read that section in its entirety before you decide to [**REDACTED**] in our [**REDACTED**]. Some of the major risks we face include:

- If we are unable to attract or retain riders, our business, results of operations and financial condition may be materially and adversely impacted.
- If we are unable to attract or retain drivers, our platform will become less appealing to riders, and our business, results of operations and financial condition may be materially and adversely impacted.
- We generate a significant percentage of our transactions from the Greater Bay Area. If our operations in the Greater Bay Area are adversely affected, our business, results of operations, financial condition and prospects may be materially and adversely impacted.
- If we cannot efficiently expand into other cities and regions, our business, results of operations, financial condition and prospects may be materially and adversely impacted.
- The mobility service market is still evolving. If the market does not grow as expected, our business, results of operations, financial condition and prospects may be materially and adversely affected.
- We are required to obtain and maintain the requisite licenses and approvals, and if we are required to take actions that are time-consuming or costly in order to obtain and maintain such requisite licenses and approvals, our business, results of operations and financial condition may be materially and adversely affected.

- We might have been deemed to provide payment services without a payment business permit for a period of time during the Track Record Period.

- We are required to comply with and respond to developments of the regulations or licensing regimes regarding the mobility service market, otherwise our business, results of operations and financial condition may be materially and adversely affected.

- The ride-haling industry is highly competitive, and we may be unable to compete effectively.

- Our failure to offer satisfactory user experience may harm our relationship with users and materially and adversely affect our business, results of operations and financial condition.

- Any significant disruption in service on our platform, malfunctions of our technology systems, errors and quality issues in our software, hardware and systems, or human errors in operating these systems, could materially and adversely affect our business, results of operations and financial condition.

[**REDACTED**]

Assuming an [**REDACTED**] of [**REDACTED**] per [**REDACTED**] (being the mid-point of the stated range of the [**REDACTED**] between [**REDACTED**] and [**REDACTED**] per [**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] million from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised or HK$[**REDACTED**] million if the [**REDACTED**] is exercised in full. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the following purposes:

- approximately [40]%, or HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), is expected to be used for the R&D activities of autonomous driving and Robotaxi operation service.

- approximately [20]%, or HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), is expected to be used for product upgrading and operational efficiency improvement of our mobility services.

- approximately [20]%, or HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million) is expected to be used to expand user base, enhance brand awareness and increase market share in the implementation of our geographical expansion strategy.

- approximately [10]%, or HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), is expected to be used for building strategic partnerships, investments and acquisitions along the mobility industry value chain.

- approximately [10]%, or HK$[**REDACTED**] million (equivalent to approximately RMB[**REDACTED**] million), is expected to be used for working capital and general corporate purposes.

IMPACT OF COVID-19

The outbreak of COVID-19 severely impacted China and the world from early 2020 onwards. In order to contain the virus, precautionary and control measures such as business and workplace closures, travel restrictions, social distancing measures and emergency quarantines were implemented in regions affected by the pandemic. As a result, the COVID-19 pandemic posed an unprecedented challenge for mobility service companies in China, with the outbreak adversely affecting the demand for mobility services. Our mobility services were particularly affected by the COVID-19 pandemic in 2021 and 2022. In 2022, resurgences of the pandemic occurred sporadically across China, including the Greater Bay Area where we primarily operate our business. Since December 2022, the PRC governments at all levels have strategically adjusted pandemic prevention policies, resulting in a temporary decrease in the demands for mobility services.

Save for the above-mentioned business disruptions, we did not encounter any other material adverse impact on our business operations caused by the COVID-19 pandemic during the Track Record Period. As a technology company, most of our core functions can be performed remotely. Our employees may work from home using computers to perform their tasks and communicate with each other via conference calls and other instant communication means.

We expect that our business will not be severely disrupted in the long run. Following the lift of restrictive measures in China in December 2022, economic activities have begun to recover and returned to normal nationwide since January 2023. As a result, the demand and supply of mobility services have gradually recovered. According to Frost & Sullivan, the overall market conditions of mobility services in China have returned to pre-COVID-19 level in terms of demand and supply. The daily average order volume of ride-hailing services in China were approximately 21.0 million in 2019, which reached 24.9 million in 2023, according to the same source. In 2023, benefiting from our established brand recognition in our existing markets and our loyal user base, our ride-hailing business has resumed normalcy. The GTV of our ride-hailing services increased by 54.5% from RMB1,756.9 million in 2022 to RMB2,714.0 million in 2023, and the order volume of our ride-hailing services increased by 47.6% from 66.0 million in 2022 to 97.3 million in 2023.

Based on the foregoing, our Directors are of the view that the COVID-19 pandemic did not have any material adverse impact on our business and results of operations during the Track Record Period and up to the Latest Practicable Date. However, we cannot be entirely certain as to when the impact of the COVID-19 pandemic will be completely alleviated. Any prolonged outbreak of the COVID-19 may adversely affect our business and financial performance. We are closely monitoring the development of the COVID-19 pandemic, as well as other health pandemics, natural disasters and extraordinary events, and continuously evaluate any potential impact on our business, results of operations and financial condition. See "Risk Factors – Risks Relating to Our Business and Industry – Our business could be adversely affected by natural disasters, public health crises such as the COVID-19 pandemic, political crises, economic downturns or other unexpected events."

RECENT DEVELOPMENT

We continued to expand our business subsequent to the Track Record Period. The following table sets forth the key operating data of (i) our mobility services (including ride-hailing, Robotaxi and hitch services), and (ii) ride-hailing services for the two months ended February 29, 2024 and for the two months ended February 28, 2023 as comparison:

	Two months ended	
	February 28, 2023	**February 29, 2024**
Mobility services		
GTV *(RMB in millions)*	301.0	383.6
Daily GTV*(RMB in millions)*	5.1	6.4
Order volume *(millions)*	10.4	14.8
Daily order volume *(thousands)*	173.0	247.3
Ride-hailing services		
GTV *(RMB in millions)*	296.2	381.1
Daily GTV *(RMB in millions)*	5.0	6.4
Order volume *(millions)*	10.3	14.8
Daily order volume *(thousands)*	171.8	246.7

Notwithstanding the continuous growth in our business, we expect to continue to incur loss in 2024, which is mainly due to (i) an expected increase in cost of revenue in relation to drivers' service fee, service costs of third-party mobility service platform and cost of auto service center, and (ii) an expected increase in research and development expenses, in light of our R&D activities of autonomous driving and Robotaxi operation service in the future.

Our Directors have confirmed that, up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2023, being the end date of our latest audited financial statements, and there has been no event since December 31, 2023 that would materially affect the information shown in the Accountants' Report included in Appendix I to this Document.

REGULATORY LANDSCAPE AND INDUSTRY DEVELOPMENT

Since 2021, the maintenance of cybersecurity, information security, and protection of important data and personal information (including privacy) have been subject to increased regulation by the PRC competent authorities. Various laws and regulations have been promulgated to supervise privacy and data security, especially on the proper collection, utilization, and storage of the data. In addition, relevant regulatory authorities in the PRC have promulgated new regulations to strengthen enforcement of the PRC Anti-Monopoly Law. During the Track Record Period and up to the Latest Practicable Date, we had not entered into any monopolistic agreements, and had not been subject to any penalties, regulatory orders, or investigations in connection with anti-monopoly activities. In terms of industry development, regulators nationwide are intensifying efforts to manage and regulate ride-hailing services, aiming to enhance industry compliance, and Robotaxi's commercialization is rapidly progressing in China.

We have proactively taken measures to ensure ongoing compliance and mitigate the impact arising from such developments on our business.

See "Business – Regulatory Landscape and Industry Development."

[**REDACTED**]

DIVIDEND

During the Track Record Period, we did not declare or distribute any dividend. According to our Articles of Association and applicable laws and regulations, the decision on whether 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 predetermined dividend payout ratio. We will evaluate our dividend policy in light of our financial condition and the prevailing economic environment. We cannot guarantee in what form dividends will be paid in the future. As advised by our legal advisor on Cayman Islands law, under the Cayman Companies Act, a position of accumulated losses does not necessarily restrict us from declaring and paying dividends to our Shareholders as dividends may be declared and paid out of our share premium account, provided that immediately after the date on which the dividend is proposed to be paid, we will be able to pay our debts as they fall due in the ordinary course of business.

[**REDACTED**]