

**ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL
INFORMATION TO THE DIRECTORS OF CAOCAO INC., HUATAI
FINANCIAL HOLDINGS (HONG KONG) LIMITED, ABCI CAPITAL
LIMITED AND GF CAPITAL (HONG KONG) LIMITED**

Introduction

We report on the historical financial information of CaoCao Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-103, which comprises the consolidated balance sheets as at December 31, 2022, 2023 and 2024, the balance sheets of the Company as at December 31, 2022, 2023 and 2024, and the consolidated statements of comprehensive loss, the consolidated statements of changes in deficit and the consolidated statements of cash flows for each of the years ended December 31, 2022, 2023 and 2024 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-103 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated June 17, 2025 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2022, 2023 and 2024 and the consolidated financial position of the Group as at December 31, 2022, 2023 and 2024 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.



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Dividends

We refer to Note 35 to the Historical Financial Information which states that no dividends have been paid by CaoCao Inc. in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.


PricewaterhouseCoopers
Certified Public Accountants
Hong Kong
June 17, 2025

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand RMB (RMB'000) except when otherwise indicated.

Consolidated Statements of Comprehensive Loss

	<i>Note</i>	Year ended December 31		
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	5	7,630,961	10,667,894	14,657,499
Cost of sales	6	<u>(7,969,949)</u>	<u>(10,052,491)</u>	<u>(13,471,519)</u>
Gross (loss)/profit		(338,988)	615,403	1,185,980
Selling and marketing expenses	6	(639,329)	(836,299)	(1,222,042)
General and administrative expenses	6	(743,841)	(1,204,092)	(762,019)
Research and development expenses	6	(225,224)	(339,473)	(234,462)
Other income	8	39,122	139,870	192,314
Other gains – net	9	45,291	52,104	47,419
Net impairment losses on financial assets	3.1(b)	<u>(3,059)</u>	<u>(2,910)</u>	<u>(7,694)</u>
Operating loss		(1,866,028)	(1,575,397)	(800,504)
Finance income	10	9,193	17,097	10,822
Finance costs	10	<u>(259,325)</u>	<u>(312,636)</u>	<u>(327,967)</u>
Finance costs – net		(250,132)	(295,539)	(317,145)
Fair value changes of financial liabilities at fair value through profit or loss	3.3(b)	<u>(14,144)</u>	<u>(69,060)</u>	<u>(88,693)</u>
Loss before income tax		(2,130,304)	(1,939,996)	(1,206,342)
Income tax credit/(expenses)	11(b)	<u>123,204</u>	<u>(41,062)</u>	<u>(40,047)</u>
Loss for the year		<u><u>(2,007,100)</u></u>	<u><u>(1,981,058)</u></u>	<u><u>(1,246,389)</u></u>
Loss for the year attributable to:				
– Owners of the Company		(1,972,065)	(1,916,483)	(1,250,769)
– Non-controlling interests		<u>(35,035)</u>	<u>(64,575)</u>	<u>4,380</u>
		<u><u>(2,007,100)</u></u>	<u><u>(1,981,058)</u></u>	<u><u>(1,246,389)</u></u>

		Year ended December 31		
<i>Note</i>		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Losses per share attributable to the owners of the Company				
	Basic and diluted losses per share (in RMB per share)			
	<i>12</i>	<u>(4.36)</u>	<u>(4.24)</u>	<u>(2.77)</u>
Other comprehensive income				
	Items that may be reclassified to profit or loss			
	Currency translation differences	<u>8</u>	<u>1</u>	<u>—</u>
	Other comprehensive income for the year, net of income tax	<u>8</u>	<u>1</u>	<u>—</u>
	Total comprehensive loss for the year	<u>(2,007,092)</u>	<u>(1,981,057)</u>	<u>(1,246,389)</u>
	Total comprehensive loss for the year attributable to:			
	– Owners of the Company	(1,972,057)	(1,916,482)	(1,250,769)
	– Non-controlling interests	<u>(35,035)</u>	<u>(64,575)</u>	<u>4,380</u>
		<u>(2,007,092)</u>	<u>(1,981,057)</u>	<u>(1,246,389)</u>

Consolidated Balance Sheets

		As at December 31		
	Note	2022 RMB'000	2023 RMB'000	2024 RMB'000
Assets				
Non-current assets				
Property, plant and equipment and right-of-use assets	13	2,933,954	2,957,865	2,340,619
Intangible assets	14	2,226	2,628	52,079
Prepayments and other receivables	17	111,122	147,446	108,013
Deferred income tax assets	29	122,674	81,591	41,823
Total non-current assets		<u>3,169,976</u>	<u>3,189,530</u>	<u>2,542,534</u>
Current assets				
Inventories	18	3,241	167,262	223,079
Prepayments, other receivables and other current assets	17	603,431	665,255	716,748
Trade receivables	19	175,937	266,053	274,012
Restricted cash	20(b)	226,906	105,576	68,247
Cash and cash equivalents	20(a)	379,995	582,995	159,497
Assets classified as held for sale	21	107,573	96,213	93,535
Total current assets		<u>1,497,083</u>	<u>1,883,354</u>	<u>1,535,118</u>
Total assets		<u><u>4,667,059</u></u>	<u><u>5,072,884</u></u>	<u><u>4,077,652</u></u>
Liabilities				
Non-current liabilities				
Financial liabilities at fair value through profit or loss	37, 3.3	1,814,144	1,883,204	–
Borrowings	26	2,107,100	2,353,010	1,541,737
Lease liabilities	27	141,477	81,665	59,993
Deferred income tax liabilities	29	220	–	–
Total non-current liabilities		<u>4,062,941</u>	<u>4,317,879</u>	<u>1,601,730</u>

		As at December 31		
	Note	2022	2023	2024
		RMB'000	RMB'000	RMB'000
Current liabilities				
Financial liabilities at fair value				
through profit or loss	37, 3.3	–	–	1,971,901
Trade and notes payables	24	1,141,888	680,061	702,206
Accruals and other payables	25	919,865	917,650	927,106
Contract liabilities	5(b)	206,271	226,200	263,196
Borrowings	26	3,472,123	5,176,890	5,676,550
Lease liabilities	27	84,892	72,970	56,528
Deferred income	28	77,129	54,828	83,864
Income tax payables		–	–	150
Total current liabilities		<u>5,902,168</u>	<u>7,128,599</u>	<u>9,681,501</u>
Net current liabilities		<u>4,405,085</u>	<u>5,245,245</u>	<u>8,146,383</u>
Total liabilities		<u>9,965,109</u>	<u>11,446,478</u>	<u>11,283,231</u>
Deficit				
Share capital	22(ii)	–	–	30
Other equity instruments	22(iii)	–	–	2
Other reserves	23	5,086,244	6,006,782	6,411,142
Accumulated losses		<u>(10,213,956)</u>	<u>(12,130,439)</u>	<u>(13,381,208)</u>
Deficit attributable to owners of the Company		<u>(5,127,712)</u>	<u>(6,123,657)</u>	<u>(6,970,034)</u>
Non-controlling interests		<u>(170,338)</u>	<u>(249,937)</u>	<u>(235,545)</u>
Total deficit		<u>(5,298,050)</u>	<u>(6,373,594)</u>	<u>(7,205,579)</u>

Balance Sheets of the Company

		As at December 31		
	Note	2022 RMB'000	2023 RMB'000	2024 RMB'000
Assets				
Non-current assets				
Investments in subsidiaries	36(e)	335,782	1,256,319	3,609,135
Current assets				
Listing expenses directly attributable to the issue of shares to be deducted from equity	17	494	2,473	5,274
Capital contribution receivables from Ugo Investment Limited	17,22	–	–	30
Prepayments, other receivables and other current assets		–	–	7
Cash and cash equivalents		–	13	109
		494	2,486	5,420
Total assets		336,276	1,258,805	3,614,555
Liabilities				
Non-current liabilities				
		–	–	–
Current liabilities				
Financial liabilities at fair value through profit and loss	37,3.3	–	–	1,971,901
Accruals and other payables	25	5,469	30,209	59,669
		5,469	30,209	2,031,570
Total liabilities		5,469	30,209	2,031,570
Equity attributable to owners of the Company				
Share capital	22(ii)	–	–	30
Other equity instruments	22(iii)	–	–	2
Other reserves	23	335,782	1,256,319	1,657,735
Accumulated losses		(4,975)	(27,723)	(74,782)
Total equity		330,807	1,228,596	1,582,985

Consolidated Statements of Changes in Deficit

	Note	Attributable to owners of the Company			Non-controlling interests	Total deficit
		Share capital	Other reserves	Accumulated losses		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at January 1, 2022		<u>–</u>	<u>4,660,454</u>	<u>(8,241,891)</u>	<u>(3,581,437)</u>	<u>(3,716,740)</u>
Loss for the year		–	–	(1,972,065)	(35,035)	(2,007,100)
Currency translation differences		<u>–</u>	<u>8</u>	<u>–</u>	<u>–</u>	<u>8</u>
Total comprehensive loss		<u>–</u>	<u>8</u>	<u>(1,972,065)</u>	<u>(35,035)</u>	<u>(2,007,092)</u>
Transactions with equity holders of the Company:						
Capital injection from shareholders	23	–	90,000	–	–	90,000
Share-based compensation expenses	7, 34	<u>–</u>	<u>335,782</u>	<u>–</u>	<u>–</u>	<u>335,782</u>
Balance as at December 31, 2022		<u>–</u>	<u>5,086,244</u>	<u>(10,213,956)</u>	<u>(170,338)</u>	<u>(5,298,050)</u>
Balance as at January 1, 2023		<u>–</u>	<u>5,086,244</u>	<u>(10,213,956)</u>	<u>(170,338)</u>	<u>(5,298,050)</u>
Loss for the year		–	–	(1,916,483)	(64,575)	(1,981,058)
Currency translation differences		<u>–</u>	<u>1</u>	<u>–</u>	<u>–</u>	<u>1</u>
Total comprehensive loss		<u>–</u>	<u>1</u>	<u>(1,916,483)</u>	<u>(64,575)</u>	<u>(1,981,057)</u>
Transactions with equity holders of the Company:						
Capital contributions from non-controlling interests		–	–	–	4,500	4,500
Disposal of subsidiaries		–	–	–	(19,524)	(19,524)
Share-based compensation expenses	7, 34	<u>–</u>	<u>920,537</u>	<u>–</u>	<u>–</u>	<u>920,537</u>
Balance as at December 31, 2023		<u>–</u>	<u>6,006,782</u>	<u>(12,130,439)</u>	<u>(249,937)</u>	<u>(6,373,594)</u>

		Attributable to owners of the Company						
		Share	Other	Other	Accumulated		Non-	
	Note	capital	equity	reserves	losses	Total	controlling	Total deficit
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at								
January 1, 2024		-	-	6,006,782	(12,130,439)	(6,123,657)	(249,937)	(6,373,594)
Loss for the year								
		-	-	-	(1,250,769)	(1,250,769)	4,380	(1,246,389)
Total comprehensive loss								
		-	-	-	(1,250,769)	(1,250,769)	4,380	(1,246,389)
Transactions with equity holders of the Company:								
Issuance of shares to								
shareholders	22	30	2	-	-	32	-	32
Transaction with								
non-controlling interests	23	-	-	(13,676)	-	(13,676)	10,012	(3,664)
Deemed capital contributions								
from shareholders	23	-	-	16,620	-	16,620	-	16,620
Share-based compensation								
expenses	7, 34	-	-	401,416	-	401,416	-	401,416
Balance as at								
December 31, 2024		30	2	6,411,142	(13,381,208)	(6,970,034)	(235,545)	(7,205,579)

Consolidated Statements of Cash Flows

	<i>Note</i>	Year ended December 31		
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from operating activities				
Cash (used in)/generated from operations	30	(1,136,326)	119,475	225,208
Interest received	10	9,193	17,097	10,822
Income tax paid		(82)	(200)	(129)
Net cash (used in)/generated from operating activities		<u>(1,127,215)</u>	<u>136,372</u>	<u>235,901</u>
Cash flows from investing activities				
Proceeds from loan to related parties		–	–	5,550
Proceeds from disposal of property, plant and equipment and assets classified as held for sale		286,912	381,441	313,550
Proceeds from disposal of subsidiaries, net of cash disposed	36(d)	–	32,242	–
Proceeds from disposal of an investment accounted for using the equity method	15(a)	25,600	–	900
Payments for property, plant and equipment		(741,949)	(1,904,883)	(292,820)
Payments for intangible assets	14	(1,574)	(1,790)	(4,604)
Loans to a related party	33(b)(xx)	–	(5,550)	–
Net cash (used in)/generated from investing activities		<u>(431,011)</u>	<u>(1,498,540)</u>	<u>22,576</u>

	<i>Note</i>	Year ended December 31		
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash flows from financing activities				
Proceeds from borrowings, excluding asset-backed securities (“ABSs”) and an asset-backed medium-term note (“ABNs”)		1,581,184	2,367,699	2,528,224
Proceeds from ABSs and ABNs	26(b)	3,300,000	3,830,000	2,710,000
Proceeds from loans from related parties	33(b)(xvi)	1,068,220	443,780	1,816,500
Proceeds from issuance of financial liabilities at fair value through profit or loss	37, 3.3	–	–	4
Capital contributions from non-controlling interests		–	4,500	–
Capital contributions from shareholders	22,23	90,000	–	2
Repayments of borrowings, excluding ABSs and ABNs		(1,337,766)	(2,043,817)	(2,710,946)
Repayments of ABSs and ABNs	26(b)	(1,526,000)	(2,303,000)	(3,538,000)
Repayments to loans from related parties	33(b)(xvii)	(1,272,000)	(359,790)	(1,100,000)
Interest paid for borrowings		(265,694)	(288,512)	(322,396)
Interest paid for notes payables		(6,971)	–	–
Listing expenses paid		–	(901)	(2,029)
Principal elements of lease payments	27(i)	(99,979)	(76,473)	(56,992)
Interest elements of lease payments	27(i)	(10,522)	(8,319)	(6,342)
Net cash generated/(used in) from financing activities		<u>1,520,472</u>	<u>1,565,167</u>	<u>(681,975)</u>
Net (decrease)/increase in cash and cash equivalents		(37,754)	202,999	(423,498)
Cash and cash equivalents at beginning of the year	20(a)	417,741	379,995	582,995
Effects of exchange rate changes on cash and cash equivalents		<u>8</u>	<u>1</u>	<u>–</u>
Cash and cash equivalents at end of the year	20(a)	<u>379,995</u>	<u>582,995</u>	<u>159,497</u>

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION AND REORGANISATION OF THE GROUP

1.1 General information

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

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

1.2 History and reorganisation of the Group

1.2.1 History of the Group

Prior to the incorporation of the Company and the completion of reorganisation as described below, the Listing Business was operated by Hangzhou Youxing Technology Co., Ltd. (“Hangzhou Youxing”) and its subsidiaries as well as Zhejiang Limao Mobility Technology Co., Ltd. (“Limao Mobility”) and its subsidiaries (collectively, the “PRC Operating Entities”).

On May 21, 2015, Hangzhou Youxing was incorporated under the laws of the PRC by Zhejiang Jidi Technology Co., Ltd. (formerly known as Geely Technology Group Company Limited). From November 2017 to August 2021, Hangzhou Youxing conducted three rounds of onshore financings (collectively as “Pre-IPO Investments”), including Series A and Series A1 financing with several independent investors (collectively as “Series A and Series A1 Investors”), and Series B financing with several independent investors (collectively as “Series B Investors”), pursuant to which the Series A and Series A1 Investors and Series B Investors (collectively as “Pre-IPO Investors”) invested in Hangzhou Youxing. See Note 22 and Note 37 for further information about the Group’s accounting treatment for the Pre-IPO investments. Other than the pre-IPO investments, Mr. Shufu Li, through Zhejiang Jidi Technology Co., Ltd. and Zhejiang Geely Holding Group Company Limited (collectively, the “Geely Group”), also subscribed for an additional registered capital during the same period. Immediately after the onshore financing in August 2021, Mr. Shufu Li held 83.87% of equity interest of the Group through Geely Group, and the approximate percentage of the shares held by Series A and Series A1 Investors and Series B Investors are 6.56% and 9.57%, respectively. The shareholding structure remained unchanged before and after the reorganisation.

1.2.2 Reorganisation

In preparing for the initial public offering of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited, the Group entered into a series of reorganisation transactions (“the Reorganisation”) to establish the Company as the ultimate holding company of the companies now comprising the Group. The Company became the holding company of the subsidiaries now comprising the Group upon the completion of the Reorganisation. Apart from the Reorganisation, the Company and the new companies incorporated during the Reorganisation have not commenced any business or operation since its incorporation.

The Reorganisation mainly involved the following steps:

On November 8, 2021, the Company was incorporated in the Cayman Islands as an exempted company with limited liability, with an authorised share capital of US\$50,000 divided into 500,000,000 shares of a par value of US\$0.0001 each. Upon incorporation, one ordinary share was allotted and issued to the initial subscriber at par value, and was subsequently transferred, on the same day, to Ugo Investment Limited, a limited liability company incorporated in the British Virgin Islands, which is wholly owned by Mr. Shufu Li. Before the completion of Reorganisation, the Company has issued 738,692 ordinary shares with a par value of US\$0.0001 to Ugo Investment Limited.

On November 12, 2021, CaoCao International Limited was incorporated in the British Virgin Islands as a limited liability company and a direct wholly-owned subsidiary of the Company.

On November 26, 2021, CaoCao Hong Kong Limited was incorporated in Hong Kong as a direct wholly-owned subsidiary of CaoCao International Limited.

On December 31, 2021, Caocao Hong Kong Limited established Suzhou Youxing Qianli Network Technology Co., Ltd. (“WFOE”) under the laws of PRC as its wholly-owned foreign enterprise in the PRC.

In order to comply with the PRC laws and regulations which prohibit or restrict foreign control of companies involved in provision of certain restricted businesses, in particular, mobility service, the Group operates its restricted businesses in the PRC through PRC operating entities, whose equity interests are mainly held by Geely Group. The Company obtained control over PRC operating entities via a series of the contractual arrangements signed between Hangzhou Youxing, WFOE and Geely Group.

On March 25, 2024, Hangzhou Youxing entered into a share transfer agreement to acquire 100% equity interest of Limao Mobility from Zhejiang Yizhen Automobile Co., Ltd. with a consideration of RMB1. Limao Mobility, established on January 25, 2021, is ultimately controlled by Mr. Shufu Li since its establishment date on January 25, 2021, and provides mobility services and other services.

On April 10, 2024, WFOE entered into various agreements which constitute the contractual arrangements with Hangzhou Youxing, Geely Group, and Pre-IPO Investors. The contractual agreements include a Shareholders’ Rights Entrustment Agreement, an Exclusive Call Option Agreement, an Exclusive Technical Consulting Services Agreement, a Business Cooperation Agreement, an Equity Pledge Agreement and Spousal Consents (the “Contractual Arrangements”). Pursuant to the Contractual Agreements, the WFOE has the power to direct activities that most significantly impact the Hangzhou Youxing and its subsidiaries, including appointing key management, setting financial and operating policies, exerting financial controls and transferring profits or assets out of PRC Operating Entities at its discretion. The WFOE considers that it also has the right to substantially all of the economic benefits of Hangzhou Youxing and has an exclusive option to purchase all or part of the equity interests in Hangzhou Youxing when and to the extent permitted by the PRC laws and regulations at the minimum price possible.

On April 10, 2024, in contemplation of the listing and to reflect the shareholding structure of Hangzhou Youxing at the level of the Company, all shareholders of Hangzhou Youxing or their affiliates entered into a shareholders’ agreement with, among others, the Company, to restructure the Group. On April 10, 2024, the authorised share capital of the Company was increased from 500,000,000 ordinary shares with a par value of US\$0.0001 each to 5,000,000,000 shares with a par value of US\$0.00001 each (“Share Subdivision”), of which (i) 4,919,346,000 shares are designated as ordinary shares (“Ordinary Shares”); (ii) 21,403,500 shares are designated as Series A Preferred Shares (“Series A Preferred Shares”); (iii) 11,378,500 shares are designated as Series A1 Preferred Shares (“Series A1 Preferred Shares”); and (iv) 47,872,000 shares are designated as Series B Preferred Shares (“Series B Preferred Shares”). The allotment and issuance of shares by the Company was completed on April 10, 2024.

The Reorganisation was completed on April 10, 2024 when all above steps are completed. Upon completion of the Reorganisation, the Company became the holding company of the companies comprising the Group.

1.2.3 Group structure

The Group's principal subsidiaries (including directly held, indirectly held and structured entities) are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Company name	Country/place and date of incorporation/establishment	Particulars of issued/registered capital	Effective interests held by the Group as at				Principal activities	Note
			As at December 31		As of date of this report			
			2022	2023	2024			
A subsidiary directly held: CaoCao International Limited	The British Virgin Islands, November 12, 2021	USD1	100%	100%	100%	100%	Investment holding	(iii)
Subsidiaries indirectly held: CaoCao Hong Kong Limited	Hong Kong, November 26, 2021	HKD10,000	100%	100%	100%	100%	Investment holding	(iv)
Suzhou Youxing Qianli Network Technology Co., Ltd.	The PRC, December 31, 2021	RMB10,000,000	100%	100%	100%	100%	Technical service and development	(iii)
Hangzhou Youxing Technology Co., Ltd.	The PRC, May 21, 2015	RMB478,561,500	100%	100%	100%	100%	Ride hailing services	(i) (v) (viii)
Suzhou Caozhi Automobile Co., Ltd.	The PRC, January 9, 2023	RMB10,000,000	NA	55%	55%	55%	Sales of Vehicles	(vi) (ix)
Subsidiaries directly held by Hangzhou Youxing: Fuzhou Youxing Network Technology Co., Ltd.	The PRC, April 24, 2018	RMB150,000,000	100%	100%	100%	100%	Ride hailing services	(v) (viii)
Guangzhou Youxing Technology Co., Ltd.	The PRC, April 17, 2017	RMB530,000,000	100%	100%	100%	100%	Ride hailing services	(v) (viii)
Chengdu Geely Youxing Technology Co., Ltd.	The PRC, February 15, 2016	RMB10,000,000	100%	100%	100%	100%	Ride hailing services	(v) (viii)
Tianjin Geely Youxing Technology Co., Ltd.	The PRC, October 28, 2016	RMB530,000,000	100%	100%	100%	100%	Ride hailing services	(v) (viii)
Suzhou Geely Youxing Electronic Technology Co., Ltd.	The PRC, February 22, 2016	RMB300,000,000	100%	100%	100%	100%	Ride hailing services	(ii) (v) (viii)
Kunming Lixing Technology Co., Ltd.	The PRC, May 15, 2018	RMB140,000,000	100%	100%	100%	100%	Ride hailing services	(v) (viii)

Company name	Country/place and date of incorporation/establishment	Particulars of issued/registered capital	Effective interests held by the Group as at				Principal activities	Note
			As at December 31		As of date of this report			
			2022	2023	2024			
Xiamen Geely Youxing Technology Co., Ltd.	The PRC, March 9, 2016	RMB30,000,000	100%	100%	100%	100%	Ride hailing services	(v) (viii)
Xi'an Geely Youxing Auto Technology Co., Ltd.	The PRC, April 27, 2017	RMB130,000,000	100%	100%	100%	100%	Ride hailing services	(v) (viii)
Zhengzhou Zhongchuang Youxing Technology Company Limited	The PRC, June 13, 2018	RMB100,000,000	96%	96%	96%	96%	Ride hailing services	(v) (viii)
Shenzhen Geely Youxing Technology Co., Ltd. (Note 36(a))	The PRC, June 28, 2017	RMB50,000,000	60%	60%	60%	60%	Ride hailing services	(v) (viii)
Chongqing Geely Youxing Technology Co., Ltd.	The PRC, March 8, 2016	RMB150,000,000	84%	84%	84%	84%	Ride hailing services	(v) (viii)
Zhejiang Limao Mobility Technology Co., Ltd.	The PRC, January 25, 2021	RMB100,000,000	100%	100%	100%	100%	Ride hailing services and offline taxi hailing services	(vii)

- (i) The Group controlled Hangzhou Youxing through Contractual Arrangements as disclosed in Note 1.2.2.
- (ii) The issued capital of subsidiaries shown above remained unchanged during the Track Record Period, except for the following subsidiaries:

	As at December 31			As of date of this report
	2022 RMB	2023 RMB	2024 RMB	RMB
Suzhou Geely Youxing Electronic Technology Co., Ltd.	200,000,000	300,000,000	300,000,000	300,000,000
(iii) No statutory audited financial statements were issued for these companies for the years ended December 31, 2022, 2023 and 2024 as they are either newly incorporated or not required to issue audited financial statements under the statutory requirements of their respective places of incorporation.				
(iv) Richful Deyong International Business (China) Limited is the statutory auditor for CaoCao Hong Kong Limited for the years ended December 31, 2022 and 2023.				
(v) The statutory financial statements of these companies for the years ended December 31, 2022 and 2023 were audited by Zhejiang Tianping Accounting Firm LLP (“浙江天平會計師事務所(特殊普通合夥)”).				
(vi) The statutory financial statements of Suzhou Caozhi Automobile Co., Ltd. for the year ended December 31, 2023 was audited by Zhejiang Tianping Accounting Firm LLP (“浙江天平會計師事務所(特殊普通合夥)”).				
(vii) The statutory financial statements of these companies for the years ended December 31, 2022 and 2023 were audited by RSM China CPA LLP (“容誠會計師事務所(特殊普通合夥)”).				
(viii) The statutory financial statements of these companies for the year ended December 31, 2024 were audited by Zhejiang Tianping Accounting Firm LLP (“浙江天平會計師事務所(特殊普通合夥)”).				
(ix) The statutory financial statements of Suzhou Caozhi Automobile Co., Ltd. for the year ended December 31, 2024 was audited by Zhejiang Zhengge Certified Public Accountants (General Partnership) (“浙江正格會計師事務所(普通合夥)”).				
(x) All of the companies comprising the Group are incorporated/established with limited liability and adopted 31 December as their financial year end date.				

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the Listing Business was held by and conducted through the PRC Operating Entities. Pursuant to the Reorganisation, the Listing Business was transferred to and held by the Company. The Company and new companies incorporated during the Reorganisation have not been involved in any other business prior to the Reorganisation and do not meet the definition of a business. The Reorganisation is merely a recapitalisation of the Listing Business with no change in such business and no change of control in the Listing Business.

Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Listing Business operated by the PRC Operating Entities. For the purpose of this report, the Historical Financial Information has been prepared and presented as a continuation of the consolidated financial statements of the PRC Operating Entities, with the assets and liabilities of the Group recognised and measured at the carrying amounts of the Listing Business under the consolidated financial statements of the PRC Operating Entities for all periods presented.

Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation.

2 BASIS OF PREPARATION

As of December 31, 2022, 2023 and 2024, the Group had total deficit of approximately RMB5,298,050,000, RMB6,373,594,000 and RMB7,205,579,000 and net current liability of approximately RMB4,405,085,000, RMB5,245,245,000 and RMB8,146,383,000, respectively. The Group incurred loss of approximately RMB2,007,100,000, RMB1,981,058,000 and RMB1,246,389,000 for the years ended December 31, 2022, 2023 and 2024, respectively, and incurred net operating cash outflow of approximately RMB1,127,215,000 for the year ended December 31, 2022, which turns into net operating cash inflow of approximately RMB136,372,000 and RMB235,901,000 for the years ended December 31, 2023 and 2024. Historically, in addition to the capital contribution from shareholders, the Group has relied principally on financing through ABSs and ABNs arrangements, borrowings from banks and other financial institutions to fund its operations and business development. Certain of the Group's ABSs and ABNs financing and borrowings were guaranteed by the related parties of the Group (Note 33(b)).

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

- the Group has been actively communicating with various issuing institutions and arranging the applications of different ABSs products. The Group obtained ABS shelf-offerings of RMB6.0 billion on April 24, 2025 which was approved by the China Insurance Asset Registration and Trading System, and issued the first tranche of ABSs of RMB1.5 billion in May 2025;
- the Group has received a confirmation from a related party of its intention to provide financial support when needed, and will continue to maintain good cooperative relationships with banks and other financial institutions to renew or secure new borrowings when needed;
- the Group will continue its efforts to implement measures to improve its operating cashflows by increasing its mobility service revenue and profitability and controlling operating expenditures, in order to strengthen its working capital; and
- the Group will continue to manage its capital expenditures, i.e., cash payments for self-owned vehicles, in line with its operating activities and financing activities.

Management of the Group has prepared a cash flow projection covering not less than 12 months from December 31, 2024. The cash flow projection has taken into account the anticipated cash flows to be generated by the Group and the available financing resources. The directors, after making due enquiries and considering the basis of management's projection described above, believe that the Group's current cash and cash equivalents and the anticipated cash flows from future operations and financing activities, together with funding from a related party that is available when needed under the financial support, will be sufficient so as to enable the Group to meet its anticipated working capital requirements, capital expenditure requirements and to repay its liabilities for the next twelve months from the date of issuance of the Historical Financial Information. Consequently, the Historical Financial Information has been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

(a) Compliance with IFRS

The Historical Financial Information of the Group has been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- IAS Standards
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial liabilities at fair value through profit or loss, which are carried at fair value.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

All effective standards, amendments to standards and interpretations have been consistently applied to the Group for the Track Record Period.

(b) Accounting policies

The material accounting policies applied in the preparation of the financial information has been consistently applied to all the years presented, unless otherwise stated. Other than those material accounting policies information as disclosed in the notes to the relevant financial line items or transactions in this Historical Financial Information, a summary of the other accounting policies information has been set out in Note 38 to this Historical Financial information.

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

Standards, amendments and interpretations that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

	New/amended standards	Effective date
Amendments to IAS 21	Lack of exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

(d) Changes in accounting policy and disclosures

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

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by management of the Group. The Group currently does not use any derivative financial instruments to hedge certain risk exposure.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group entities' functional currency. The Group operates mainly in the PRC with most of the transactions settled in RMB. Management considers that the business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group are denominated in the currencies other than the respective functional currencies of the Group's entities, so that the Group does not hedge against any fluctuation in foreign currency.

(ii) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group has no significant interest-bearing assets and liabilities, except for lease liabilities (Note 27), cash and cash equivalents (Note 20), restricted cash (Note 20), notes payables (Note 24(b)) and borrowings (Note 26). Those carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk.

The Group's interest rate risk mainly arises from notes payables and borrowings. As at December 31, 2022, 2023 and 2024, the Group's notes payables were carried at fixed rates, and the Group's borrowings were partially carried at floating rates. Management does not anticipate significant impact to interest-bearing assets and other liabilities resulted from the changes in interest rates.

If interest rates had been 50 basis points higher/lower with all other variables held constant, loss before tax for the years ended December 31, 2022, 2023 and 2024 would have been approximately RMB23,516,000, RMB25,207,000 and RMB38,858,000, higher/lower, respectively.

(b) Credit risk

Credit risk mainly arises from cash and cash equivalents, restricted cash, trade receivables, and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated balance sheets.

(i) Risk management

The Group expects that there is no significant credit risk associated with cash and cash equivalents and restricted cash, since they are deposited at state-owned banks or reputable commercial banks which are high-credit-quality financial institutions. Management does not expect that there will be any significant losses from non-performance by these counterparties. The expected credit loss is immaterial.

For trade receivables, the Group has policies in place to ensure that transactions with credit terms are made to counterparties with an appropriate credit history. Management performs ongoing credit evaluations of its counterparties, of which the credit quality is assessed by taking into account their financial position, past experience and other factors.

For other receivables, management makes periodic collective assessment as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

(ii) Impairment of financial assets

The Group has two types of financial assets that are subject to the expected credit loss assessment, which are trade receivables and other receivables.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and collectively assessed to likelihood of recovery, taking into account the industries that the customer are operating in, their ageing category and past collection history. For trade receivables, management makes periodic assessments as well as individual assessment on the recoverability based on historical settlement records and past experience and adjusts for forward looking information.

The expected loss rates are based on credit rating of debtors with similar risk profiles and were adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product index (“GDP”), consumer price index (“CPI”) and China internet industry price index (“CIPI”) of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Individually impaired trade receivables are related to customers who are experiencing unexpected economic difficulties. The Group expects that the amounts of the receivables will partially or entirely have difficulty to be recovered and has recognized impairment losses.

Trade receivables include:

- Category 1: customers who are insolvent or in operating difficulty with a relatively higher credit risk. The remaining customers which are assessed based on industry credit rating within lifetime ECL.
- Category 2: customers who are not in operating difficulty.

With different types of customers, the Group calculated the expected credit loss rates respectively.

As of December 31, 2022, 2023 and 2024, the loss allowance provision for the trade receivables was determined as follows.

	As at December 31, 2022		
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Loss allowance <i>RMB'000</i>
Category 1 – individual basis	5,548	100%	5,548
Category 2 – collective basis	177,285	0.8%	1,348
	<u>182,833</u>	<u>3.8%</u>	<u>6,896</u>
	As at December 31, 2023		
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Loss allowance <i>RMB'000</i>
Category 1 – individual basis	5,768	100%	5,768
Category 2 – collective basis	267,935	0.7%	1,882
	<u>273,703</u>	<u>2.8%</u>	<u>7,650</u>
	As at December 31, 2024		
	Gross carrying amount <i>RMB'000</i>	Expected credit loss rate	Loss allowance <i>RMB'000</i>
Category 1 — individual basis	12,901	100%	12,901
Category 2 — collective basis	276,861	1.0%	2,849
	<u>289,762</u>	<u>5.4%</u>	<u>15,750</u>

Movements in allowance for impairment of trade receivables are as follows:

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
At beginning of the year	6,121	6,896	7,650
Increase in loss allowance	2,303	2,152	8,552
Write-off	(1,528)	(1,398)	(452)
At end of the year	<u>6,896</u>	<u>7,650</u>	<u>15,750</u>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 2 years past due.

Impairment losses on trade receivables are presented as net impairment losses on financial assets. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables

Other receivables mainly include other receivables from related parties, trust protection fund, rental and other deposits. Other receivables that are not credit-impaired on initial recognition are classified in 'stage 1' and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other receivable has occurred since initial recognition, the financial asset is moved to 'stage 2' but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'stage 3' and the expected credit loss is measured as lifetime expected credit loss.

Management considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis during the Track Record Period. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. Indicators that significant increase in credit risk include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 30 days past due. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of the counterparty.

A default on a financial asset is when the counterparty fails to make contractual payments/repayable demanded (i) within 90 days of when they fall due; (ii) because of insolvency. Credit-impaired other receivables with gross carrying amounts of approximately RMB4,644,000, RMB4,644,000 and RMB3,644,000, as at December 31, 2022, 2023 and 2024, respectively, were assessed individually, classified in Stage 3, and 100% ECL were provided accordingly.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 3 years past due.

Management makes periodic collective assessments on the recoverability of other receivables based on historical settlement records and past experience. The Group uses three stages for other receivables which reflect their credit risk and how the credit loss provision is determined for each of those categories.

Impairment losses on other receivables are presented as net impairment losses on financial assets within operating loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

Movements on the Group's allowance of impairment of other receivables are as follows:

	Year ended December 31		
	2022 <i>RMB'000</i>	2023 <i>RMB'000</i>	2024 <i>RMB'000</i>
At beginning of the year	5,722	6,478	6,951
Increase/(decrease) in loss allowance	756	758	(858)
Write-off	—	(285)	(1,364)
At end of the year	<u>6,478</u>	<u>6,951</u>	<u>4,729</u>

The credit loss allowance of other receivables as at December 31, 2022, 2023 and 2024 were determined as follows:

			As at December 31, 2022	
	Expected credit loss rate	Basis for recognition of expected credit loss provision	Loss allowance <i>RMB'000</i>	Carrying amount (net of impairment provision) <i>RMB'000</i>
Trust protection fund – performing	0.1%	12 months expected losses	43	40,727
Rental and other deposits – performing	2.3%	12 months expected losses	1,522	64,152
Rental and other deposits – underperforming	100%	Life time expected losses	1,000	—
Loans to third parties – underperforming	100%	Life time expected losses	3,644	—
Others – performing	1.7%	12 months expected losses	269	15,562
			<u>6,478</u>	<u>120,441</u>

As at December 31, 2023				
	Expected credit loss rate	Basis for recognition of expected credit loss provision	Loss allowance RMB'000	Carrying amount (net of impairment provision) RMB'000
Trust protection fund – performing	0.1%	12 months expected losses	96	64,534
Rental and other deposits – performing	2.4%	12 months expected losses	1,763	71,645
Loans to a related party – performing	2.6%	12 months expected losses	146	5,404
Rental and other deposits – underperforming	100%	Life time expected losses	1,000	–
Loans to third parties – underperforming	100%	Life time expected losses	3,644	–
Others – performing	2.0%	12 months expected losses	302	14,640
			<u>6,951</u>	<u>156,223</u>

As at December 31, 2024				
	Expected credit loss rate	Basis for recognition of expected credit loss provision	Loss allowance RMB'000	Carrying amount (net of impairment provision) RMB'000
Trust protection fund – performing	0.1%	12 months expected losses	103	77,327
Rental and other deposits – performing	2.5%	12 months expected losses	666	26,378
Loans to third parties – underperforming	100%	Life time expected losses	3,644	–
Others – performing	1.9%	12 months expected losses	316	16,170
			<u>4,729</u>	<u>119,875</u>

(c) **Liquidity risk**

The Group aims to maintain sufficient cash and cash equivalents for its business development and expansion. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

Management monitors rolling forecasts of the Group's liquidity and cash and cash equivalents (Note 20(a)) on the basis of expected cash flows. This is generally carried out at the Group level. Management considers the Group's current cash and cash equivalents, the proceeds from recent financing arrangements and the anticipated cash flows from operations and financing activities, to meet its anticipated working capital requirements, capital expenditure requirements and to repay its liabilities (Note 2).

The table below analyses the Group's financial liabilities that will be settled into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at December 31, 2022					
Trade and notes payables	1,141,888	—	—	—	1,141,888
Lease liabilities	93,486	68,367	81,704	—	243,557
Borrowing (including interests)	3,659,218	1,625,066	576,336	—	5,860,620
Accruals and other payables (excluding taxes and surcharges payables, provision for litigation and disputes, advances from disposal of used vehicles and staff costs and welfare accruals)	722,530	—	—	—	722,530
Financial instruments issued to Series B Investors (i)	—	—	2,137,611	—	2,137,611
	<u>5,617,122</u>	<u>1,693,433</u>	<u>2,795,651</u>	<u>—</u>	<u>10,106,206</u>
	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at December 31, 2023					
Trade and notes payables	680,061	—	—	—	680,061
Lease liabilities	81,528	61,707	21,353	—	164,588
Borrowing (including interests)	5,383,299	2,046,555	394,425	7,522	7,831,801
Accruals and other payables (excluding taxes and surcharges payables, provision for litigation and disputes, advances from disposal of used vehicles and staff costs and welfare accruals)	662,602	—	—	—	662,602
Financial instruments issued to Series B Investors (i)	—	2,137,611	—	—	2,137,611
	<u>6,807,490</u>	<u>4,245,873</u>	<u>415,778</u>	<u>7,522</u>	<u>11,476,663</u>

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at December 31, 2024					
Trade and notes payables	702,206	–	–	–	702,206
Lease liabilities	60,290	33,673	29,880	–	123,843
Borrowing (including interests)	5,826,552	1,339,740	247,936	–	7,414,228
Accruals and other payables (excluding taxes and surcharges payables, provision for litigation and disputes, advances from disposal of used vehicles and staff costs and welfare accruals)	657,713	–	–	–	657,713
	<u>7,246,761</u>	<u>1,373,413</u>	<u>277,816</u>	<u>–</u>	<u>8,897,990</u>

- (i) The liquidity risk of financial instruments issued to Series B Investors included in the tables for the years ended December 31, 2022 and 2023 is the original issue price of the shares plus the respective predetermined interest, assuming that no consummation of a qualified initial public offering of the Company's share before July 31, 2025 and triggered the redemption events (Note 37) in August 2025.

On April 10, 2024, the Reorganisation was completed, and shareholders' agreement was modified in relation to redemption right and conversion right of Series B Investors. Series B Investors can only require Zhejiang Geely Holding Group Co., Ltd to redeem their investment when the redemption events were triggered. As a result, the Group is not contractual to settle the redemption amounts as at December 31, 2024.

Series B Investors are also entitled to receive the liquidation preference amounts amounting to approximately RMB2,200,340,000, which is the original issue price of the shares plus the respective predetermined interest, prior and in preference to any distribution of any of the assets or surplus funds of the Hangzhou Youxing to the other shareholders upon occurrence of deemed liquidation events, such as change of control etc. (Note 37). As at December 31, 2024, the earliest period in which the deemed liquidation events could theoretically occur would be less than one year, however, no such deemed liquidation events had incurred in history or expected to incur in the near future. Furthermore, upon the completion of the Global Offering, all the preferred shares of the Company including instruments issued to Series B Investors will be automatically converted into the ordinary shares of the Company on a one-to-one basis and reclassified from liabilities to equity.

As at December 31, 2024, based on the assessment that the Company is not contractually obliged to settle the redemption amount if no qualifying IPO under the revised shareholders agreement, and the likelihood of occurrence of deemed liquidation events in foreseeable future is remote, the Company did not include the amount in the liquidity risk table above.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for equity holders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by regularly reviewing the capital structure. As a part of this review, management of the Company considers the cost of capital and the risks associated with the issued share capital. The Group may issue new shares in order to maintain or adjust the capital structure. The capital structure was measured by the asset-liability ratio, which is "total liabilities" divided by "total assets" as shown in the consolidated balance sheets. The Group aims to maintain the asset-liability ratio at a reasonable level.

As at December 31, 2022, 2023 and 2024, the asset-liability ratio was as follows:

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Total liabilities	9,965,109	11,446,478	11,283,231
Total assets	4,667,059	5,072,884	4,077,652
Asset-liability ratio	214%	226%	277%

3.3 Fair value estimation

(a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the Historical Financial information. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets is based on quoted market at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying amounts of the Group's financial assets include cash and cash equivalents, trade and other receivables (excluding non-financial assets), and financial liabilities including trade and other payables (excluding non-financial liabilities), borrowings and lease liabilities. Their carrying values approximate their fair values due to their short maturities or interest bearing.

As at December 31, 2022, 2023 and 2024, none of the Group's financial assets are measured at fair value.

(b) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 instruments for the years ended December 31, 2022, 2023 and 2024:

	Financial liabilities at fair value through profit or loss (Note 37) RMB'000
Opening balance January 1, 2022	1,800,000
Fair value change recognised in consolidated statements of comprehensive loss under “Fair value changes of financial liabilities at fair value through profit or loss”	14,144
Closing balance December 31, 2022	1,814,144
Net unrealised losses recognised in profit or loss attributable to balances held at the year end	14,144
Opening balance January 1, 2023	1,814,144
Fair value change recognised in consolidated statements of comprehensive loss under “Fair value changes of financial liabilities at fair value through profit or loss”	69,060
Closing balance December 31, 2023	1,883,204
Net unrealised losses recognised in profit or loss attributable to balances held at the year end	69,060
Opening balance January 1, 2024	1,883,204
Fair value change recognised in consolidated statements of comprehensive loss under “Fair value changes of financial liabilities at fair value through profit or loss”	88,693
Issuance of Series B Preferred Shares of the Company (i)	4
Closing balance December 31, 2024	1,971,901
Net unrealised losses recognised in profit or loss attributable to balances held at the year end	88,693

- (i) 47,872,000 Preferred Shares at par value of US\$0.00001 each were allotted and issued to Series B Investors on April 10, 2024 upon the completion of Reorganisation. The financial instruments issued to Series B Investors are accounted for as a financial liability at FVPL as disclosed in Note 37. The nominal value of approximately US\$479 (RMB3,404) was fully paid as at December 31, 2024, which was accounted for as a financial liability at FVPL.

(c) *Valuation inputs and relationships to fair value*

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value			Unobservable inputs	Range of inputs			Relationship of unobservable inputs to fair value
	As at December 31				As at December 31			
	2022	2023	2024		2022	2023	2024	
	RMB'000	RMB'000	RMB'000					
Financial liabilities at fair value:								
Financial liabilities at fair value through profit or loss	1,814,144	1,883,204	1,971,901	Discount rate	16.24%	16.32%	14.00%	The higher the discount rate, the lower the fair value
				Risk-free interest rate	2.29%	2.01%	0.94%	The higher the risk-free rate, the lower the fair value
				Discount for lack of marketability (“DLOM”)	19%	10%	6%	The higher the DLOM, the lower the fair value
				Volatility	69.51%	47.89%	46.47%	The higher the expected volatility, the lower the fair value
	1,814,144	1,883,204	1,971,901					

(d) *Valuation processes*

In relation to the valuation of level 3 instruments, directors (i) selected qualified persons with adequate knowledge and conducted valuation on the investments in unlisted companies and financial instruments without readily determinable fair value; (ii) engaged competent independent third-party valuer to appraise the fair value of certain investments that are significant; (iii) reviewed and agreed on the valuation approaches adopted and key assumptions used based on the knowledge and understanding of the industrial data and development and the commercial strategies of the investee business; and (iv) approved the results if the procedures were deemed satisfactory. Based on the above processes, directors are of the view that the valuation analysis performed is fair and reasonable, and the fair value measurements of level 3 instruments are properly prepared.

Specific valuation techniques used to value financial instruments include:

- for structured deposits – the use of the expected rate of return for approximation for cash flow assessment in evaluating the fair values of the structured deposits.
- for financial liabilities at fair value through profit or loss – the use of discounted cash flow method to determine the underlying equity value of Hangzhou Youxing and equity allocation model to determine the fair value of the financial instruments.

The following table presents the (lower)/higher of the loss before income tax for the years ended December 31, 2022, 2023 and 2024 if the significant unobservable inputs had increased/decreased by 10% which leads to the fair value changes of financial liabilities.

		For the year ended December 31		
		2022	2023	2024
		RMB'000	RMB'000	RMB'000
Discount rate	Increased by 10%	(240,574)	(279,359)	(328,004)
	Decreased by 10%	304,697	354,150	430,084
Risk-free interest rate	Increased by 10%	(3,085)	(932)	(162)
	Decreased by 10%	3,099	934	162
Discount for lack of marketability ("DLOM")	Increased by 10%	(27,205)	(15,945)	(10,040)
	Decreased by 10%	27,198	15,945	10,057
Volatility	Increased by 10%	(15,231)	(7,364)	(405)
	Decreased by 10%	13,600	5,892	(369)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Contractual arrangements

As disclosed in Note 1 and Note 36(c), the Group considers that it controls the PRC Operating Entities, notwithstanding the fact that it does not hold direct equity interest in the PRC Operating Entities, as it has power over the financial and operating policies of the PRC Operating Entities and receives substantially all the economic benefits from the business activities of the PRC Operating Entities through the Contractual Arrangements. Accordingly, the PRC Operating Entities have been accounted as subsidiaries during the Track Record Period.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the PRC Operating Entities and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the PRC Operating Entities. The directors, based on the advice of its PRC legal counsel, consider that the Contractual Arrangements with the PRC Operating Entities and their equity shareholders are in compliance with the relevant PRC laws and regulations and are legally enforceable.

(b) Revenue recognition – principal versus agent considerations

Determining whether the Group is acting as a principal or as an agent in the provision of certain services to its customers requires judgement and consideration of all relevant facts and circumstances. In evaluation of the Group's role as a principal or an agent, the Group considers, individually or in combination, whether the Group (i) controls the specified good or service before it is transferred to the customer, (ii) is primarily responsible for fulfilling the contract, and (iii) has discretion in establishing prices.

(c) Revenue recognition – incentives

As disclosed in Note 5, all incentives given to the accounting customers are recorded as a reduction of revenue to the extent of the revenue earned from that customer on a transaction by transaction basis. For certain other incentives, management judgement is required to determine whether the incentives are in substance payments to customers for a distinct good or service, and the payments to customers represent the fair value of the distinct goods sold or services exchanged, in which case would be recorded as selling and marketing expenses.

(d) Impairment of property, plant and equipment, right-of-use assets and intangible assets

As explained in Note 13(i) and Note 38.5, an impairment loss is recognised in profit and loss if the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. At the end of each reporting period, the Group reviews the recoverable amount of property, plant and equipment, right-of-use assets, intangible assets and CGUs allocated with goodwill which involves judgement on the determination of their fair value less costs of disposal and value in use. The fair value less costs of disposal is determined based on market comparison approach by reference to recent sales or market rents of comparable assets and the value in use is determined by discounting projected cash flow series associated with the assets using risk-adjusted discount rates. Any change in the assumptions underlying these projections and fair values would increase or decrease the recoverable amount of related assets and CGUs.

(e) Useful lives and residual values of self-owned vehicles

As explained in Note 13, in determining the useful life and residual value of self-owned vehicles, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes in the market demand for the vehicles, expected usage of the asset, the care and maintenance of the asset, and legal or similar limits on the use of the asset. The estimation is based on the experience of the Group with similar assets that are used in similar way. Adjustment of depreciation is made if the estimated useful lives and/or the residual values of self-owned vehicles are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end based on the changes in circumstances, which may impact depreciation charges in the future periods. The depreciation charges of self-owned vehicles were approximately RMB649,974,000, RMB655,259,000 and RMB676,171,000, during the years ended December 31, 2022, 2023 and 2024.

(f) Determination of the lease term

As explained in Note 27, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options or early termination options exercisable by the Group, the Group exercises judgement to evaluate the likelihood of exercising the renewal options or early termination options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms and the importance of that underlying asset to the Group's operation. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years. The Group also exercises judgement to determine whether there is a significant event or significant change in circumstance that is within the Group's control that would require the lease term to be reassessed.

(g) Valuation and recognition of share-based compensation expenses

As explained in Note 34, the Group set up an equity incentive plan to employees. The fair value of services received in return for share options granted is determined by the binomial model at the grant date, and is expected to be expensed over the respective vesting period. Significant estimates on assumptions, such as risk-free interest rate, expected volatility, dividend yield and expected forfeiture rate, are made by the directors and third-party valuers.

(h) Fair value of financial instruments issued to Series B Investors

As explained in Note 37, the financial instruments issued to Series B Investors are not traded in an active market and the respective fair value is determined by using valuation techniques. The directors have used the discounted cash flow method to determine the underlying equity value of the Group and adopted equity allocation model to determine the fair value of the financial instruments.

Details of the valuation models, key assumptions and inputs are disclosed in Note 3.3.

5 REVENUE AND SEGMENT INFORMATION

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

Breakdown of revenue by business lines is as follows:

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Revenue:			
Mobility service	7,467,295	10,300,213	13,566,590
Vehicle sales	32,184	114,564	866,760
Vehicle leasing	101,087	150,571	187,083
Others (i)	30,395	102,546	37,066
Total	7,630,961	10,667,894	14,657,499

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers:			
At a point in time	7,519,512	10,431,470	14,465,601
Over time (i)	10,362	85,853	4,815
	7,529,874	10,517,323	14,470,416

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Revenue from other sources:			
Vehicle leasing	101,087	150,571	187,083

- (i) In 2023, the Group provided transportation support services to Geely Group to support the 19th Asian Games in Hangzhou, Zhejiang province, PRC. The Group recognised the revenue of approximately RMB79,909,000 over the contractual service period (Note 33(b)(xi)).

(a) Information about major customers

No revenue from services provided to a single customer accounted for 10% or more of total revenue of the Group during the Track Record Period.

(b) Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Contract liabilities – Current	206,271	226,200	263,196

(i) Changes in contract liabilities

Contract liabilities of the Group mainly arise from the advance payments made by customers while the ride hailing services are yet to be provided and vehicles are yet to be delivered.

(ii) Revenue recognised that was included in the balance of contract liabilities at the beginning of the year

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Credited to the consolidated statements of comprehensive loss	236,515	187,106	210,925

(c) Transaction price allocated to unsatisfied long-term contract

The Group has no significant unsatisfied performance obligations arising from revenue contracts that have an original expected duration more than one year, thus management applied practical expedient under IFRS 15 and is not disclosing the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied or partially satisfied at the end of the Track Record Period.

(d) The accounting policy for the Group's principal revenue types

Revenues are principally comprised of mobility services, vehicle leasing, vehicles sales, and other services. The Group recognises revenues when or as the control of the promised goods or services is transferred to the customers, netting of value-added taxes ("VAT"). Depending on the terms of the contracts and the laws that apply to the contracts, if control of the promised goods or services is transferred over time, revenues are recognised over the period of the contracts by reference to the progress towards complete satisfaction of those performance obligations. Otherwise, revenues are recognised at a point in time when the customers obtain control of the promised goods or services. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The Group evaluates whether it acts as a principal or an agent to determine whether it is appropriate to record the gross amount of revenues and related costs, or the net amount earned as commission. The Group is a principal if it controls the specified goods or services before being transferred to the customers. Generally, a principal is the primary obligor, has latitude in establishing the selling price, and is subject to inventory risks. Otherwise, the Group is an agent to arrange for goods or services to be exchanged by other parties.

(i) Mobility service

The Group provides online ride hailing services under the brands "CaoCao Mobility" and "Limao Mobility". According to the relevant regulations in the PRC and the ride service agreements entered into with users who order the services under the brands, the Group considers itself as the ride service provider. Users can choose ride hailing services based on their mobility needs and preferences. When a user selects and initiates a ride service request, an estimated service fee is displayed and the user can further decide whether to place the service request or not. Once the user places the ride service request and the Group accepts the service request, a ride service agreement is entered into between the user and the Group. Upon completion of the ride services, the Group recognises ride hailing services revenues on a gross basis.

According to the relevant regulations in the PRC, online ride hailing services platforms are required to obtain online ride hailing permit and take full responsibility of the ride services. The relevant regulations also require the licensed platforms to ensure that the drivers and cars engaged in providing ride services meet the requirements stipulated by the regulations. Accordingly, the Group as an online ride hailing services platform considers itself as the principal for its ride services because it controls the services provided to users. The control over the services provided to users is demonstrated through: a) the Group is able to direct registered drivers to deliver ride services on its behalf based on the ride service agreement it entered into with users. If the assigned driver is not able to deliver the service in limited circumstances, the Group will assign another registered driver to deliver the service; b) in accordance with the agreements entered into between the Group and the drivers, the drivers are obligated to comply with service standards and implementation rules set by the Group when providing the ride services on behalf of the Group; c) the Group evaluates drivers' performance regularly in accordance with standards set by the Group. Other indicators of the Group being the principal are demonstrated by: a) the Group is obligated to fulfill the promise to provide the ride hailing services to users in accordance with the above regulations in the PRC and the above service agreements; b) according to applicable necessary procedures, the Group has the discretion in setting the prices for the services.

The Group also provides offline taxi services under the brand "Lima Mobility" to users as a principal through the Group's wheelchair-accessible vehicles, LEVC TX5. The Group recognises such revenues on a gross basis at the amount of offline taxi services fees to which the Group is expected to be entitled upon the completion of the services.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The Group's contract liabilities were mainly resulted from advance payments from ride hailing services in the PRC.

The incremental costs of obtaining a contract with a customer are recognised as an asset if the Group expects to recover those costs. As a practical expedient, the Group elects to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the Group otherwise would have recognised is one year or less.

(ii) Vehicle leasing

The Group also provided car rental services to third parties. Accounting policy for rental income is set out in Note 38.18(b).

(iii) Vehicles sales

Revenue is generally recognised at a point in time when the customers obtain possession of and control of the promised goods in the contract. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional. The Group sold new vehicles, which were purchased from related parties, to its car partners, individual drivers, other third-party taxi companies and automobile dealers. The Group also offered sales rebates to its car partners if certain criteria were met according to the sales contract. Car partners are those who directly manage drivers, with or without vehicles, that provide services on the Group's platform. Revenue is recognised net of the sales rebate.

(iv) Other services

The Group provides other services including advertising, transportation support services, intra-city delivery service, customer referring service, technological support, and other services. Advertising revenue is mainly derived by delivering advertisements on CaoCao Mobility and its operating vehicles. Revenue of such advertising service is recognised on a pro-rata basis over the contractual service period. Transportation support services is provided to Geely Group during the 19th Asian Games Hangzhou. Revenue of such transportation support services is recognised over the contractual service period. Users can also place delivery orders through the CaoCao Mobility Platform, and thus the Group provides intra-city delivery services which meet the service specification promised to users and recognised as revenue when the intra-city delivery service is completed and accepted by the users. Customer referring service is provided to a related party, who enters into finance lease contracts with vehicle buyers. Revenue of such customer referring service is recognised when the services have been rendered. Technological support and other services are recognised as revenue when the customers obtain control of the promised goods or services.

(e) Incentive programs

(i) Customer incentives

Users using ride hailing service are considered as the customers of the Group. The Group offers various incentive programs to the Group's customers, including fixed amount discounts, fixed percentage discounts, etc. If the Group does not receive distinct goods or services from the customers, incentives provided to customers are recorded as a reduction of revenue. The Group operates a loyalty programme where customers accumulate award points for orders made which entitle them to discounts on future orders. A contract liability for the award points is recognised at the time upon completion of related orders, based on their respective standalone selling price of the services provided and the award points, and recognised as revenue when the award points are redeemed or expired.

(ii) Customer referrals

These referrals are earned when an existing customer ("the referring customer") refers a new customer ("the referred customer") to the Group and the referred customer uses services offered by the Group's platform. These customer referrals incentives are typically paid in cash to the referring customers. These referrals are offered to attract new customers to the Group. The Group records the liability for these referrals and corresponding expenses as sales and marketing expenses at the time the referral is earned by the referring customer.

(iii) Variable consideration

The amount of consideration to which the Group collects from customers may be variable and less than the estimated service fee in the service request, because the Group may offer customers a price concession in its customary business practices. When new vehicles are sold to car partners, rebates are offered to its car partners, who are the customers under such transactions, that are conditional on completion of certain number of orders. The Group estimates the amount of consideration to which it will be entitled using the expected value or most likely amount. The estimated amount of variable consideration is included in the transaction price only to the extent that is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

When there are changes in circumstances, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to better predict the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

(iv) Incentives to registered drivers providing mobility services

The incentives to drivers providing mobility services are recognised as cost of sales as they are part of the Group's fulfillment costs for completing the performance obligation under the mobility services.

6 EXPENSES BY NATURE

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Driver earnings and incentives for mobility services	6,285,003	8,146,397	10,715,053
Commissions charged by aggregation platforms	321,579	666,857	1,046,279
Cost of vehicles sold	27,894	113,621	820,087
Employee benefits expenses (Note 7)	819,931	1,333,191	807,242
Depreciation charges of property, plant and equipment (Note 13(e))	657,577	664,322	685,561
Insurance costs	440,259	426,025	342,425
Commissions paid to car partners	133,672	192,021	308,926
Battery service fee (Note 33(b)(iv))	39,462	152,608	226,145
Vehicle maintenance charges	149,817	112,439	136,699
Promotion, advertising and incentives for customer referrals	260,744	114,503	85,681

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets (Note 13(f))	92,798	75,490	61,668
Listing expenses	5,843	25,000	32,283
Expenses relating to low-value leases (Note 13(h)(ii))	23,129	21,614	22,666
Expenses relating to short-term leases (Note 13(h)(ii))	18,098	20,387	16,144
Amortisation of intangible assets (Note 14)	994	1,388	2,140
Auditor's remuneration			
– Audit service	588	639	623
Others	300,955	365,853	380,420
Total cost of sales, selling and marketing expenses, general and administrative expenses and research and development expenses	9,578,343	12,432,355	15,690,042

7 EMPLOYEE BENEFITS EXPENSES

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Share-based compensation expenses (Note 34)	335,782	920,537	401,416
Wages, salaries and bonuses	412,009	347,829	341,727
Housing benefits (a)	31,642	28,201	27,541
Employee social security plans, medical insurances and other social insurances obligations (a)	25,739	23,335	23,476
Employee welfare	14,759	13,289	13,082
	819,931	1,333,191	807,242

The drivers of the Group gradually transferred from employees to independent contractors during the Track Record Period. During the years ended December 31, 2022, 2023 and 2024, drivers' employee benefits of approximately RMB1,179,000, nil and nil, respectively, were recorded in cost of sales.

(a) Employee social security plans, housing funds, medical insurances and other social insurances obligations

The Group only has defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each year.

These contributions are paid to the respective labour and social welfare authorities and are expensed as incurred.

No forfeited contributions were utilised during the years ended December 31, 2022, 2023 and 2024 to offset the Group's contribution to the abovementioned social security plans.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2022, 2023 and 2024, include 1, 2 and 1 directors whose emoluments are reflected in analysis shown in Note 7(c) below. The emoluments payable to the remaining 4, 3 and 4 individuals for the years ended December 31, 2022, 2023 and 2024 are as follows:

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Share-based compensation expenses	83,945	185,969	91,306
Wages, salaries and bonuses	4,825	5,085	6,380
Employee social security plans, medical insurances and other social insurances obligations	172	197	329
Housing benefits	160	145	203
Employee welfare	104	104	106
	<u>89,206</u>	<u>191,500</u>	<u>98,324</u>

The remaining highest paid individuals fell within the following bands:

	Year ended December 31		
	2022	2023	2024
Emolument bands:			
HK\$8,500,001-HK\$9,000,000	—	—	1
HK\$10,500,001-HK\$11,000,000	1	—	—
HK\$15,500,001-HK\$16,000,000	—	—	1
HK\$18,000,001-HK\$18,500,000	1	—	—
HK\$20,500,001-HK\$21,000,000	—	—	1
HK\$29,500,001-HK\$30,000,000	1	—	—
HK\$32,500,001-HK\$33,000,000	—	1	—
HK\$44,500,001-HK\$45,000,000	1	—	—
HK\$52,000,001-HK\$52,500,000	—	1	—
HK\$61,500,001-HK\$62,000,000	—	—	1
HK\$127,500,001-HK\$128,000,000	—	1	—
	<u>4</u>	<u>3</u>	<u>4</u>

(c) **Benefits and interests of directors**

The remuneration of each director and chief executive, including their role as senior management or employees before their appointment as directors respectively, for the years ended December 31, 2022, 2023 and 2024 respectively is set out below:

	Fees <i>RMB'000</i>	Salaries <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Share-based payment <i>RMB'000</i>	Social security costs, housing benefits and employee welfare <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended December 31, 2022						
Executive director and chief executive officer						
Mr. Xin Gong (i)	–	–	–	193,326	–	193,326
Non-executive director and chairman of the board						
Mr. Jian Yang (ii)	–	–	–	–	–	–
Non-executive directors						
Mr. Jinliang Liu (iv)	–	–	–	–	–	–
Mr. Yang Li (v)	–	–	–	–	–	–
Mr. Quan Zhang (iii)	–	–	–	–	–	–
Ms. Xiaohong Zhou (vi)	–	–	–	–	–	–
Independent non- executive directors						
Ms. Xin Liu (vii)	–	–	–	–	–	–
Ms. Ning Liu (viii)	–	–	–	–	–	–
Mr. Qiang Fu (ix)	–	–	–	–	–	–
	–	–	–	193,326	–	193,326

	Fees <i>RMB'000</i>	Salaries <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Share-based payment <i>RMB'000</i>	Social security costs, housing benefits and employee welfare <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended December 31, 2023						
Executive director and chief executive officer						
Mr. Xin Gong (i)	–	–	–	286,663	–	286,663
Non-executive director and chairman of the board						
Mr. Jian Yang (ii)	–	–	–	–	–	–
Non-executive directors						
Mr. Jinliang Liu (iv)	–	–	–	200,389	–	200,389
Mr. Yang Li (v)	–	–	–	–	–	–
Mr. Quan Zhang (iii)	–	–	–	–	–	–
Ms. Xiaohong Zhou (vi)	–	–	–	–	–	–
Independent non- executive directors						
Ms. Xin Liu (vii)	–	–	–	–	–	–
Ms. Ning Liu (viii)	–	–	–	–	–	–
Mr. Qiang Fu (ix)	–	–	–	–	–	–
	–	–	–	487,052	–	487,052

	Fees <i>RMB'000</i>	Salaries <i>RMB'000</i>	Discretionary bonuses <i>RMB'000</i>	Share-based payment <i>RMB'000</i>	Social security costs, housing benefits and employee welfare <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended						
December 31, 2024						
Executive director and						
chief executive officer						
Mr. Xin Gong (i)	–	–	–	115,404	–	115,404
Non-executive director						
and chairman of the						
board						
Mr. Jian Yang (ii)	–	–	–	–	–	–
Non-executive directors						
Mr. Jinliang Liu (iv)	–	–	–	–	–	–
Mr. Yang Li (v)	–	–	–	–	–	–
Mr. Quan Zhang (iii)	–	–	–	–	–	–
Ms. Xiaohong Zhou (vi)	–	–	–	–	–	–
Independent non-						
executive directors						
Ms. Xin Liu (vii)	–	–	–	–	–	–
Ms. Ning Liu (viii)	–	–	–	–	–	–
Mr. Qiang Fu (ix)	–	–	–	–	–	–
	–	–	–	115,404	–	115,404

- (i) Mr. Xin Gong was appointed by Geely Group as the executive director and chief executive officer of the Company on November 8, 2021.
- (ii) Mr. Jian Yang was appointed as the non-executive director and chairman of the board of the Company on April 10, 2024.
- (iii) Mr. Quan Zhang was appointed as the non-executive director of the Company on April 10, 2024.
- (iv) Mr. Jinliang Liu was appointed as the non-executive director of the Company on April 10, 2024.
- (v) Mr. Yang Li was appointed as the non-executive director of the Company on April 10, 2024.
- (vi) Ms. Xiaohong Zhou was appointed as the non-executive director of the Company on April 10, 2024.
- (vii) Ms. Xin Liu was appointed as the independent non-executive director of the Company on April 22, 2024 taking effect on the listing date.
- (viii) Ms. Ning Liu was appointed as the independent non-executive director of the Company on April 22, 2024 taking effect on the listing date.
- (ix) Mr. Qiang Fu was appointed as the independent non-executive director of the Company on April 22, 2024 taking effect on the listing date.
- (x) In addition to the directors' and chief executives' emoluments as disclosed above, certain directors and supervisors of the Company received emoluments from Geely Group. No apportionment has been made as the directors and supervisors of the Company consider that it is impractical to apportion the emoluments.

(d) Directors' retirement benefits

None of the directors received any retirement benefits during the Track Record Period, except for contributions to pension plans.

(e) Directors' termination benefits

None of the directors received any termination benefits during the Track Record Period.

(f) Consideration provided to third parties for making available directors' services

During the Track Record Period, the Company did not pay consideration to any third parties for making available directors' services.

(g) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by or entities with directors

There were no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

(h) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in the Note 7(c), except for the share options granted to directors, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

8 OTHER INCOME

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Government grants (i) (Note 28)	39,122	139,870	192,314

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

9 OTHER GAINS – NET

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Gains on disposal of property, plant and equipment and assets classified as held for sale	28,661	51,657	58,098
Gains/(losses) on termination of right-of-use assets	397	(4,056)	3,145
Gains on disposal of investments accounted for using equity method (Note 15(a)(ii))	25,600	–	900
Gains from disposal of subsidiaries (Note 36(d))	–	13,931	–
Penalties for vehicles or drivers without the requisite permits or licenses	(6,735)	(9,950)	(13,042)
Others	(2,632)	522	(1,682)
	45,291	52,104	47,419

10 FINANCE COSTS – NET

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Finance income:			
Interest income on cash and cash equivalents	9,193	17,097	10,822
Finance costs:			
Interest expense on ABSs and ABNs	(138,490)	(194,829)	(233,458)
Interest expense on bank and other borrowings	(90,452)	(107,965)	(82,524)
Interest expense on lease liabilities (<i>Note 27(i)</i>)	(10,522)	(8,319)	(6,342)
Interest expense on loans from related parties (<i>Note 33(b)(xix)</i>)	(11,868)	(335)	(5,643)
Interest expense on notes payables	(7,993)	(1,188)	–
	(259,325)	(312,636)	(327,967)
Finance costs – net	(250,132)	(295,539)	(317,145)

11 TAXATION

(a) Value-added tax (“VAT”)

The operation of the Group in the PRC primarily applies VAT as follows:

Category	Tax Rate	Basis of Levies
VAT	9% or 3%	Revenue from mobility service
	13%	Revenue from vehicle leasing
	13%	Revenue from vehicle sales
	3%, 6%, 9%, 13%	Other revenue

As part of Chinese government’s effort to ease the burden of business affected by COVID-19, the Ministry of Finance and the State Taxation Administration temporarily reduced VAT rate to zero on revenues derived from mobility services in the PRC and other public transportation services for the year ended December 31, 2022.

(b) Income tax credit/(expenses)

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Current income tax expense	(73)	(199)	(279)
Deferred income tax credit/(expenses) (<i>Note 29</i>)	123,277	(40,863)	(39,768)
	123,204	(41,062)	(40,047)

Cayman Islands income tax

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

Hong Kong profits tax

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

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profit subject Hong Kong profits tax during the Track Record Period.

Other countries

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

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

PRC enterprise income tax ("EIT")

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

Hangzhou Youxing obtained its High and New Technology Enterprises ("HNTE") status in year 2019 and renewed the qualification in 2022. Accordingly, it was entitled to a preferential EIT rate of 15% for a three-year period since the qualification day. The applicable EIT rate of these entities was 15% during the Track Record Period.

According to the relevant laws and regulations promulgated by the State Administration of Taxation ("SAT") of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities are entitled to claim 175% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for the year ("Super Deduction"). Such claim was further increased to 200% from October 1, 2022 onwards.

PRC withholding income tax ("WHT")

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

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

A reconciliation of the expected income tax calculated at the applicable tax rate and loss before income tax, with the actual income tax is as follow:

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Loss before income tax	(2,130,304)	(1,939,996)	(1,206,342)
Tax calculated at statutory tax rates of 25%	(532,576)	(484,999)	(301,586)
Effects of preferential income tax rate applicable to subsidiaries in China	133,887	219,660	120,303
Different tax jurisdiction	–	–	11,772
Expenses not deductible for tax purpose (i)	62,808	142,311	62,962
Super deduction for research and development expenses	(21,652)	(21,295)	–
Tax losses for which no deferred tax assets were recognised (ii)	307,935	184,148	126,308
Recognition of previously tax losses for which deferred tax assets were not recognised	(81,964)	–	–
Temporary differences for which no deferred tax assets were recognised	8,358	1,237	20,288
Income tax (credit)/expenses	(123,204)	41,062	40,047

(i) The expenses not deductible for tax purpose mainly consists of advertising expenditures not qualified for tax deduction, goodwill impairment and share-based compensation expenses.

(ii) Tax losses

As at December 31, 2022, 2023 and 2024, the Group had unused tax losses of approximately RMB8,442,905,000, RMB9,066,573,000 and RMB8,550,931,000 that can be carried forward against future taxable income, respectively. No deferred income tax asset has been recognised in respect of such tax losses due to the unpredictability of future taxable income. The Group's tax losses carried forward will expire between 2025 and 2034.

The Group principally conducted its business in PRC, where the accumulated tax losses will normally expire within 5 years. Pursuant to the relevant regulations on extension for expirations of unused tax losses of HNTE issued in August 2018, the accumulated tax losses of Hangzhou Youxing will expire within 10 years.

Tax losses for which no deferred tax asset was recognised will expire as follows:

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Expiry year			
2024	1,195,502	1,144,046	–
2025	118,291	83,703	82,053
2026	1,092,312	1,065,236	1,042,948
2027	277,757	277,757	277,757
2028	2,129,511	1,820,856	1,820,856
2029 and onwards	3,629,532	4,674,975	5,327,317
	8,442,905	9,066,573	8,550,931

(iii) Global minimum top-up tax

The Group has adopted International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 upon their release on May 23, 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure from December 31, 2023 and December 31, 2024. Because the Group mainly operates in the Mainland China, where the legislation is not yet enacted, the Group has no related current tax exposure as at December 31, 2023 and 2024. The Group will assess its exposure to the Pillar Two legislation when related legislation is announced and enacted.

12 LOSSES PER SHARE

(i) Basic

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

	Year ended December 31		
	2022	2023	2024
Loss attributable to owners of the Company (RMB'000)	(1,972,065)	(1,916,483)	(1,250,769)
Weighted average number of ordinary shares outstanding (thousands) (a)	452,128	452,128	452,128
Basic losses per share (RMB)	(4.36)	(4.24)	(2.77)

- (a) The weighted average number of ordinary shares has been retrospectively adjusted for the effect of the issuance of shares in connection with the Reorganisation completed on April 10, 2024 (Note 1.2.2).

As Series A Preferred Shares and Series A1 Preferred Shares are classified as equity and have the same rights to receive dividends as ordinary shares (Note 22), Series A Preferred Shares and Series A1 Preferred Shares are treated as ordinary shares for the purpose of calculating basic loss per share.

(ii) Diluted

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

As the Group incurred net losses for the years ended December 31, 2022, 2023 and 2024, the dilutive potential ordinary shares arising from conversion of Series B Preferred Shares to Ordinary Shares and exercise of share options were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive loss per share for the years ended December 31, 2022, 2023 and 2024 are the same as basic loss per share of the respective periods.

13 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Self-owned vehicles RMB'000	Leased vehicles RMB'000	Leased properties RMB'000	Furniture and office equipment RMB'000	Leased plate license plate RMB'000	Construction in progress ("CIP") (a) RMB'000	Leasehold improvement RMB'000	Total RMB'000
As at January 1, 2022								
Cost	4,362,518	263,835	92,270	20,452	79,768	69,002	5,734	4,893,579
Accumulated depreciation	(2,158,396)	(81,093)	(38,694)	(12,486)	(53,804)	—	(3,937)	(2,348,410)
Impairment (g)	(37,883)	—	—	—	—	—	—	(37,883)
Net book value	<u>2,166,239</u>	<u>182,742</u>	<u>53,576</u>	<u>7,966</u>	<u>25,964</u>	<u>69,002</u>	<u>1,797</u>	<u>2,507,286</u>
Year ended December 31, 2022								
Opening net book value	2,166,239	182,742	53,576	7,966	25,964	69,002	1,797	2,507,286
Additions	—	—	70,023	6,940	38,916	1,297,782	32,100	1,445,761
Transfer (d)	818,659	(39,271)	—	—	—	(779,388)	—	—
Assets classified as held for sale (Note 21)	(107,573)	—	—	—	—	—	—	(107,573)
Disposals	(157,565)	—	(1,353)	(2,227)	—	—	—	(161,145)
Depreciation charge (Note 6)	<u>(649,974)</u>	<u>(48,233)</u>	<u>(27,136)</u>	<u>(3,769)</u>	<u>(17,429)</u>	<u>—</u>	<u>(3,834)</u>	<u>(750,375)</u>
Closing net book value	<u>2,069,786</u>	<u>95,238</u>	<u>95,110</u>	<u>8,910</u>	<u>47,451</u>	<u>587,396</u>	<u>30,063</u>	<u>2,933,954</u>
As at December 31, 2022								
Cost	4,119,120	200,402	130,414	22,137	95,970	587,396	37,834	5,193,273
Accumulated depreciation	(2,029,831)	(105,164)	(35,304)	(13,227)	(48,519)	—	(7,771)	(2,239,816)
Impairment (g)	<u>(19,503)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(19,503)</u>
Net book value	<u>2,069,786</u>	<u>95,238</u>	<u>95,110</u>	<u>8,910</u>	<u>47,451</u>	<u>587,396</u>	<u>30,063</u>	<u>2,933,954</u>

Year ended December 31, 2023						
Opening net book value						
Additions	2,069,786	95,238	8,910	47,451	587,396	2,933,954
Transfer (d)	–	–	9,056	56,398	1,049,632	1,130,180
Assets classified as held for sale (Note 21)	1,346,432	(13,231)	–	–	(1,333,201)	–
Disposals (i)	(96,213)	–	–	–	–	(96,213)
Disposal of subsidiaries (Note 36(d))	(171,000)	(14,876)	(1,416)	(5,079)	–	(245,150)
Depreciation charge (Note 6)	(24,839)	–	(35)	–	–	(25,094)
	(655,259)	(29,505)	(3,374)	(25,906)	–	(739,812)
Closing net book value	2,468,907	37,626	13,141	72,864	303,827	2,957,865
As at December 31, 2023						
Cost	4,324,575	109,771	23,285	122,592	303,827	4,985,555
Accumulated depreciation	(1,855,668)	(72,145)	(10,144)	(49,728)	–	(2,027,690)
Net book value	2,468,907	37,626	13,141	72,864	303,827	2,957,865

(i) During the year ended December 31, 2023, the Group terminated the lease for some floors of some leased properties due to strategic plan. Lease liabilities of the leased properties were derecognised accordingly (Note 27(i)).

Year ended December 31, 2024									
Opening net book value	2,468,907	37,626	45,259	13,141	72,864	303,827	16,241	2,957,865	
Additions	-	-	3,034	1,700	65,111	336,405	1,442	407,692	
Transfer (d)	597,084	-	-	-	-	(597,084)	-	-	
Assets classified as held for sale (Note 21)	(93,535)	-	-	-	-	-	-	(93,535)	
Disposals	(134,573)	(26,902)	(6,649)	(489)	(2,960)	-	-	(171,573)	
Modification	-	-	(12,601)	-	-	-	-	(12,601)	
Disposal of subsidiaries (Note 36(d))	-	-	-	-	-	-	-	-	
Depreciation charge (Note 6)	(676,171)	(10,724)	(14,830)	(3,185)	(36,114)	-	(6,205)	(747,229)	
Closing net book value	2,161,712	-	14,213	11,167	98,901	43,148	11,478	2,340,619	
As at December 31, 2024									
Cost	3,919,951	-	41,777	20,929	159,515	43,148	34,174	4,219,494	
Accumulated depreciation	(1,758,239)	-	(27,564)	(9,762)	(60,614)	-	(22,696)	(1,878,875)	
Net book value	2,161,712	-	14,213	11,167	98,901	43,148	11,478	2,340,619	

- (a) CIP are mainly vehicles not ready for use, and the depreciation of these assets commences when the assets are ready for their intended use.
- (b) The Group, as a lessor, entered into certain vehicle operating lease arrangements during the Track Record Period. As at December 31, 2022, 2023 and 2024, the carrying amount of the vehicles which are subject to operating lease arrangements are approximately RMB132,060,000, RMB220,642,000 and RMB255,426,000, respectively.
- (c) As at December 31, 2022, 2023 and 2024, the Group's vehicles related to the Group's arrangements of ABSs and ABNs' carrying value were RMB769,652,000, RMB1,003,809,000 and RMB1,194,612,000 (Note 32). The right of receiving payments from customers generated by these vehicles for a period of two or three years was pledged for ABSs and ABNs arrangements. If the Group breaches the debt covenant, these vehicles will be mortgaged accordingly. During the years ended December 31, 2022, 2023 and 2024, the Group hadn't been in violation of any of the covenants pursuant to the ABSs and ABNs arrangements.
- (d) During the Track Record Period, the Group entered into several finance lease agreements with certain finance lease companies (Note 26(c)), pursuant to which the finance lease companies purchase certain new energy vehicles from the Group and leases back the same vehicles to the Group typically with lease terms of three to six years and receives lease payment regularly from the Group until the Group repurchases the assets from them upon the expiry of the lease term.

During such lease term and before the exercise of the repurchase options, such vehicles are effectively pledged as security for the borrowings from the finance lease companies and are restricted under the agreements where lessors' consent must be obtained for the pledge or disposal of these assets. As at December 31, 2022, 2023 and 2024, the carrying value of assets under this restriction amounted to approximately RMB376,989,000, RMB131,943,000 and RMB77,995,000, respectively (Note 32).

- (e) Depreciation and impairment charges of property, plant and equipment has been charged to the consolidated statements of comprehensive loss as follows:

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Depreciation charges			
Cost of sales	649,974	655,259	676,171
General and administrative expenses	6,533	7,767	8,507
Research and development expenses	870	1,035	867
Selling and marketing expenses	200	261	16
Total	657,577	664,322	685,561

- (f) Depreciation of right-of-use assets has been charged to the consolidated statements of comprehensive loss as follows:

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cost of sales	65,662	55,411	46,838
General and administrative expenses	20,279	14,668	10,248
Selling and marketing expenses	457	690	2,452
Research and development expenses	6,400	4,721	2,130
Total	92,798	75,490	61,668

(g) Impairment tests for property, plant and equipment and right-of-use assets

An impairment loss is recognised in profit and loss if the carrying amount of property, plant and equipment and right-of-use assets, exceeds its recoverable amount. As at December 31, 2022, 2023 and 2024, the Group recognised impairment provisions of approximately RMB19,503,000, nil and nil, respectively, on certain vehicles with relatively low utilisation rate, based on the comparable vehicle disposal price on the markets. The impairment provision was derecognised upon disposal of such vehicles during the Track Record Period.

(h) Right-of-use assets

(i) Amounts recognised in the consolidated balance sheets

The consolidated balance sheets show the following amounts relating to leases:

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Right-of-use assets			
Leased license plate*	47,451	72,864	98,901
Leased properties	95,110	45,259	14,213
Leased vehicles**	95,238	37,626	–
	<u>237,799</u>	<u>155,749</u>	<u>113,114</u>
Lease liabilities (Note 27)			
Current	84,892	72,970	56,528
Non-current	141,477	81,665	59,993
	<u>226,369</u>	<u>154,635</u>	<u>116,521</u>

* The Group leases vehicle license plate in certain cities to carry out ride hailing services due to the shortage of license plate resources in these cities.

** The leased vehicles were transferred to self-owned vehicles when repurchase options were exercised by the Group.

(ii) Amounts recognised in the consolidated statements of comprehensive loss and cash flows

The consolidated statements of comprehensive loss and cash flows show the following amounts relating to leases:

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Depreciation charge of right-of-use assets (Note 6)			
Leased license plate	17,429	25,906	36,114
Leased properties	27,136	20,079	14,830
Leased vehicles	48,233	29,505	10,724
	<u>92,798</u>	<u>75,490</u>	<u>61,668</u>
Interest expenses (included in finance cost) (Note 10)	10,522	8,319	6,342

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Expense relating to short-term leases (included in cost of sales) (Note 6)	18,098	20,387	16,144
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in cost of sales) (Note 6)	23,129	21,614	22,666
	<u>144,547</u>	<u>125,810</u>	<u>106,820</u>
The cash outflow for leases as operating activities	33,891	49,139	30,205
The cash outflow for leases as financing activities	<u>110,501</u>	<u>84,792</u>	<u>63,334</u>
	<u>144,392</u>	<u>133,931</u>	<u>93,539</u>

(i) **Accounting policy for property, plant and equipment and depreciation policy for right-of-use assets**

Property, plant and equipment, are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the Track Record Period in which they are incurred.

Depreciation of property, plant and equipment and right-of-use asset is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives:

	Estimated useful lives	Residual rate
– Self-owned vehicles	5~6 years	0%~20%
– Furniture and office equipment	5~8 years	5%
– Leasehold improvement	Shorter of remaining lease term or useful life	
– Leased vehicles	3~6 years	
– Leased properties	2~7 years	
– Leased license plate	3~6 years	

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 38.5).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in "Other (losses)/gains – net" in the consolidated statements of comprehensive loss.

Property, plant and equipment and right-of-use assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). Property, plant and equipment and right-of-use assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

14 INTANGIBLE ASSETS

	Goodwill RMB'000	Software RMB'000	Entitlements for license plate RMB'000	Total RMB'000
As at January 1, 2022				
Cost	48,125	3,442	–	51,567
Accumulated amortisation and impairment	(48,125)	(1,796)	–	(49,921)
Net book value	–	1,646	–	1,646
Year ended December 31, 2022				
Opening net book value	–	1,646	–	1,646
Additions	–	1,574	–	1,574
Amortisation charge (Note 6)	–	(994)	–	(994)
Closing net book value	–	2,226	–	2,226
As at December 31, 2022				
Cost	48,125	5,016	–	53,141
Accumulated amortisation and impairment	(48,125)	(2,790)	–	(50,915)
Net book value	–	2,226	–	2,226
Year ended December 31, 2023				
Opening net book value	–	2,226	–	2,226
Additions	–	1,790	–	1,790
Amortisation charge (Note 6)	–	(1,388)	–	(1,388)
Closing net book value	–	2,628	–	2,628
As at December 31, 2023				
Cost	–	6,806	–	6,806
Accumulated amortisation and impairment	–	(4,178)	–	(4,178)
Net book value	–	2,628	–	2,628
Year ended December 31, 2024				
Opening net book value	–	2,628	–	2,628
Additions (i)	–	1,969	49,622	51,591
Amortisation charge (Note 6)	–	(2,140)	–	(2,140)
Closing net book value	–	2,457	49,622	52,079
As at December 31, 2024				
Cost	–	8,775	49,622	58,397
Accumulated amortisation and impairment	–	(6,318)	–	(6,318)
Net book value	–	2,457	49,622	52,079

Amortisation and impairment charges of intangible assets has been charged to the consolidated statements of comprehensive loss as follows:

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
General and administrative expenses	994	1,388	2,140
Total	994	1,388	2,140

- (i) In July 2024, the Group acquired 100% equity interests of certain companies holding a number of entitlements for license plate in Shenzhen. On the acquisition date, there was no business carried by the acquirees other than entitlements for license plates. The transaction was accounted for as asset acquisitions.

During the year ended December 31, 2024, the entitlements for license plates were purchased from certain third parties, at total consideration of RMB49,622,000, partially offset by deposits recorded in other receivables (Note 30(a)). Previously, the Group leased license plates and paid rent to these third parties, which were recognised as leased license plate in right-of-use assets (Note 13).

Since the entitlements for license plate have no expire date, they are accounted for as intangible assets with an indefinite life. Entitlements for license plate are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. For the purpose of the impairment review, the recoverable amount of entitlements for license plate is determined based on the fair value less disposal cost. The Group assessed its fair value by reference to its quoted price for an identical unit from third party potential vendors in relevant cities.

(a) Impairment test for goodwill

Management reviews the business performance and monitors goodwill resulted from the acquisition below operating segment level. The following is a summary of goodwill allocation for each of the cash generated units.

	Cost RMB'000	Accumulated impairment RMB'000	Net book value RMB'000
Year ended December 31, 2022			
Dalian Jinglian Youxing Technology Co., Ltd.	42,996	(42,996)	–
Changde Shi Liyouxing Technology Co., Ltd.	5,129	(5,129)	–
	48,125	(48,125)	–

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

The goodwill mainly arose from the acquisition of a subsidiary in 2020. Dalian Jinglian Youxing Technology Co., Ltd. (“Dalian Jinglian”) is primarily engaged in the provision of ride hailing services in the PRC. Goodwill is attributable to the acquired market shares, future expansion prospect, economies of scale and synergies expected to be derived from combining the resources and operations of the Group following the acquisition.

Impairment review on the goodwill of the Group has been conducted by management as at December 31, 2021 according to IAS 36 “Impairment of assets”. For the purpose of the impairment review, the recoverable amount of CGUs allocated with goodwill is determined based on fair value less cost of disposal calculations by using the discounted cash flow method. Impairment losses of approximately RMB48,125,000 have been recognised in “Other (losses)/gains – net” for the year ended December 31, 2021 because the subsidiaries did not meet the operation performance expectation and could not generate cash inflow in the future. During the year ended December 31, 2023, the subsidiaries were subsequently disposed due to the Group’s strategic plan (Note 36(d)).

15 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated balance sheets are as follows:

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Associates	—	—	—

The share of loss recognised in the consolidated statements of comprehensive loss are as follows:

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Associates	—	—	—

(a) Investment in associates

Set out below are the associates of the Group as at December 31, 2022, 2023 and 2024.

Name of entity	Place of business	% of ownership interest			Nature of relationship	Measurement method	Carrying amount		
		as at December 31					as at December 31		
		2022	2023	2024			2022	2023	2024
		%	%	%			RMB'000	RMB'000	RMB'000
Ningbo Yongcheng Youxing New Energy Vehicle Sales Service Co., Ltd. (i)	The PRC	10	10	NA	Associate	Equity method	—	—	—
Jixing International Technology Limited (“Jixing International”) (ii)	Paris	NA	NA	NA	Associate	Equity method	—	—	—
							—	—	—

- (i) Management has assessed the level of influence of the Group, and determined that it has significant influence even though the shareholding is below 20% because the Group holds one out of three board seats. Consequently, the investee is classified as an associate and accounted for using the equity method.

On January 26, 2024, the Group sold the equity interest of Ningbo Yongcheng to a third party, with a cash consideration of RMB900,000. Management recognised gains from disposal of RMB900,000 in consolidated statements of comprehensive loss under “Other gains – net” (Note 9).

- (ii) On July 25, 2022, the Group sold the equity interest of Jixing International to one of Jixing International’s shareholders, a related party of the Group, with a cash consideration of RMB25,600,000. Management recognised gains from disposal of RMB25,600,000 in consolidated statements of comprehensive loss under “Other gains – net” (Note 9).

- (iii) No impairment provision was provided during the years ended December 31, 2022, 2023 and 2024.

16 FINANCIAL INSTRUMENTS BY CATEGORY

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Assets as per balance sheet			
<i>Financial assets at amortised costs:</i>			
– Cash and cash equivalents (<i>Note 20(a)</i>)	379,995	582,995	159,497
– Restricted cash (<i>Note 20(b)</i>)	226,906	105,576	68,247
– Trade receivables (<i>Note 19</i>)	175,937	266,053	274,012
– Other receivables (<i>Note 17</i>)	120,441	156,223	119,875
	<u>903,279</u>	<u>1,110,847</u>	<u>621,631</u>
Liabilities as per balance sheet			
<i>Financial liabilities at amortised costs:</i>			
– Trade and notes payables (<i>Note 24</i>)	1,141,888	680,061	702,206
– Accruals and other payables (excluding taxes and surcharges payables, provision for litigation and disputes, advances from disposal of used vehicles and staff costs and welfare accruals) (<i>Note 25</i>)	722,530	662,602	657,713
– Lease liabilities (<i>Note 27</i>)	226,369	154,635	116,521
– Borrowings (<i>Note 26</i>)	5,579,223	7,529,900	7,218,287
	<u>7,670,010</u>	<u>9,027,198</u>	<u>8,694,727</u>
<i>Financial liabilities at fair value:</i>			
– Financial liabilities at fair value through profit or loss (<i>Note 37</i>)	1,814,144	1,883,204	1,971,901
	<u>9,484,154</u>	<u>10,910,402</u>	<u>10,666,628</u>

17 PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Included in non-current assets			
Prepayments:			
Deferred charges for global positioning system and other equipment	28,573	57,141	45,277
Other receivables:			
Rental and other deposits (<i>i</i>)	60,119	62,275	19,736
Deposits to trust institutions (<i>ii</i>)	22,430	28,030	43,000
	<u>82,549</u>	<u>90,305</u>	<u>62,736</u>
Non-current	<u>111,122</u>	<u>147,446</u>	<u>108,013</u>

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Included in current assets			
Prepayments:			
Prepayments for insurance costs	325,184	269,876	250,951
Listing expenses directly attributable to the issue of shares to be deducted from equity	494	2,473	5,274
Others	4,820	4,145	7,676
	<u>330,498</u>	<u>276,494</u>	<u>263,901</u>
Other current assets:			
Value-added tax recoverable	235,041	322,843	395,708
Other receivables:			
Deposits to trust institutions (ii)	18,340	36,600	34,430
Rental and other deposits	6,555	12,133	7,308
Loans to third parties	3,644	3,644	3,644
Short-term finance lease receivables, net	7,375	3,481	3,500
Capital contribution receivables from Ugo Investment Limited (Note 22)	–	–	30
Amounts due from related parties (Note 33(c)(x))	–	5,550	–
Others	8,456	11,461	12,956
	<u>44,370</u>	<u>72,869</u>	<u>61,868</u>
Less: loss allowance	<u>(6,478)</u>	<u>(6,951)</u>	<u>(4,729)</u>
	<u>37,892</u>	<u>65,918</u>	<u>57,139</u>
Current	<u><u>603,431</u></u>	<u><u>665,255</u></u>	<u><u>716,748</u></u>

- (i) During the year ended December 31, 2024, the group purchased the entitlements for license plates (Note 14) at a consideration of approximately RMB49,622,000, partially offset by deposits (Note 30(a)).
- (ii) During the Track Record Period, the Group issued several tranches of ABSs and ABNs in the PRC. In accordance with the relevant PRC regulations, the Group is required to make deposits to trust institutions at 1% of the outstanding balance of the principal elements of the borrowings as a pledge for the repayments of ABSs and ABNs.

18 INVENTORIES

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Vehicles for sale	<u>3,241</u>	<u>167,262</u>	<u>223,079</u>

During the Track Record Period, the Group sells new vehicles to car partners as well as other third parties. The Group classified such new vehicles as inventories based on management intention to sell them. The balances represent the new vehicles for sale as at each year end.

19 TRADE RECEIVABLES

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade receivables from contracts with customers	182,833	273,703	289,762
Less: loss allowance	(6,896)	(7,650)	(15,750)
	<u>175,937</u>	<u>266,053</u>	<u>274,012</u>

The Group applies the IFRS 9 simplified approach to measure expected credit losses which use a life time expected loss allowance for all trade receivables. Note 3.1 provides for details about the calculation of the allowance.

As at December 31, 2022, 2023 and 2024, the ageing analysis of the trade receivable based on invoice date were as follows:

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Within 3 months	172,061	261,644	263,483
3 months to 6 months	6,871	6,398	12,793
6 months to 1 year	324	3,570	5,915
Over 1 year	3,577	2,091	7,571
	<u>182,833</u>	<u>273,703</u>	<u>289,762</u>

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

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

20 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and cash equivalents

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cash at bank	582,278	672,611	219,128
Cash at other third-party online payment platforms	24,623	15,960	8,616
Less: restricted cash (b)	(226,906)	(105,576)	(68,247)
Cash and cash equivalents	<u>379,995</u>	<u>582,995</u>	<u>159,497</u>

The maximum exposure to credit risk at the reporting date is the carrying values of cash and cash equivalents and restricted cash as mentioned above.

Cash and cash equivalents are denominated in the following currencies:

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
RMB	379,939	582,618	158,942
Others	56	377	555
	<u>379,995</u>	<u>582,995</u>	<u>159,497</u>

(b) Restricted cash

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Advances from customers (i)	51,320	49,519	49,401
Guarantee deposits for letter of credit and bank acceptance notes (ii)	168,113	30,488	12,000
Others (iii)	7,473	25,569	6,846
	<u>226,906</u>	<u>105,576</u>	<u>68,247</u>

Restricted cash is denominated in RMB.

- (i) Cash were restricted to maintain a level above certain percentage of advances from customers as required by the relevant rules and regulations.
- (ii) As at December 31, 2022, 2023 and 2024, cash were restricted to guarantee the issue of letter of credit and bank acceptance notes by the Group.

As at December 31, 2022, cash were restricted mainly to guarantee the issue of bank acceptance notes by Zhejiang Yizhen Automobile Co., Ltd., Zhejiang Yizhen Automobile Sales Co., Ltd. and Zhejiang Yizhen Automobile Research and Development Co., Ltd. (collectively, the "Yizhen"). During the year ended December 31, 2022, Limao Mobility received payment of approximately RMB156,428,000 from Yizhen, and the cash were restricted by the bank immediately to guarantee the issue of bank acceptance notes of Yizhen with equal amount. These 100% deposits remained restricted by the bank until the expiration of the bank acceptance notes. The deposits were withdrawn by the bank when the bank acceptance notes expired in 6 months.

- (iii) Other restricted cash mainly includes guarantee deposits for ABSs, amounts frozen for litigations and amount of virtual bank account.

21 ASSETS CLASSIFIED AS HELD FOR SALE

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-current assets held for sale			
Self-owned vehicles (i)	<u>107,573</u>	<u>96,213</u>	<u>93,535</u>

- (i) As at December 31, 2022, 2023 and 2024, the carrying value of self-owned vehicles to be disposed after the year ends were approximately RMB107,573,000, RMB96,213,000 and RMB93,535,000, respectively. The disposal gains for used vehicles were recorded in "other gains – net" (Note 9).

22 SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS

(i) Authorised share capital

As mentioned in Note 1.2, the Historical Financial Information has been prepared on a combined basis before the completion of the Reorganisation and on consolidated basis since the completion of the Reorganisation.

	Number of Ordinary Shares	Nominal value US\$	Number of Preferred Shares	Nominal value US\$
Authorised on November 8, 2021 (Date of incorporation):				
Shares at par value of US\$0.0001 each	500,000,000	50,000	–	–
As at December 31, 2022 and 2023	<u>500,000,000</u>	<u>50,000</u>	<u>–</u>	<u>–</u>
Authorised on April 10, 2024 (Note 1.2.2):				
Ordinary Shares at par value of US\$0.00001 each	4,919,346,000	49,193	–	–
Series A Preferred Shares at par value of US\$0.00001 each	–	–	21,403,500	214
Series A1 Preferred Shares at par value of US\$0.00001 each	–	–	11,378,500	114
Series B Preferred Shares at par value of US\$0.00001 each	–	–	47,872,000	479
As at December 31, 2024	<u>4,919,346,000</u>	<u>49,193</u>	<u>80,654,000</u>	<u>807</u>

(ii) Issued share capital

	Number of Ordinary Shares	Nominal value US\$	Share capital	
			RMB	RMB'000
Issuance of Ordinary Shares to Ugo Investment Limited at November 8, 2021 (Date of incorporation), at par value of US\$0.0001 each (a)	738,692	74	473	–
As at December 31, 2022 and 2023	<u>738,692</u>	<u>74</u>	<u>473</u>	<u>–</u>
Reorganisation on April 10, 2024:				
Issuance of Ordinary Shares to Ugo Investment Limited, nil paid (a)	419,346,000	4,193	29,751	30
As at December 31, 2024	<u>419,346,000</u>	<u>4,193</u>	<u>29,751</u>	<u>30</u>

- (a) Upon the completion of Reorganisation, 419,346,000 Ordinary Shares have been issued and allotted to Ugo Investment Limited, consisting of 738,692 ordinary shares issued on November 8, 2021 and 418,607,308 ordinary shares issued on April 10, 2024, at par value of US\$0.00001 each. The nominal value of approximately US\$4,193 was not paid as at December 31, 2024 and was fully paid in January 2025.

(iii) **Other equity instruments**

	Number of Preferred Shares	Nominal value US\$	RMB	Other equity instruments RMB'000
Reorganisation on April 10, 2024:				
– Issuance of Series A Preferred Shares, fullypaid (a)	21,403,500	214	1,520	2
– Issuance of Series A1 Preferred Shares, fullypaid (a)	11,378,500	114	810	–
As at December 31, 2024	32,782,000	328	2,330	2

- (a) 21,403,500 and 11,378,500 Preferred Shares at par value of US\$0.00001 each, respectively, were allotted and issued to Series A Investors and Series A1 Investors on April 10, 2024 upon the completion of Reorganisation. Series A Investors and Series A1 Investors may require Ugo Investment Limited to repurchase their investment if certain events occur. Series A Investors and Series A1 Investors also have anti-dilution rights, which may require Ugo Investment Limited to transfer certain Ordinary Shares of the Company held by it to them. The Company has no contractual obligation to deliver cash or a variable number of shares to Series A and A1 Investors, thus the Preferred Shares issued to Series A and A1 Investors meet the definition of equity. The nominal value of approximately US\$328 was fully paid as at December 31, 2024.

All of the Preferred Shares will be converted into Ordinary Shares on a one-on-one basis prior to the completion of the listing.

23 OTHER RESERVES

The Group

	Capital reserves RMB'000	Share-based Compensation Reserve RMB'000	Translation Differences RMB'000	Total RMB'000
As at January 1, 2022	4,660,504	–	(50)	4,660,454
Share-based compensation expenses (Note 7) (Note 34)	–	335,782	–	335,782
Capital injection from shareholders (i)	90,000	–	–	90,000
Currency translation differences	–	–	8	8
As at December 31, 2022	4,750,504	335,782	(42)	5,086,244
As at January 1, 2023	4,750,504	335,782	(42)	5,086,244
Share-based compensation expenses (Note 7) (Note 34)	–	920,537	–	920,537
Currency translation differences	–	–	1	1
As at December 31, 2023	4,750,504	1,256,319	(41)	6,006,782

	Capital reserves RMB'000	Share-based Compensation Reserve RMB'000	Translation Differences RMB'000	Total RMB'000
As at January 1, 2024	4,750,504	1,256,319	(41)	6,006,782
Share-based compensation expenses (Note 7) (Note 34)	–	401,416	–	401,416
Deemed capital contributions from shareholders (ii)	16,620	–	–	16,620
Transaction with non-controlling interests (iii)	(13,676)	–	–	(13,676)
As at December 31, 2024	<u>4,753,448</u>	<u>1,657,735</u>	<u>(41)</u>	<u>6,411,142</u>

- (i) Limao Mobility received capital injections of RMB90,000,000 during the year ended December 31, 2022 from Zhejiang Yizhen Automobile Co., Ltd., of which approximately RMB90,000,000 was recognised as capital reserves.
- (ii) On March 25, 2024, Hangzhou Youxing entered into a share transfer agreement with Zhejiang Yizhen Automobile Co., Ltd. to acquire Limao Mobility, and Zhejiang Yizhen Automobile Co., Ltd. agreed to waive borrowings of RMB16,620,000 from Limao Mobility. The debt forgiveness is treated as a deemed capital contribution from Zhejiang Yizhen Automobile Co., Ltd., resulting in an increase of RMB16,620,000 in capital reserves accordingly.
- (iii) On November 14, 2024, Hangzhou Youxing entered into a share transfer agreement to acquire 10% equity interests of a non-wholly owned subsidiary Shanxi Geely Youxing Technology Co., Ltd. (Shanxi Youxing) from the non-controlling interest shareholder Taiyuan Zhongyi Jiaqiang Environmental Protection Technology Development Co., Ltd., with the consideration of a financial instrument with the fair value of approximately RMB3,664,000. The financial instrument consists of 90,000 share options granted by CaoCao Inc., vested if CaoCao Inc. goes listing during the one year from November 14, 2024 (the “contingent event”), and cash consideration of RMB2,000,000 to be paid if the contingent event does not occur. Since Shanxi Youxing was in total deficit status, non-controlling interest with a deficits of approximately RMB10,011,000 is derecognised, and the transaction resulted in a decrease of RMB13,675,000 in capital reserves accordingly.

The Company

	Other reserves RMB'000
As at January 1, 2022	–
Share-based compensation expenses (iv) (Note 34)	<u>335,782</u>
As at December 31, 2022	<u>335,782</u>
As at January 1, 2023	335,782
Share-based compensation expenses (iv) (Note 34)	<u>920,537</u>
As at December 31, 2023	<u>1,256,319</u>
As at January 1, 2024	1,256,319
Share-based compensation expenses (iv) (Note 34)	<u>401,416</u>
As at December 31, 2024	<u>1,657,735</u>

- (iv) The grant by the Company of its equity instruments to the employees of the subsidiaries including the PRC operating entities are made in exchange for their services related to the subsidiaries. Accordingly, the share-based compensation expenses are treated as part of the “investments in subsidiaries” in the balance sheets of the company.

24 TRADE AND NOTES PAYABLES

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Trade payables (a)			
– Earnings and incentives payable to drivers	175,726	244,934	422,439
– Payables for services	102,850	157,882	163,150
– Payables for vehicles	572,062	263,211	114,104
– Others	12,116	12,433	2,513
	<u>862,754</u>	<u>678,460</u>	<u>702,206</u>
Notes payables (b)	<u>279,134</u>	<u>1,601</u>	<u>–</u>
	<u>1,141,888</u>	<u>680,061</u>	<u>702,206</u>

(a) Trade payables

Trade payables are unsecured and are usually paid within 90 days of recognition. The majority of the Group's trade payables was denominated in RMB. The ageing analysis of the trade payables based on invoice date at the end of each Track Record Period is as follows:

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
0 to 90 days	784,927	661,773	692,105
91 to 180 days	37,914	1,104	560
181 days to 1 year	29,522	5,367	275
Over 1 year	<u>10,391</u>	<u>10,216</u>	<u>9,266</u>
	<u>862,754</u>	<u>678,460</u>	<u>702,206</u>

(b) Notes payables

All notes payables are denominated in RMB and are notes paid and/or payable to third parties mainly for settlement of trade payables. As at December 31, 2022, 2023 and 2024, all notes payables had maturities of less than one year.

As at December 31, 2022, 2023 and 2024, the average discounted rates of notes payables were 2.54%, nil and nil per annum.

As at December 31, 2022, 2023 and 2024, Zhejiang Geely Holding Group Co., Ltd., Zhejiang Geely Automobile Co., Ltd. and Zhejiang Jidi Technology Co., Ltd. provided guarantee in favor of the Group for the repayment of the notes payables amounting to approximately RMB275,514,000, nil and nil (Note 33(b)(xviii)).

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

25 ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Deposits from drivers (i)	338,939	332,524	291,092
Deposits from suppliers and others (ii)	100,195	138,220	162,714
Advances from disposal of used vehicles	87,041	118,859	106,983
Staff costs and welfare accruals	83,646	80,687	80,510
Amounts due to related parties (Note 33(c)(iv)) (Note 33(c)(viii))	178,521	61,258	66,309
Taxes and surcharges payables	17,864	39,396	50,158
Payables for listing expenses	5,834	21,747	33,193
Provision for litigation and disputes	8,784	16,106	31,742
Accrued promotion, advertising and incentives for customer referrals	42,645	34,535	30,998
Others	56,396	74,318	73,407
	<u>919,865</u>	<u>917,650</u>	<u>927,106</u>

The Company

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Payables for listing expenses (iii)	5,469	20,152	29,668
Amounts due to subsidiaries	–	10,057	26,337
Others	–	–	3,664
	<u>5,469</u>	<u>30,209</u>	<u>59,669</u>

- (i) This balance mainly represents deposits from drivers for using vehicles.
- (ii) This balance mainly represents performance deposits from car partners, insurance companies, performance deposits received for car rental services and from disposal of used vehicles.
- (iii) The balances represent payables for listing expenses by the Company.

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

26 BORROWINGS

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Borrowings included in non-current liabilities:			
ABSs and ABNs (b) (Note 13(c))	1,893,000	2,283,000	1,490,000
Other borrowings, secured (c) (Note 13(d))	132,100	63,760	51,737
Bank borrowings, guaranteed (a)	82,000	6,250	–
	<u>2,107,100</u>	<u>2,353,010</u>	<u>1,541,737</u>
Borrowings included in current liabilities:			
Current portion of long-term borrowings			
– Current portion of ABSs and ABNs (b) (Note 13(c))	1,750,632	2,904,937	2,859,969
– Current portion of other borrowings, secured (c) (Note 13(d))	267,976	103,637	11,862
– Current portion of bank borrowings, guaranteed (a)	165,366	94,716	6,270
Bank borrowings, guaranteed (d)	729,515	1,027,193	1,482,460
Loans from related parties (Note 33(c)(ix))	112,108	195,210	900,732
Factoring borrowings (e)	445,783	851,197	415,257
Bank borrowings, secured (f)	743	–	–
	<u>3,472,123</u>	<u>5,176,890</u>	<u>5,676,550</u>
	<u>5,579,223</u>	<u>7,529,900</u>	<u>7,218,287</u>

- (a) As at December 31, 2022, 2023 and 2024, the Group has guaranteed long-term bank borrowings with a total amount of approximately RMB247,366,000, RMB100,966,000 and RMB6,270,000, respectively, of which approximately RMB165,366,000, RMB94,716,000, and RMB6,270,000 will be due within one year from the respective balance sheet dates. The above guaranteed bank borrowings bear interests at fixed interest rates ranging from 3.8% to 4.2% per annum and were guaranteed by Zhejiang Geely Holding Group Co., Ltd, which will not be released prior to the listing (Note 33(b)(xviii)).
- (b) During the Track Record Period, the Group issued several tranches of asset-backed security (“ABSs”) and asset-backed notes (“ABNs”) with the payment term of two or three years with the fixed interest rate ranging from 2.50% to 4.90%. These ABSs are currently listed on the Shanghai Stock Exchange while ABNs are currently traded in the China Interbank Bond market. These ABSs and ABNs are secured by the pledge of the rights to receive the service fees derived from the use of certain vehicles owned by the Group for the provision of online ride hailing services and guaranteed by Zhejiang Geely Holding Group Co., Ltd., which will not be released prior to the listing (Note 33(b)(xviii)). The principal and interests of ABSs and ABNs were repaid on a quarterly basis. As at December 31, 2022, 2023 and 2024, the borrowings from ABSs and ABNs amounted to approximately RMB3,643,632,000, RMB5,187,937,000 and RMB4,349,969,000, respectively, of which approximately RMB1,750,632,000, RMB2,904,937,000 and RMB2,859,969,000 will be due within one year from the respective balance sheet dates. The carrying amount of vehicles subject to ABSs and ABNs arrangements are disclosed in Note 13(c).

- (c) As at December 31, 2022, 2023 and 2024, secured borrowings were approximately RMB400,076,000, RMB167,397,000 and RMB63,599,000, respectively, of which approximately RMB267,976,000, RMB103,637,000 and RMB11,862,000, will be due within one year from the respective balance sheet dates. The effective interest rate of the secured borrowings during the Track Record Period ranged from 4.95% to 6.7% per annum. These borrowings were related to the sales and leaseback arrangements between the Group and certain finance lease companies. The carrying value of assets under this restriction was disclosed in Note 13(d). Secured borrowings of approximately RMB38,399,000 as at December 31, 2024 were guaranteed by Zhejiang Yizhen Automobile Co., Ltd. and were fully repaid in May 2025 (Note 33(b)(xviii)).
- (d) During the Track Record Period, the Group has entered several short-term borrowing agreements with interest rates ranging from 3.00% to 4.35% per annum. As at December 31, 2022, 2023 and 2024, the borrowing balances were approximately RMB729,515,000, RMB1,027,193,000 and RMB1,482,460,000, respectively. The borrowings were guaranteed by Zhejiang Geely Holding Group Co., Ltd., which will not be released prior to the listing (Note 33(b)(xviii)).
- (e) During the Track Record Period, the letters of credit and notes payables issued by certain subsidiaries of the Group for intra-group transaction settlements were discounted to certain PRC commercial banks. The directors were of the view that balance under such factoring arrangements were borrowings from banks. As at December 31, 2022, 2023 and 2024, the average discounted rates were 3.66%, 3.17% and 3.19% per annum. Except for approximately RMB12,000,000 of factoring borrowings as at December 31, 2024 which was covered by guarantee deposits, others were guaranteed by Zhejiang Geely Holding Group Co., Ltd. and Zhejiang Geely Automobile Co., Ltd., which will not be released prior to the listing (Note 33(b)(xviii)).
- (f) During the Track Record Period, the Group has entered into borrowing agreements with certain commercial banks in China. The borrowings generally had the maturity of one year and were secured by insurance policies held by the Group.
- (g) Other disclosures

The Group's borrowings are all denominated in RMB.

During the years ended December 31, 2022, 2023 and 2024, the Group had neither been in violation of any of the covenants nor subject to material financial covenants pursuant to the applicable borrowing agreements that the Group entered into with the lenders.

The fair values of current and non-current borrowings approximate their carrying amount as the discounting impact is not significant.

As at December 31, 2022, 2023 and 2024, the Group's borrowings were repayable as follows:

	As at December 31		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	3,472,123	5,176,890	5,676,550
Between 1 and 2 years	1,546,900	1,961,891	1,299,376
Between 2 and 5 years	560,200	383,797	242,361
Over 5 years	—	7,322	—
	<u>5,579,223</u>	<u>7,529,900</u>	<u>7,218,287</u>

(h) Accounting policy for borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheets when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has a right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

27 LEASE LIABILITIES

- (i) The carrying amounts of the Group's lease liabilities and the movements for the years ended December 31, 2022, 2023 and 2024 are as follows:

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Carrying amounts at the beginning of the year	219,159	226,369	154,635
Additions	108,939	69,679	68,145
Accretion of interest recognised (Note 10)	10,522	8,319	6,342
Payments (Note 13(h)(ii))	(110,501)	(84,792)	(63,334)
Modifications and terminations*	(1,750)	(64,629)	(49,267)
Disposal of subsidiaries (Note 36(d))	—	(311)	—
Carrying amounts at the end of the year	<u>226,369</u>	<u>154,635</u>	<u>116,521</u>
Lease liabilities			
Current	84,892	72,970	56,528
Non-current	<u>141,477</u>	<u>81,665</u>	<u>59,993</u>
	<u>226,369</u>	<u>154,635</u>	<u>116,521</u>

- * During the year ended December 31, 2023 and 2024, the Group terminated the lease for certain leased vehicles, license plates and leased properties due to strategic plan.

On December 16, 2024, the Group received a government grant of RMB16,097,000 for leased property rental relief, resulting in a decrease of approximately RMB12,601,000 in lease liabilities after the remeasurement.

- (ii) The following table shows the remaining maturities of the Group's lease liabilities at the end of Track Record Period.

Minimum lease payments due	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Within 1 year	93,486	81,528	60,290
Between 1 and 2 years	68,367	61,707	33,673
Between 2 and 5 years	81,704	21,353	29,880
	<u>243,557</u>	<u>164,588</u>	<u>123,843</u>
Less: future finance charges	<u>(17,188)</u>	<u>(9,953)</u>	<u>(7,322)</u>
	<u>226,369</u>	<u>154,635</u>	<u>116,521</u>
Present value of lease liabilities	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Within 1 year	84,892	72,970	56,528
Between 1 and 2 years	62,988	60,760	31,711
Between 2 and 5 years	78,489	20,905	28,282
	<u>226,369</u>	<u>154,635</u>	<u>116,521</u>

28 DEFERRED INCOME

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Government grants	<u>77,129</u>	<u>54,828</u>	<u>83,864</u>

During the years ended December 31, 2022, 2023 and 2024, the Group received cash subsidies of RMB100,000,000, RMB100,000,000 and RMB200,000,000, respectively, from the local government with conditions to be fulfilled. During the Track Record Period, the Group satisfied part of the conditions. As a result, the Group recognised approximately RMB22,871,000, RMB122,301,000 and RMB170,964,000, as "Other income" (Note 8), respectively, during the years ended December 31, 2022, 2023 and 2024, and the remaining balance was recorded in deferred income.

29 DEFERRED INCOME TAXES

The analysis of deferred income tax assets and deferred income tax liabilities are as follows:

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Total deferred income tax assets:	145,170	112,242	77,782
Set-off of deferred tax assets pursuant to set-off provisions (a)	(22,496)	(30,651)	(35,959)
Net deferred income tax assets	<u>122,674</u>	<u>81,591</u>	<u>41,823</u>
Deferred income tax assets:			
– to be recovered within 1 year	40,247	81,303	41,737
– to be recovered more than 1 year	82,427	288	86
	<u>122,674</u>	<u>81,591</u>	<u>41,823</u>
Total deferred income tax liabilities	22,716	30,651	35,959
Set-off of deferred tax liabilities pursuant to set-off provisions (a)	(22,496)	(30,651)	(35,959)
Net deferred income tax liabilities	<u>220</u>	<u>–</u>	<u>–</u>
Deferred income tax liabilities:			
– to be recovered within 1 year	220	–	–
– to be recovered more than 1 year	–	–	–
	<u>220</u>	<u>–</u>	<u>–</u>

- (a) The Group only offset deferred tax assets and deferred tax liabilities for presentation purposes only if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on same tax payee.

The gross movement of deferred income tax assets during the years are as follow:

	Lease liabilities RMB'000	Deferred Income RMB'000	Tax losses carried forward RMB'000	Total RMB'000
As at January 1, 2022	–	–	–	–
Credited to consolidated statements of comprehensive loss (Note II(b))	8,176	19,282	117,712	145,170
As at December 31, 2022	8,176	19,282	117,712	145,170
Debited to consolidated statements of comprehensive loss (Note II(b))	(3,279)	(5,575)	(24,074)	(32,928)

	Lease liabilities <i>RMB'000</i>	Deferred Income <i>RMB'000</i>	Tax losses carried forward <i>RMB'000</i>	Total <i>RMB'000</i>
As at December 31, 2023	4,897	13,707	93,638	112,242
(Debited)/credited to consolidated statements of comprehensive loss (Note 11(b))	(4,811)	7,259	(36,908)	(34,460)
As at December 31, 2024	<u>86</u>	<u>20,966</u>	<u>56,730</u>	<u>77,782</u>

The gross movement of deferred income tax liabilities during the years are as follow:

	Asset appreciations arising from business combinations <i>RMB'000</i>	Right-of-use assets <i>RMB'000</i>	One-off pre-tax deduction of fixed asset (i) <i>RMB'000</i>	Total <i>RMB'000</i>
As at January 1, 2022	823	–	–	823
(Credited)/debited to consolidated statements of comprehensive loss (Note 11(b))	(603)	7,876	14,620	21,893
As at December 31, 2022	220	7,876	14,620	22,716
(Credited)/debited to consolidated statements of comprehensive loss (Note 11(b))	(220)	(3,267)	11,422	7,935
As at December 31, 2023	–	4,609	26,042	30,651
(Credited)/debited to consolidated statements of comprehensive loss (Note 11(b))	–	(4,609)	9,917	5,308
As at December 31, 2024	<u>–</u>	<u>–</u>	<u>35,959</u>	<u>35,959</u>

- (i) According to the relevant laws and regulations promulgated by the SAT of the PRC that was effective from January 1, 2018 to December 31, 2027, the cost of newly purchased equipment with the original cost less than RMB5,000,000 can be fully deducted against taxable income in the next month after the asset is ready for use instead of being depreciated annually for tax filing.

30 CASH (USED IN)/GENERATED FROM OPERATIONS

(a) Reconciliation of loss before income tax to net cash (used in)/generated from operations

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Loss before income tax	(2,130,304)	(1,939,996)	(1,206,342)
Adjustments for:			
– Depreciation charges of property and equipment (Note 6)	657,577	664,322	685,561
– Depreciation charges of right-of-use assets (Note 6)	92,798	75,490	61,668
– Amortisation of intangible assets (Note 6)	994	1,388	2,140
– Gains on disposal of property and equipment (Note 9)	(28,661)	(51,657)	(58,098)
– (Gains)/losses on termination of right-of-use assets (Note 9)	(397)	4,056	(3,145)
– Gains on disposal of investments accounted for using the equity method (Note 15)	(25,600)	–	(900)
– Impairment losses on financial assets (Note 3.1(b))	3,059	2,910	7,694
– Gains on disposal of subsidiaries (Note 9)	–	(13,931)	–
– Interest income on loans to third parties	(144)	–	–
– Share-based compensation expenses (Note 7) (Note 34)	335,782	920,537	401,416
– Finance costs (Note 10)	250,132	295,539	317,145
– Fair value changes of financial liabilities at fair value through profit or loss (Note 3.3(b))	14,144	69,060	88,693
– Net exchange differences (Note 23)	(8)	(1)	–
Operating cash flows before changes in working capital	(830,628)	27,717	295,832
Changes in working capital:			
– Decrease/(increase) in restricted cash	(8,976)	(35,098)	37,329
– Increase in trade receivables	(16,259)	(92,375)	(16,511)
– Increase in prepayments, other receivables and other current assets	(118,424)	(48,422)	(63,688)
– Increase in inventories	(3,241)	(164,021)	(55,817)
– (Decrease)/increase in trade and notes payables	(34,407)	310,671	(18,818)
– (Decrease)/increase in accruals and other payables	(142,692)	123,344	(19,151)
– (Decrease)/increase in contract liabilities	(58,828)	19,960	36,996
– Increase/(decrease) in deferred income	77,129	(22,301)	29,036
Cash (used in)/generated from operations	(1,136,326)	119,475	225,208
Non-cash investing activities			
Vehicles purchase by notes payables	275,514	–	–
Intangible assets purchased by other receivables (Note 14)	–	–	49,622
	275,514	–	49,622

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Non-cash financing activities			
Cash restricted for the bank acceptance issued by related parties (<i>Note 33(c)(viii)</i>)	156,428	(156,428)	–
Debt forgiveness (<i>Note 23(ii)</i>)	–	–	(16,620)
	<u>156,428</u>	<u>(156,428)</u>	<u>(16,620)</u>

Non-cash investing and financing activities disclosed in other notes are acquisition of right-of-use assets (Note 13(h)) and options granted to qualifying participants under Pre-IPO Share Incentive Plan (Note 34) and acquisition of entitlements for license plate (Note 14).

(b) Debt reconciliation

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Borrowings	5,579,223	7,529,900	7,218,287
Financial liabilities at fair value through profit or loss	1,814,144	1,883,204	1,971,901
Lease liabilities	<u>226,369</u>	<u>154,635</u>	<u>116,521</u>
	<u>7,619,736</u>	<u>9,567,739</u>	<u>9,306,709</u>

	Lease liabilities	Borrowings	Financial liabilities at fair value through profit or loss	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1, 2022	219,159	3,789,447	1,800,000	5,808,606
Cash flows	(110,501)	1,540,973	–	1,430,472
Accrued interest expenses (<i>Note 10</i>)	10,522	248,803	–	259,325
Changes in fair values of financial liabilities at fair value through profit or loss	–	–	14,144	14,144
Additions	108,939	–	–	108,939
Modifications and terminations of lease	<u>(1,750)</u>	<u>–</u>	<u>–</u>	<u>(1,750)</u>
As at December 31, 2022	<u>226,369</u>	<u>5,579,223</u>	<u>1,814,144</u>	<u>7,619,736</u>

	Lease liabilities RMB'000	Borrowings RMB'000	Financial liabilities at fair value through profit or loss RMB'000	Total RMB'000
As at January 1, 2023	226,369	5,579,223	1,814,144	7,619,736
Cash flows	(84,792)	1,646,360	–	1,561,568
Accrued interest expenses (<i>Note 10</i>)	8,319	304,317	–	312,636
Changes in fair values of financial liabilities at fair value through profit or loss	–	–	69,060	69,060
Additions	69,679	–	–	69,679
Modifications and terminations of lease and disposal of subsidiaries	(64,940)	–	–	(64,940)
As at December 31, 2023	154,635	7,529,900	1,883,204	9,567,739
As at January 1, 2024	154,635	7,529,900	1,883,204	9,567,739
Cash flows	(63,334)	(616,618)	–	(679,952)
Accrued interest expenses (<i>Note 10</i>)	6,342	321,625	–	327,967
Changes in fair values of financial liabilities at fair value through profit or loss	–	–	88,693	88,693
Additions	68,145	–	–	68,145
Effect of the Reorganisation of the Group	–	–	4	4
Modifications and terminations of lease and disposal of subsidiaries	(49,267)	–	–	(49,267)
Debt forgiveness (<i>Note 23</i>)	–	(16,620)	–	(16,620)
As at December 31, 2024	116,521	7,218,287	1,971,901	9,306,709

31 COMMITMENTS

(a) Capital commitments

Significant capital expenditure contracted for at the end of the Track Record Period but not recognised as liabilities is as follows:

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Property, plant and equipment	–	79,115	29,904

(b) Non-cancellable operating lease

The Group leases office buildings under non-cancellable operating leases. As at December 31, 2022, 2023 and 2024, lease commitments for the Group for leases not yet commenced or short-term leases are as follows:

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Within 1 year	24	210	644

32 ASSETS PLEDGED AS SECURITY

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

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Non-current			
Vehicles pledged under ABSs and ABNs arrangements (Note 13(c))	769,652	1,003,809	1,194,612
Vehicles pledged under finance lease arrangements (Note 13(d))	376,989	131,943	77,995
	1,146,641	1,135,752	1,272,607

33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are under control or joint control by the same party. Members of key management of the Group and their close family members are also considered as related parties.

Apart from the related party transactions disclosed in Note 15(a)(ii), the following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business for the years ended December 31, 2022, 2023 and 2024, respectively.

(a) Name and relationship with related parties

Name of related party	Nature of relationship
Zhejiang Geely Holding Group Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Geely Holding Group Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Zhihui Puhua Financial Leasing Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Geely Business Service Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Geely Automobile Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Haoqing Automobile Manufacturing Co., Ltd.	Controlled by the ultimate controlling party
Shanghai Jijin Electromechanical Equipment Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd.	Controlled by the ultimate controlling party
Geely Maijie Investment Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Jirun Automobile Co., Ltd.	Controlled by the ultimate controlling party

Name of related party	Nature of relationship
Zhejiang Fengsheng Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Chongqing Lifan Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Geometric Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Hangzhou Geely New Energy Vehicle Sales Co., Ltd.	Controlled by the ultimate controlling party
Union Property and Casualty Insurance Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Jidi Technology Co., Ltd.	Controlled by the ultimate controlling party
Yiyi Internet Technology Co., Ltd.	Controlled by the ultimate controlling party
Changde Transportation Construction Investment Group Co., Ltd.	Minority shareholder of a subsidiary
Chongqing Ruilan Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Mingtai Investment Development Group Co., Ltd.	Controlled by the ultimate controlling party
Hangzhou Geely Huanqiu Technology Co., Ltd.	Controlled by the ultimate controlling party
Xiaolinggou Travel Technology Co., Ltd.	Associate of the ultimate controlling party
Hangzhou Yibao Technology Co., Ltd.	Controlled by the ultimate controlling party
Anhui Jifeng Vehicle Recycling Co., Ltd.	Controlled by the ultimate controlling party
Xiamen Geely Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Chongqing Ruilan Automotive Research Institute Co., Ltd.	Controlled by the ultimate controlling party
Hangzhou Yineng Battery Management Technology Co., Ltd.	Controlled by the ultimate controlling party
Jizhi (Hangzhou) Cultural and Creative Co., Ltd.	Controlled by the ultimate controlling party
Lingwu Automotive Technology (Chongqing) Co., Ltd.	Controlled by the ultimate controlling party
Hangzhou Xuanyu Human Resources Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Yizhen Automobile Sales Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Yizhen Automobile Co., Ltd.	Controlled by the ultimate controlling party
Shanghai LTI Automobile Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Yizhen New Energy Automobile Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Yizhen Automobile Research and Development Co., Ltd.	Controlled by the ultimate controlling party
Chongqing Xingfu Qianwanjia Technology Co., Ltd.	Controlled by the ultimate controlling party
Zhejiang Jixin Resource Recycling Technology Co., Ltd.	Controlled by the ultimate controlling party

(b) Transactions with related parties

Trade nature

(i) Vehicles procurement – Recurring

	Year ended December 31		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Chongqing Ruilan Automobile Sales Co., Ltd.*	1,207,492	1,245,680	1,136,465
Zhejiang Fengsheng Automobile Sales Co., Ltd.	–	–	24,292
Zhejiang Yizhen Automobile Sales Co., Ltd.	2,759	72,659	15,141
Zhejiang Geely Holding Group Automobile Sales Co., Ltd.	–	–	1,810
Zhejiang Geely Automobile Co., Ltd.	107,366	–	–

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Zhejiang Geometric Automobile Sales Co., Ltd.	4,371	–	–
Chongqing Lifan Automobile Sales Co., Ltd.	679	–	–
Xiaolinggou Travel Technology Co., Ltd.	44	–	–
	<u>1,322,711</u>	<u>1,318,339</u>	<u>1,177,708</u>

* The Group purchased battery assets together with the purpose-built vehicles from the related parties. To reduce the initial purchase costs of the purpose-built vehicles, the Group entered into battery sales agreements and battery service framework agreement with Yiyi Internet Technology Co., Ltd., Hangzhou Yineng Battery Management Technology Co., Ltd., Chongqing Ruilan Automobile Sales Co., Ltd., under which, the Group would sell the battery assets and receive battery service from those entities (Note 33(b)(iv)). During the years ended December 31, 2022, 2023 and 2024, the Group purchased battery assets at approximately nil, RMB451,783,000 and nil respectively, and subsequently sold battery assets at approximately nil, RMB437,146,000 and nil, respectively. The purchase and sales of such battery assets were recognised on net basis.

(ii) Insurance cost – Recurring

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Union Property and Casualty Insurance Co., Ltd.	10,880	5,992	10,857

(iii) Vehicles parts procurement – Recurring

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Lingwu Automotive Technology (Chongqing) Co., Ltd.	–	3,657	18,886
Zhejiang Yizhen Automobile Co., Ltd.	–	344	–
	<u>–</u>	<u>4,001</u>	<u>18,886</u>

(iv) Purchase of battery services – Recurring

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Hangzhou Yineng Battery Management Technology Co., Ltd.	–	119,961	218,141
Chongqing Ruilan Automobile Sales Co., Ltd.	–	3,057	8,004
Yiyi Internet Technology Co., Ltd.	39,462	29,590	–
	<u>39,462</u>	<u>152,608</u>	<u>226,145</u>

(v) *Purchase of vehicle insurance management services – Recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Hangzhou Yibao Technology Co., Ltd.	4,796	4,426	4,743

(vi) *Revenue from advertising – Non-Recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Zhejiang Geely Automobile Co., Ltd.	10,362	5,944	4,815
Zhejiang Geely Holding Group Co., Ltd.	–	–	251
	10,362	5,944	5,066

(vii) *Revenue from online ride hailing services – Recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Zhejiang Geely Business Service Co., Ltd.	5,701	10,391	9,048
Zhejiang Jidi Technology Co., Ltd.	148	117	144
Zhejiang Geely Holding Group Co., Ltd.	141	110	110
Mingtai Investment Development Group Co., Ltd.	28	54	52
	6,018	10,672	9,354

(viii) *Purchase of travel agency services – Recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Zhejiang Geely Business Service Co., Ltd.	8,565	12,273	15,207
Jizhi (Hangzhou) Cultural and Creative Co., Ltd.	–	2,692	264
	8,565	14,965	15,471

(ix) *Purchase of technology services – Recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Chongqing Ruilan Automotive Research Institute Co., Ltd.*	545	47,845	8,472
Chongqing Ruilan Automobile Sales Co., Ltd.	–	–	1,840
	<u>545</u>	<u>47,845</u>	<u>10,312</u>

* During the years ended December 31, 2022, 2023 and 2024, Chongqing Ruilan Automotive Research Institute Co., Ltd. provided technology services of vehicle optimisation and technological support to the Group for the purpose-built vehicles.

(x) *Purchase of human resource outsourcing services – Recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Hangzhou Xuanyu Human Resources Co., Ltd.	4,743	283	1,057
	<u>4,743</u>	<u>283</u>	<u>1,057</u>

(xi) *Revenue from transportation support services – Non-recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Zhejiang Geely Holding Group Co., Ltd.	–	79,909	–
	<u>–</u>	<u>79,909</u>	<u>–</u>

(xii) *Revenue from customer referring service – Recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Zhejiang Zhihui Puhua Financial Leasing Co., Ltd.	–	480	1,528
	<u>–</u>	<u>480</u>	<u>1,528</u>

(xiii) *Purchase of right-of-use assets – Non-recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Xiaolinggou Travel Technology Co., Ltd.	–	12,044	–
Hangzhou Geely Huanqiu Technology Co., Ltd.	64,642	9,728	–
	<u>64,642</u>	<u>21,772</u>	<u>–</u>

(xiv) Revenue from vehicle sales – Non-recurring

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Chongqing Xingfu Qianwanjia Technology Co., Ltd.	–	–	13,692

(xv) Receipts from disposal of used vehicles – Recurring

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Anhui Jifeng Vehicle Recycling Co., Ltd.	11,969	84,555	49,146
Zhejiang Jixin Resource Recycling Technology Co., Ltd	–	–	24,401
	11,969	84,555	73,547

Non-trade nature

(xvi) Loans borrowed from related parties – Non-recurring

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Zhejiang Geely Holding Group Co., Ltd.	970,000	300,000	1,100,000
Zhejiang Jidi Technology Co., Ltd.	–	–	700,000
Zhejiang Yizhen Automobile Co., Ltd.	98,220	143,780	16,500
	1,068,220	443,780	1,816,500

(xvii) Loans repaid to related parties – Non-recurring

	Year ended December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Zhejiang Geely Holding Group Co., Ltd.	1,270,000	300,000	1,100,000
Zhejiang Yizhen Automobile Co., Ltd.	–	59,790	–
Zhejiang Yizhen Automobile Research and Development Co., Ltd.	2,000	–	–
	1,272,000	359,790	1,100,000

The Group entered into one-year loan agreements with related parties during the years ended December 31, 2022, 2023 and 2024, with interest rates ranging from 3.79% to 4.35% per annum. Loans from Yizhen were interest-free and repaid on demand. These loans from related parties have been fully repaid till June 2025.

(xviii) *Outstanding amounts of guarantee provided by related parties – Recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Zhejiang Geely Holding Group Co., Ltd.	5,199,369	7,165,952	6,241,955
Zhejiang Yizhen Automobile Co., Ltd.	–	45,262	38,399
Zhejiang Geely Automobile Co., Ltd.	142,287	–	–
	<u>5,341,656</u>	<u>7,211,214</u>	<u>6,280,354</u>

As at December 31, 2024, the guarantee provided by related parties were not released. The guarantee provided by Zhejiang Yizhen Automobile Co., Ltd. (“Zhejiang Yizhen”) was released when the corresponding borrowings were fully repaid in May 2025. All other guarantees provided by Zhejiang Geely Holding Group Co., Ltd. as at December 31, 2024 will not be released prior to the listing, since the directors consider that pre-mature discharge of the connected guarantees is not commercially viable and would not be in the best interests of the shareholders as it would give rise to early termination liabilities and additional refinancing costs and disrupt the normal business operation of the Group.

For the years ended December 31, 2022, 2023 and 2024, guarantee fee of approximately RMB22,043,000, RMB34,903,000 and RMB36,749,000, respectively, was charged by Zhejiang Geely Holding Group Co., Ltd. and Zhejiang Geely Automobile Co., Ltd.

(xix) *Interest expenses charged by related parties – Non-recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Zhejiang Geely Holding Group Co., Ltd.	<u>11,868</u>	<u>335</u>	<u>5,643</u>

(xx) *Loans to a related party – Non-recurring*

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Shanghai LTI Automobile Co., Ltd.	<u>–</u>	<u>5,550</u>	<u>–</u>

(c) **Balances with related parties**

Trade nature

(i) *Account receivables*

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Zhejiang Zhihui Puhua Financial Leasing Co., Ltd.	–	508	1,613
Zhejiang Geely Holding Group Co., Ltd.	–	24,510	–
	<u>–</u>	<u>25,018</u>	<u>1,613</u>

(ii) *Account payables for purchase of vehicles*

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Chongqing Ruilan Automobile Sales Co., Ltd.	515,716	219,381	62,757
Zhejiang Fengsheng Automobile Sales Co., Ltd.	5,651	5,651	29,877
Zhejiang Yizhen Automobile Sales Co., Ltd.	17,761	35,850	21,148
Zhejiang Jirun Automobile Co., Ltd.	2,000	2,000	2,000
Zhejiang Geely Automobile Co., Ltd.	29,729	–	–
	<u>570,857</u>	<u>262,882</u>	<u>115,782</u>

(iii) *Account payables for battery service fee*

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Hangzhou Yineng Battery Management Technology Co., Ltd.	–	37,911	17,400
Yiyi Internet Technology Co., Ltd.	13,074	8,324	2,158
Chongqing Ruilan Automobile Sales Co., Ltd.	–	3,057	731
	<u>13,074</u>	<u>49,292</u>	<u>20,289</u>

(iv) *Other payables*

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Chongqing Ruilan Automotive Research Institute Co., Ltd.	545	39,978	35,828
Zhejiang Geely Holding Group Automobile Sales Co., Ltd.	928	–	9,653
Zhejiang Geely Holding Group Co., Ltd.	367	5,202	6,689
Hangzhou Yibao Technology Co., Ltd.	4,978	2,360	1,520
Zhejiang Yizhen New Energy Automobile Co., Ltd.	–	676	62
Zhejiang Yizhen Automobile Co., Ltd.	–	93	57
Shanghai LTI Automobile Co., Ltd.	–	449	–
Shanghai Jijin Electromechanical Equipment Co., Ltd.	2,728	–	–
Hangzhou Xuanyu Human Resources Co., Ltd.	47	–	–
	<u>9,593</u>	<u>48,758</u>	<u>53,809</u>

(v) *Advance receipts of advertising service*

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Zhejiang Geely Automobile Co., Ltd.	11,840	5,104	–

(vi) *Advance receipts from disposal of used vehicles*

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Zhejiang Jixin Resource Recycling Technology Co., Ltd.	–	–	36,713
Anhui Jifeng Vehicle Recycling Co., Ltd.	58,081	35,573	15,184
	58,081	35,573	51,897

(vii) *Lease liabilities*

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Hangzhou Geely Huanqiu Technology Co., Ltd.	52,478	22,425	10,197
Xiaolinggou Travel Technology Co., Ltd.	9,657	12,478	1,729
Zhejiang Zhihui Puhua Financial Leasing Co., Ltd.	1,982	–	–
	64,117	34,903	11,926

Non-trade nature

(viii) *Other payables*

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd. (i)	12,500	12,500	12,500
Zhejiang Yizhen Automobile Co., Ltd. (ii)	152,614	–	–
Zhejiang Yizhen Automobile Sales Co., Ltd. (ii)	3,339	–	–
Zhejiang Yizhen Automobile Research and Development Co., Ltd. (ii)	475	–	–
	168,928	12,500	12,500

(i) Other payable to Zhejiang Geely Farizon New Energy Commercial Vehicle Group Co., Ltd. was not interest-bearing and will be settled before listing.

(ii) In May 2022, Limao Mobility entered into a contract with a bank, to act as the pledgor for the liabilities of Zhejiang Geely Holding Group Co., Ltd. and certain of its subsidiaries due from this bank. During the year ended December 31, 2022, Limao Mobility received payment of approximately RMB156,428,000 from Yizhen, and the cash were restricted by the bank immediately to guarantee the issue of bank acceptance notes of Yizhen with equal amount. The deposits were withdrawn by the bank when the bank acceptance notes due in 6 months, and meanwhile the payables to Yizhen were settled accordingly with no interest charged to the Group.

(ix) *Loans from related parties*

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Zhejiang Jidi Technology Co., Ltd.			
– Principal (Note 26)	–	–	700,000
– Interest payable (Note 26)	–	–	74
Zhejiang Yizhen Automobile Co., Ltd.			
– Principal (Note 23) (Note 26)	111,220	195,210	195,090
Zhejiang Geely Holding Group Co., Ltd.			
– Interest payable (Note 26)	888	–	5,568
Total principal and interest payable (Note 26) (i)	112,108	195,210	900,732
Zhejiang Geely Holding Group Co., Ltd.			
– Guarantee fee payable (Note 26)	154	1,341	–
Total guarantee fee payable (Note 26) (i)	154	1,341	–
	112,262	196,551	900,732

(i) The loans from Zhejiang Yizhen Automobile Co., Ltd., Zhejiang Jidi Technology Co., Ltd. and Zhejiang Geely Holding Group Co., Ltd., which include principal and interest, have been settled till June 2025.

(x) *Other receivables – loans to a related party*

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Shanghai LTI Automobile Co., Ltd.	–	5,550	–

(xi) *Borrowings under sale and lease back arrangements*

	As at December 31		
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Zhejiang Zhihui Puhua Financial Leasing Co., Ltd.	12,291	–	–

(d) Key management compensation

Key management includes directors and senior management. Apart from the directors' emoluments disclosed in Note 7(c), the compensation paid or payable to key management for employee services is shown below:

	Year ended December 31		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Share-based compensation expenses	36,569	165,315	75,872
Wages, salaries and bonuses	4,298	4,592	4,611
Employee social security plans, medical insurances and other social insurances obligations	199	280	299
Housing benefits	137	150	159
Employee welfare	102	103	105
	<u>41,305</u>	<u>170,440</u>	<u>81,046</u>

The remuneration of key management personnel is determined by the directors of the Company having regard to the performance of individuals and market trends.

34 SHARE-BASED PAYMENTS

On November 25, 2022, the Company adopted an employee option plan (the "Pre-IPO Share Incentive Plan") as approved by the board of directors of the Company. The Pre-IPO Share Incentive Plan is designed to allow qualifying participants, subject to the terms and conditions stipulated therein, to acquire ordinary shares of the Company pursuant to options granted. The share options have a contractual term of ten years, and vest immediately or over a period of two to five years of continuous service. The options may exercise of any time after the initial public offering of the Company provided the options have vested and subject to the term of the share option agreement.

Movements in the options granted under the Pre-IPO Share Incentive Plan are as below:

	Weighted average exercise price in RMB per share option	Number of options '000
As at January 1, 2022	—	—
Granted	2.8678	39,762
Forfeited	1.6920	(21)
	<u>2.8685</u>	<u>39,741</u>
As at December 31, 2022		
Vested as at December 31, 2022	7.1276	8,601

	Weighted average exercise price in RMB per share option	Number of options '000
As at January 1, 2023	2.8685	39,741
Granted	1.6920	11,282
Forfeited	1.6920	(3,110)
Cancelled (i)	1.6920	(714)
	<hr/>	<hr/>
As at December 31, 2023	<u>2.6826</u>	<u>47,199</u>
Vested as at December 31, 2023	3.7896	22,289

	Weighted average exercise price in RMB per share option	Number of options '000
As at January 1, 2024	2.6826	47,199
Granted	1.6734	8,185
Forfeited	1.6920	(3,423)
	<hr/>	<hr/>
As at December 31, 2024	<u>2.5888</u>	<u>51,961</u>
Vested as at December 31, 2024	3.3242	28,645

- (i) For the year ended December 31, 2023, certain share options granted to executive director and key management personnel were cancelled, which is treated as an acceleration of vesting. The Group immediately recognises the amount that otherwise would have been recognised for services received over the remainder of the vesting period.
- (ii) For the year ended December 31, 2024, a resolution was passed by Board of Director of the Company that the vesting condition of share options granted to certain participants were modified. Since the modification was not beneficial to the participants, no accounting treatment was made by the Group.

- (a) Details of the expiry dates, exercise prices and the respective numbers of share options which remained outstanding as at December 31, 2022, 2023 and 2024 are as follows:

Grant date	Expiry date	Exercise price	Number of share options as at		
			December 31, 2022 '000	December 31, 2023 '000	December 31, 2024 '000
December 30, 2022	January 10, 2032	18.54	2,775	2,775	2,775
November and December 2022	January 10, 2032	1.6920	36,966	33,420	30,725
June 2023	January 10, 2032	1.6920	–	9,628	9,356
December 2023	January 10, 2032	1.6920	–	1,376	1,194
April and May 2024	January 10, 2032	1.6920	–	–	1,073
October and November 2024	January 10, 2032	1.6920	–	–	6,748
November 14, 2024	November 13, 2025	0.0001	–	–	90
Total			39,741	47,199	51,961

Weighted average remaining contractual life of options outstanding as at December 31, 2022, 2023 and 2024 was 9.03, 8.03 and 7.02 years, respectively.

- (b) Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses (Note 7) were as follows:

	Year ended December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
General and administrative expenses	305,309	798,357	338,109
Research and development expenses	30,473	122,180	63,307
	335,782	920,537	401,416

- (c) The Group has used the discounted cash flow method to determine the underlying equity fair value of the Company, adopted equity allocation model to determine the fair value of the underlying ordinary shares, and used Binomial Option Pricing Model to determine the fair value of the share option as at the grant date. Key assumptions, such as discount rate and projections of further performance, are determined by the Group with best estimate.

The estimate of the fair value of the share options granted is measured by an external independent valuer using Binomial Option Pricing Model as at the respective grant dates, which is to be expensed over the relevant vesting periods. The significant inputs into the model were listed below:

	As at the grant date during		
	the year ended December 31, 2022	the year ended December 31, 2023	the year ended December 31, 2024
Expected volatility	70.96%	67.41%	63.40%
Risk-free interest rate	2.83%	2.56%	1.68%
Dividend yield	0.00%	0.00%	0.00%
Exercise price	RMB18.54 and RMB1.6920	RMB1.6920	RMB0.0001 and RMB1.6920

The expected volatility was estimated at the grant date based on the average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the options. Management estimated the risk-free interest rate based on the yield of China government bond with a maturity life equal to the life of share options. Dividend yield is based on management estimation at the grant date.

- (d) The Group is required to estimate the annual forfeiture rate to determine the amount of share-based compensation expenses charged to the consolidated statement of comprehensive loss. Set out below is the expected forfeiture rate for senior management and other employees, respectively as at December 31, 2022, 2023 and 2024.

	As at December 31		
	2022	2023	2024
Senior management	5%	5%	5%
Other employees	10%	10%	15%

- (e) Accounting policy for share-based payments

Share-based compensation benefits are provided to employees via the employee option plan.

Employee options

The fair value of options granted under the employee option plan is recognised as an employee benefits expense, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The grant by the Company of its equity instruments to the employees of the subsidiaries including the PRC operating entities are made in exchange for their services related to the subsidiaries. Accordingly, the share-based compensation expenses are treated as part of the "investments in subsidiaries" in the Company's statement of financial position.

Modifications and Cancellations

The Group may modify the terms and conditions on which share options were granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognised for the services received over the remainder of the vesting period. If a modification reduces the fair value of the equity instruments granted, or is not otherwise beneficial to the employee, the Group continues to recognise the services received as a minimum measured at the original grant date fair value of the equity instruments granted (unless those equity instruments are forfeited) as if that modification had not occurred.

A grant of share options, that is cancelled or settled during the vesting period, is treated as an acceleration of vesting. The Group immediately recognises the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

35 DIVIDENDS

No dividend has been paid or declared by the Company for the years ended December 31, 2022, 2023 and 2024.

No dividend or distribution has been declared, made or paid by the Company or any of the subsidiaries comprising the Group in respect of any period subsequent to December 31, 2024.

36 SUBSIDIARIES

(a) Non-controlling interests (NCI)

Set out below is summarised financial information for the subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet

	Shenzhen Geely Youxing Technology Co., Ltd.		
	December 31, 2022	December 31, 2023	December 31, 2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current assets	194,819	138,349	73,056
Current liabilities	(635,504)	(598,317)	(523,844)
Current net liabilities	(440,685)	(459,968)	(450,788)
Non-current assets	147,444	140,371	157,081
Non-current liabilities	(2,490)	–	–
Non-current net assets	144,954	140,371	157,081
Net liabilities	(295,731)	(319,597)	(293,707)
Accumulated NCI	(118,292)	(127,839)	(117,483)

Summarised statement of comprehensive loss

	Shenzhen Geely Youxing Technology Co., Ltd.		
	Year ended December 31		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	275,448	321,333	297,355
Total comprehensive loss	(44,473)	(23,866)	25,889

Summarised cash flows

Shenzhen Geely Youxing Technology Co., Ltd.			
Year ended December 31			
	2022	2023	2024
	RMB'000	RMB'000	RMB'000
Cash flows (used in)/generated from operating activities	(5,875)	23,487	60,507
Cash flows generated from investing activities	18,852	39,676	17,254
Cash flows generated from/(used in) financing activities	11,334	(85,569)	(80,182)
Net increase/(decrease) in cash and cash equivalents	24,311	(22,406)	(2,421)

Management considered that the other non-wholly owned subsidiaries with NCI are not significant to the Group, therefore, no summarised financial information of these non-wholly owned subsidiaries is presented separately.

(b) Consolidation of the structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has restricted activities and a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity.

The issued ABSs and ABNs unites are divided into senior and subordinated tranches, and the Group purchases all the subordinated tranches. The senior tranches investors receive interest at a fixed interest rate ranging from 2.5% to 4.9% per annum, and the Group receive residual investment income distribution from subordinated tranches. As the Group has the power to direct the activities and is exposed to variable return of the structure entities which were set up solely for the purpose to facilitate the Group's financing via issuing ABSs and ABNs unites, the Group consolidated these structured entities and the borrowings funded by the senior tranches of the ABSs and ABNs unites are recorded as "Borrowings" in the consolidated balance sheets.

(c) Accounting policy for subsidiaries controlled through Contractual Arrangements

In order to comply with the PRC laws and regulations which prohibit or restrict foreign control of companies involved in internet content provision services, the Group operates its business operations within these areas in the PRC through certain PRC operating entities, whose equity interests are held by its registered shareholders ("Nominee Shareholders"). The Group signed Contractual Arrangements with the PRC operating entities. The Contractual Arrangements include exclusive management services and business cooperation agreement, exclusive option agreements, equity pledge agreements, powers of attorney and spousal consents letters, which enable the Group to:

- govern the financial and operating policies of the PRC operating entities;
- exercise equity holder voting rights of the PRC operating entities;
- receive substantially all of the economic interest returns generated by the PRC operating entities in consideration for the technical support, consulting and other services provided exclusively by the WFOE's discretion;
- obtain an irrevocable and exclusive right to purchase part or all of the equity interests in the PRC operating entities at any time and from time to time, at the minimum consideration permitted by the relevant law in China at the time of transfer; and
- obtain a pledge over all of its equity interests from its respective Nominee Shareholders as collateral for all of the PRC entities' payments due to the Group to secure performance of entities' obligation under the Contractual Arrangements.

Accordingly, the Group has the rights to control these entities. As a result, they are presented as entities controlled by the Group.

(d) Disposal of subsidiaries

In February 2023, the Group sold its 60% equity interests in Shiyan Jiayu Youxing Technology Co., Ltd. (“Shiyan Youxing”), a company specialised in ride hailing services in PRC, to a non-controlling shareholder of Shiyan Youxing, at a consideration of approximately RMB11,871,000. Consequently, the Group derecognised the assets and liabilities of Shiyan Youxing and respective non-controlling interests at their carrying amount at the date of transfer.

In May 2023, the Group sold its 51% equity interests in Changde Shi Liyouxing Technology Co., Ltd. (“Changde Youxing”), a company specialised in ride hailing services in PRC, to a third party, at a consideration of approximately RMB13,195,000. Consequently, the Group derecognised the assets and liabilities of Changde Youxing and respective non-controlling interests at their carrying amount at the date of transfer.

In June 2023, the Group sold its 100% equity interests in Shanghai Xingainian Taxi Co., Ltd. (“Shanghai Xingainian”), a company specialised in car rental services in PRC, to a third party, at a consideration of approximately RMB9,482,000. Consequently, the Group derecognised the assets and liabilities of Shanghai Xingainian at its carrying amount at the date of transfer.

In August 2023, the Group sold its 90% equity interests in Haerbin Geely Youxing Technology Co., Ltd. (“Haerbin Youxing”), a company specialised in ride hailing services in PRC, to a non-controlling shareholder of Haerbin Youxing, at a consideration of approximately RMB4,589,000. Consequently, the Group derecognised the assets and liabilities of Haerbin Youxing and respective non-controlling interests at their carrying amount at the date of transfer.

In September 2023, the Group sold its 100% equity interests in Dalian Jinglian, a company specialised in ride hailing services in PRC, to Chongqing Xingfu Yijiyi Car Rental Co., Ltd., a related party of the Group and ultimately controlled by Mr. Shufu Li, at a consideration of approximately RMB11,650,000. Consequently, the Group derecognised the assets and liabilities of Shiyan Youxing at their carrying amount at the date of transfer.

The revenue and net profit or loss relating to the subsidiaries disposed for the period ended the disposal date are all insignificant for the Group.

For the year ended December 31, 2023

	Shiyan Youxing <i>RMB'000</i>	Changde Youxing <i>RMB'000</i>	Shanghai Xingainian <i>RMB'000</i>	Haerbin Youxing <i>RMB'000</i>	Dalian Jinglian <i>RMB'000</i>
(Losses)/gains on disposal of subsidiaries (Note 9)	<u>(99)</u>	<u>1,766</u>	<u>9,394</u>	<u>(477)</u>	<u>3,347</u>
– Cash consideration	11,871	13,195	9,482	4,589	11,650
– Cash and cash equivalents in the subsidiary disposed	<u>(821)</u>	<u>(17,724)</u>	<u>–</u>	<u>–</u>	<u>–</u>
Net cash inflow/(outflow) on disposal	<u>11,050</u>	<u>(4,529)</u>	<u>9,482</u>	<u>4,589</u>	<u>11,650</u>

(e) Investments in subsidiaries

	As at December 31		
	2022 RMB'000	2023 RMB'000	2024 RMB'000
Deemed investment arising from the Reorganisation (i)	–	–	1,947,736
Deemed investment arising from share-based compensation expenses (ii)	335,782	1,256,319	1,657,735
Others (iii)	–	–	3,664
	<u>335,782</u>	<u>1,256,319</u>	<u>3,609,135</u>

- (i) During the Reorganisation, to reflect the onshore shareholding structure of Hangzhou Youxing, 419,346,000 Ordinary Shares of the Company were allotted and issued to Ugo Investment Limited, 32,782,000 Preferred Shares of the Company were allotted and issued to Series A and A1 Investors (Note 23), and the Series B Preferred Shares were issued to Series B Investors with fair value of approximately RMB1,947,736,000 (Note 3.3) (Note 37).

The investments in subsidiaries represented the carrying amount of its share of the equity of the original parent company of the PRC Operating Entities acquired by the Company upon completion of the Reorganisation, which is nil because it was in total deficit. The investments in subsidiaries also reflected fair value of the financial instruments issued to Series B Investors amounting to approximately RMB1,947,736,000 as the Company issued Series B Preferred Shares to replace the financial instruments issued by Hangzhou Youxing to Series B Investors (Note 37) during the Reorganisation.

- (ii) The amounts represent the equity-settled share-based payments in respect of the respective share options granted by the Company to qualifying participants of the specified subsidiaries for employees' services rendered to the respective subsidiaries under the Company's employee option plan as disclosed in Note 34. Since the subsidiaries have no obligation to reimburse such expense, the amounts are treated as deemed capital contribution by the Company to the subsidiaries and included in the Company's cost of investments in subsidiaries.
- (iii) The financial instrument issued by the Company for Hangzhou Youxing to acquire 10% equity interests of Shanxi Youxing (Note 23(iii)) was regarded as a capital contribution by the Company to Hangzhou Youxing, so the amount is included in the Company's cost of investments in subsidiaries.

37 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Series B financing

On August 16, 2021, Hangzhou Youxing entered into investment agreements (the "Series B Investment Agreement") with three independent investors (collectively as the "Series B Investors"), pursuant to which the Series B Investors would subscribe for shares of Hangzhou Youxing with preferential rights with the cash considerations of RMB1,400,000,000, RMB100,000,000 and RMB300,000,000, respectively.

In accordance with Series B Investment Agreements, the Series B Investors were granted with certain preferred rights (the "Preferred Rights") upon capital contribution. The Preferred Rights mainly included the followings:

Redemption right:

Series B Investors may require Zhejiang Geely Holding Group Co., Ltd. or its designated entity to redeem their investment if the redemption events occurred:

- (i) Hangzhou Youxing fails to complete the listing within four years from the date when the Series B Investors fully made their capital contributions;
- (ii) An offering price per ordinary share that leads the fair market value held by the Series B Investors immediately upon the closing of the IPO lower than the original investment plus a single interest of 6% per annum.

Conversion right:

The instruments held by Series B investors shall be convertible into the Preferred Shares of CaoCao Inc. upon the completion of Reorganisation based on a pre investment valuation as agreed in the Series B Investment Agreement. On April 10, 2024, the Reorganisation was completed, and shareholders' agreement was modified in relation to conversion right of Series B Investors. Series B Investors have the right to convert the Series B Preferred Shares of CaoCao Inc. into Ordinary Shares at the option of the holder at any time based on the then-effective conversion price. Immediately after the completion of listing, all the Preferred Shares shall automatically be converted into Ordinary Shares on a one-to-one basis without the payment of any additional consideration.

Excess earnings allocation:

In the event that certain Series B Investors sells all the shares of the Company held directly or indirectly by them (the "Sold Shares"), the difference between the accumulated income or proceeds of the Sold Shares and the higher of (A) twice of the total investment amounts; or (B) one hundred percent (100%) of the total investment amounts plus six percent (6%) annual simple interest thereon from the payment date of the total investment amounts until the date of the sale of the Sold Shares thereof (the "Excess Earnings") shall be distributed to the Company and certain Series B Investors at the ratio of 50% and 50%, respectively.

Liquidation preferences:

In the event of any liquidation, dissolution or winding up of the Company, Series B Investors shall be entitled to receive the liquidation preference amount, prior and in preference to any distribution of any of the assets or surplus funds of the Hangzhou Youxing (the "Liquidation Event Proceeds") to the other shareholders.

The liquidation preference amount of Series B Investors is calculated as the original investment principal plus 6% annualised simple interest from Series B Investors ("Liquidation Preference Cap"). The remaining Liquidation Event Proceeds shall be distributed to all the shareholders of Hangzhou Youxing ratably, based on the outstanding Shares of Hangzhou Youxing respectively.

The following events shall be treated as a "Deemed Liquidation Event": (i) any merger, or other transactions resulting in the Company acquired by other entity or after which change the substantial control of the Company; (ii) any sale, disposition by the Company of all or substantially all of its assets. The distribution of proceeds from Deemed Liquidation Event is in accordance with the terms of the abovementioned Liquidation Event Proceeds.

The Group has designated the financial instruments issued to Series B Investors which contains redemption features and liquidation preferences and other embedded derivatives as financial liabilities at FVPL on initial recognition. The fair value change of financial instruments issued to Series B investors is recognised to profit or loss except for the portion attributable to credit risk change which shall be recognised to other comprehensive income, if any. The Directors considered that the fair value change of the financial liabilities that is attributable to change in its own credit risk during the Track Record Period is immaterial.

On April 10, 2024, the Reorganisation was completed, and shareholders' agreement was modified in relation to redemption right and conversion right of Series B Investors. Series B Investors can only require Zhejiang Geely Holding Group Co., Ltd. to redeem their investment when the predetermined events were triggered. Series B Investors have the right to convert the Series B Preferred Shares of CaoCao Inc. into Ordinary Shares at the option of the holder at any time based on the then-effective conversion price. As at December 31, 2024 the Series B Preferred Shares were classified as current liabilities as the Preferred Shares may be converted into Ordinary Shares at the option of the holder at any time and the conversion feature doesn't meet the definition of equity instrument.

(i) Accounting policy for financial instruments issued to Series B investors

Financial liabilities are measured at FVPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which IFRS 3 Business Combinations applies, (ii) held for trading or (iii) designated as financial liabilities at FVPL.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as financial liabilities at FVPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as financial liabilities at FVPL.

According to above-mentioned Preferred Rights, the financial instrument issued to Series B Investors is considered to have a host contract comprised of a debt component since it will become redeemable under certain events, which are out of the Group's control. Besides, the instrument contains multiple embedded derivatives, including conversion feature, excess earnings allocation and liquidation preferences. The management has designated the entire hybrid instrument as a financial liability at fair value through profit or loss on initial recognition and as such the embedded feature is not separated. Thus, the instrument is initially recognised at fair value. Subsequent to initial recognition, fair value change that is attributable to change in own credit risk is charged to other comprehensive income/(loss) and the other fair value change is charged to profit or loss. Changes in fair value attributable to the Company's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings when realised.

An entity shall classify a liability as current when it does not have the right to defer settlement of the liability for at least twelve months after the reporting period. For the purpose of classifying a liability as current or non-current, settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of: (a) cash or other economic resources – for example, goods or services; or (b) the entity's own equity instruments. The financial instrument can be converted into ordinary shares by Series B Investors at any time in the next 12 months and the conversion feature does not meet "fixed for fixed" criteria, as a result, the financial instrument issued to Series B Investors is therefore be classified as current liabilities.

As at December 31, 2022, 2023 and 2024, the balances of the Group's financial liabilities at fair value through profit or loss are as follows:

	As at December 31		
	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial liabilities at fair value through profit or loss	1,814,144	1,883,204	1,971,901

38 SUMMARY OF OTHER ACCOUNTING POLICIES

This note provides other accounting policies adopted in the preparation of the Historical Financial Information to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated. The financial statements are for the Group consisting of the Company and its subsidiaries.

38.1 Principles of consolidation and equity accounting

38.1.1 Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations except for the business combinations under common control (Note 38.1.5).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive loss, statements of changes in deficit and balance sheets respectively.

38.1.2 Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (Note 38.1.3), after initially being recognised at cost.

38.1.3 Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

38.1.4 Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

38.1.5 Business combinations

(a) Business combinations under common control

Business combinations under common control refers to combinations where combining entities/businesses are controlled by the same parties before and after the combination and that control is not transitory.

The Group applies merger accounting to account for the business combinations (including acquisition of subsidiaries) under common control, where all assets and liabilities are recorded at predecessor carrying amounts, as if the combining entities have been combined from the date when they first came under the control of the controlling party, where differences between consideration payable and the net assets value are taken to the capital reserve.

(b) Business combination not under common control

The acquisition method of accounting is used to account for business combinations not under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a gain on bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

38.1.6 Separate financial statements

Investment in the subsidiary is accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of the subsidiary are accounted for by the Group on the basis of dividend received and receivable.

Impairment testing of the investment in the subsidiary is required upon receiving a dividend from the investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the Historical Financial Information of the investee's net assets including goodwill.

38.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief executive officer and the other key management.

38.3 Foreign currency translation

38.3.1 Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The subsidiaries incorporated in the PRC and the Company considered RMB as their functional currency. As the major operations of the Group are within the PRC, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

38.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within Other (losses)/gains – net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

38.3.3 Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

38.4 Intangible assets

(a) Software

Software is capitalised on the basis of the costs incurred to acquire and bring the specific software into usage. These costs are amortised using the straight-line method over their estimated useful lives of 3 years. When determining the useful life, the Group has taken into the account (i) the estimated period that can bring economic benefits to the Group; and (ii) the period required by the relevant laws and regulations. Costs associated with maintaining computer software programs are recognised as expense as incurred.

(b) Goodwill

Goodwill is measured as described in Note 14. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, below the operating segments (Note 5).

(c) Entitlements for license plate

Entitlements for license plate are capitalised on the basis of the costs incurred to acquire and bring the specific entitlements into usage. The useful life of entitlements for license plate is assessed to be indefinite, and the useful life of an intangible asset with an indefinite life is reviewed by management annually to determine whether the indefinite life assessment continues to be supportable.

(d) Research and development expenditures

The Group incurs significant costs and efforts on research and development activities. Research expenditures are charged to the profit or loss as an expense in the period the expenditures are incurred. Development costs are recognised as assets if they can be directly attributable to a newly developed products and all the following can be demonstrated:

- it is technically feasible to complete the development project so that it will be available for use;
- management intends to complete the development project, and use or sell it;
- the ability to use or sell the development project;
- it can be demonstrated how the development project will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and the ability to use or sell the development project are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the development project include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Other development expenditures that do not meet those above criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

During the Track Record Period, there were no development costs meeting these criteria and capitalised as intangible assets.

38.5 Impairment of non-financial assets

Goodwill and entitlements for license plate are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGU). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

38.6 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

38.7 Investments and other financial assets

38.7.1 Classification

The Group classifies its financial assets in the following measurement categories:

- (i) Those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss), and
- (ii) Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

38.7.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

38.7.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- (i) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as separate line item in the consolidated statements of comprehensive loss.
- (ii) **FVOCI:** Assets that are held for collection of contractual cash flows and for sale, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "Other (losses)/gains – net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other (losses)/gains – net". Impairment losses are presented as separate line item in the consolidated statements of comprehensive loss.
- (iii) **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated statements of comprehensive loss within "Other (losses)/gains – net" in the period in which it arises.

During the Track Record Period, no amount is recognised in respect of financial assets at FVOCI.

38.7.4 Impairment of financial assets

Saved as disclosed in Note 3.1(b), the Group assesses the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

At each reporting date, the Group shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition.

38.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheets where the Group currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

38.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises all costs of purchase and, where applicable, cost of conversion and other costs that have been incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting discounts and calculated using the specific identification method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

38.10 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 19 for further information about the Group's accounting for trade receivables and Note 3.1(b) for a description of the Group's impairment policies.

38.11 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include deposits held at call with banks, cash at other third party online payment platforms, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

38.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction, net of tax, from the proceeds.

38.13 Trade and other payables

Trade payables mainly represent the obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within one year or less after the reporting period.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

38.14 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when the deferred income tax balances relate to the same taxation authority. Current income tax assets and income tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The Group considers the asset and the liability separately for lease transactions. The Group recognises a deferred income tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred income tax liability for all deductible and taxable temporary differences associated with the right-of-use assets and the lease liabilities since initial recognition.

38.15 Provisions

Provisions for legal claims are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

38.16 Employee benefits

(a) Employee social security plans, housing funds, medical insurances and other social insurances obligations

Employees of the Group are covered by various government-sponsored social security plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at a certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred.

Employees of the Group are entitled to participate in various government supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group's liability in respect of these funds is limited to the contributions payable in each period. Contributions to these plans are expensed as incurred.

(b) Short-term obligations

Liabilities for salaries and bonuses, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations and reflected in "Accruals and other payables" in the balance sheets.

(c) Share-based payments

The accounting policy for share-based payments is disclosed in Note 34(e).

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

38.17 Losses per share

Since the Historical Financial Information has been prepared based on the consolidated financial statements of the Group, losses per share is not applicable for the presentation.

38.18 Leases

(a) Definition of a lease and the Group as a lessee

The Group leases various vehicles, leased license plate and buildings in the PRC as lessee. Rental contracts are typically made for fixed periods of 2 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments (if applicable):

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implied in the lease, if that rate can be determined, or the respective incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following (if applicable):

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Right-of-use assets are subject to impairment (Note 38.5). Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months.

Modification of lease

A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of exercise of a purchase option. The corresponding adjustment is made to the related right-of-use assets.

(b) The Group as a lessor

The Group mainly leases vehicles to car companies, and as a result, the Group generally considers itself to be the accounting lessor, as applicable, in these arrangements in accordance with IFRS 16. The Group provides financial lease and operating lease to car companies as detailed below.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not. The Group also enters into lease arrangements with its car partners. The lease arrangements normally have lease terms of 2 years or 5 years and contain lessee bargain purchase options at prices substantially below the subject asset's estimated residual value at the exercise date for the option. Consequently, the Group has classified these leases as finance leases for accounting purposes.

For such finance leases, the Group reports the discounted present value of (i) future minimum lease payments (including the bargain purchase price) and (ii) any unguaranteed residual value not subject to a bargain purchase option, as finance lease receivables on its balance sheet. The Group accrues interest on the balance of the finance lease receivables based on the effective interest rate inherent in the applicable lease over the term of the lease.

The Group also earns rental income from operating leases of vehicles. Rental income is recognised on a straight-line basis over the term of lease.

(c) Sales and leaseback

The Group has entered into sale and leaseback arrangements with certain financial institutions (the "lenders") to obtain financing. Under such arrangements, the Group received the sales proceeds which represented the principal upon the lease inception, and would make instalments during the lease term. The Group is subject to substantially the entire benefits and risks incidental to the ownership of such leased vehicles through leaseback. Under the sale and leaseback agreements, ownership of the underlying vehicles is transferred to the lenders upon the lease inception, and the Group is entitled to obtain their ownership for insignificant consideration at the end of the lease term. The transfer of the assets is not accounted for as a sale because the Group has a substantive repurchase option with respect to the underlying assets. The Group accounted for such arrangements as long-term borrowings collateralised by leased vehicles and no disposal gain or loss was recognised from these sale and leaseback transactions.

38.19 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

The government grants relating to the purchase of property, plant and equipment for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the assets by way of reduced depreciation expenses.

Government grants relating to income are presented in gross under "Other income" in the consolidated statements of comprehensive loss.

38.20 Interest income

Income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets in "Other gains – net" (Note 9).

Interest income is presented as "Finance income" where it is earned from financial assets that are held for cash management purposes, see Note 10 above.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

38.21 Dividend distribution

Dividend distribution to the equity holders is recognised as a liability in the Group's consolidated financial statements during the period in which the dividends are approved by the equity holders or directors, where appropriate.

39 SUBSEQUENT EVENTS

(a) Approval of ABS shelf-offerings and new issuance of ABS

The Group obtained ABS shelf-offerings of RMB6.0 billion on April 24, 2025 which was approved by the China Insurance Asset Registration and Trading System, and issued the first tranche of ABSs of RMB1.5 billion in May 2025. This tranche of ABS has the payment term of three years with the interest rates of 2.7%, 2.9% and 3.2%. The ABS is secured by the pledge of the rights to receive the service fees derived from the use of certain vehicles owned by the Group for the provision of online ride hailing services and guaranteed by Zhejiang Geely Holding Group Co., Ltd.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for the Company or any of the companies now comprising the Group in respect of any period after December 31, 2024 and up to the date of this report.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE
REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA
FINANCIAL INFORMATION**

To the Directors of CaoCao Inc.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of CaoCao Inc. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group as at December 31, 2024 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated June 17, 2025, in connection with the proposed initial public offering of the shares of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at December 31, 2024 as if the proposed initial public offering had taken place at December 31, 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the year ended December 31, 2024, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*, ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at December 31, 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.


PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, June 17, 2025