This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. Moreover, there are risks associated with any **[REDACTED]**. Some of the particular risks of **[REDACTED]** in the **[REDACTED]** are set out in "Risk Factors". You should read the entire document carefully before you decide to **[REDACTED]** in the **[REDACTED]**.

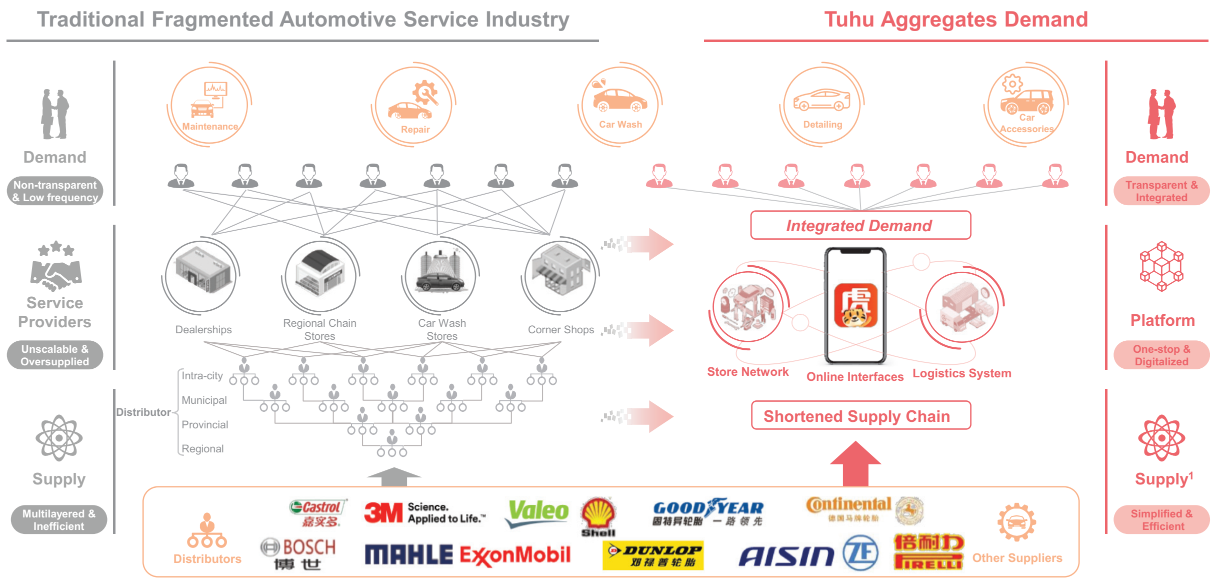
OVERVIEW

Who We Are

We are one of the leading integrated online and offline platforms for automotive service in China. As of 31 December 2022, we had 95.5 million registered users on our flagship "Tuhu Automotive Service (途虎養車)" app and online interfaces. We had 16.5 million transacting users in 2022, which increased by 12.0% from 14.8 million in 2021. Our average MAU reached 9.0 million in 2022, making our platform the largest car owner community amassed by automotive service providers in China, according to the CIC Report. Our growing service network of over 4,600 Tuhu workshops and over 20,000 partner stores spans across the entire country, covering a majority of prefecture-level cities.

We have three different types of stores, including our self-operated Tuhu workshops, franchised Tuhu workshops, and third-party partner stores. Our franchised Tuhu workshops are operated with the same standard of our self-operated Tuhu workshops and through our proprietary technology systems. We also have a large number of partner stores across China that primarily provide installation service to our customers for orders placed through our online interfaces as a supplement to the Tuhu workshops. According to the CIC Report, Tuhu is the leading independent automotive service brand in China in terms of the number of automotive service stores operated and brand recognition.

Our platform serves most of the passenger vehicle models sold in China, fulfilling automotive service demands ranging from tires and chassis parts replacement to auto maintenance, repair, detailing, and more.



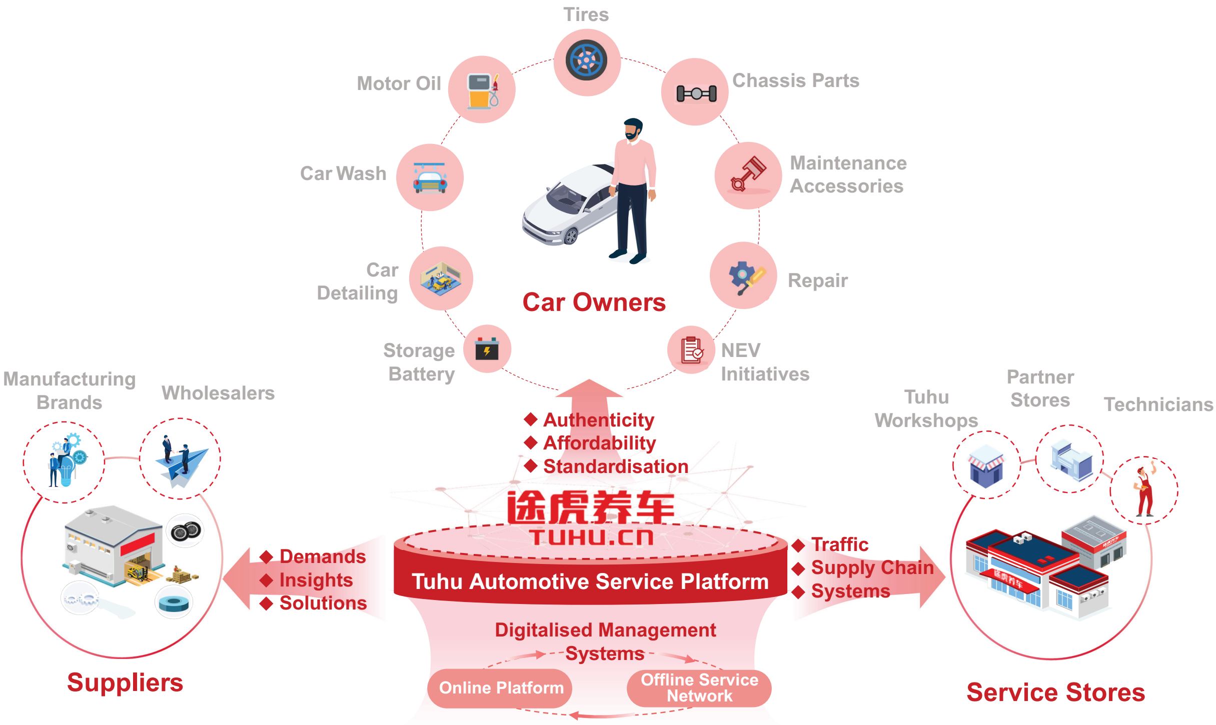
Note:

(1) Company logos represent third-party auto parts suppliers with whom Tuhu has entered into contractual relationships. Auto parts suppliers on Tuhu platform consist of manufacturing brands and wholesalers of various auto parts and equipment. See "Business — Our Supply Chain Capabilities — Our Suppliers".

We aim to provide our customers with high-quality services and attractive pricing for authentic automotive products on our platform. Our purpose-built digitalised industry solutions optimise each key step of the entire supply and services chain, from merchandise sourcing, inventory management, fulfilment management to service rendering, resulting in high customer loyalty to our platform. Our repeat purchase ratio was 60.7% in December 2021.

Our Automotive Service Platform

Since our inception, we have been striving to address the key pain points faced by China's automotive service industry, including the underwhelming customer experience, complex supply chain and inefficient fulfillment process. Started as a pure online retail platform providing customers with a wide selection of authentic automotive products with transparent prices, we evolved over time to build an offline network of well-managed stores and technicians to deliver high-quality and standardised services in-store. We also directly engage with auto parts suppliers to offer authentic and affordable products efficiently through our strong supply chain and nationwide logistics system. We have created an automotive service platform consisting of car owners, suppliers, service stores and other participants:



- ***Car owners:*** We serve the diversified and evolving needs of a large and fast-growing population of car owners who have found us through either online interfaces or offline service network.

- ***Suppliers:*** Auto parts suppliers on our platform consist of manufacturing brands and wholesalers of various auto parts and equipment. We directly procure merchandise from the manufacturing brands where possible, and engage with a diverse pool of other supply channels to ensure the comprehensiveness and reliability of our supply chain. We engaged with a total of over 3,700 suppliers as of 31 December 2022.

- ***Service stores:*** Service stores function as the offline touch points for our end customers and are at the frontline of customer engagement. We have built an extensive service store network across China and follow a win-win philosophy in managing our store network. We strive to satisfy the needs of our stores by providing various solutions to improve their performance and efficiencies.

- ***Tuhu workshops:*** As of 31 December 2022, our Tuhu workshop network consisted of 162 self-operated stores and 4,491 franchised Tuhu workshops under the management of 2,278 franchisees. All Tuhu workshops are strategically located and carry our Tuhu brands, serving as the core of our services store network and speaking for our high-quality services. Franchised Tuhu workshop is our strategic focus and enables us to expand efficiently through an asset-light model. The majority of our products and services revenue is generated through Tuhu workshops.
- ***Partner stores:*** We also have a large number of partner stores delivering installation and maintenance services for the products sold from our platform. Partner stores, as a supplement to our workshops, allow us to broaden our geographic coverage, while accumulating customer insights to further increase the efficiencies of the overall supply chain. As of 31 December 2022, we had 20,870 partner stores across China.

- ***Other participants:*** Our platform connects many other participants that are instrumental to our industry. For example, our technicians serve a critical role in our endeavour to deliver high-quality automotive service to our customers. Leveraging our technician support and management system, we provide online training and real-time online guidance designed to improve the operational efficiency of our technicians through our Blue Tiger system. We also provide auto parts trading services and supply our inventories through Qipeilong, an auto part trading platform we built to connect third-party auto part suppliers with automotive service providers, including stores within and outside of our store network. Our platform is highly scalable and as we grow in scale, we actively monitor the latest industry and technology trends and draw more participants to our platform. For instance, anticipating the trend of sustainable development and increasing popularity of new energy vehicles, we are actively exploring opportunities to work with new energy vehicle brands in the field of automotive services.

Our Product and Service Offerings

For car owners, the products and services we offer range from tires and chassis parts, auto maintenance, to auto repair, car detailing, auto accessories, and other related installation services. We also provide advertising, franchise and other services to all participants on our platform, including advertisement services and SaaS solutions to various businesses.

Products and Services for Car Owners

We offer a diversified and expanding catalogue of products and services, including tires and chassis parts, auto maintenance, auto repairs, car detailing, and auto accessories. Through our platform, our customers could choose auto products for over 61,000 car models from 280 makes, including our private label products and exclusive products as of 31 December 2022. As of 31 December 2022, we had launched 50 private label product brands covering 6,359 SKUs transacted through our platform over the last twelve months, and 55 exclusive product brands covering 2,553 SKUs transacted through our platform over the last twelve months, ranging from tires and chassis parts, to auto maintenance products and more.

Qipeilong (汽配龍)

We created Qipeilong to better serve our customers' diversified, long-tail automotive product demand, especially demand arise from our walk-in customers. As of 31 December 2022, Qipeilong mainly utilised our extensive FDCs in 57 cities and our existing supplier, along with access to over 2,700 auto part suppliers that distribute low-frequency automotive products which are generally repair-related. Different from our online interfaces which are dedicated to directly serving our individual customers, Qipeilong is an auto part trading platform we built to serve the procurement needs of automotive service stores within and outside of our store network. Qipeilong also acts as a regional authorised distributor (i.e. wholesaler) for an internationally recognised premium tire brand. Through Qipeilong, we provide three types of services, namely instant procurement service, facilitation services and regional wholesale services.

Advertising, Franchise and Other Services for Platform Participants

Leveraging the platform we established and the deep understanding of the automotive service industry, we have rolled out a number of advertising, franchise and other services with the goal of serving the comprehensive needs of our platform participants.

In order to attract new customers and enhance customer stickiness, we are actively exploring new opportunities to serve the evolving demands from car owners. For example, we provide used car transaction service to our customers. In addition, we provide our customers with refuelling coupons by cooperating with various gas stations operators, such as PetroChina and Sinopec.

For details of our products and service offerings, please refer to "Business — Our Product and Service Offerings."

Our NEV-related Efforts

The emerging NEV market represents a change in automotive service demands and a massive potential market to us. We have been actively exploring business opportunities related to NEV. In addition to the automotive services we currently provide to ICEVs, we are exploring the products and services that are more tailored for NEVs, such as the battery maintenance and repair services. In 2022, we have completed approximately 20,000 battery maintenance and repair service orders. Leveraging our extensive services network across the country, we are exploring partnership with NEV brands to help them with vehicle sales and aftersales services. For example, we have established business cooperation with leading NEV brands, such as Leapmotor and BAIC Arcfox, to offer automotive services to NEV owners, and will continue to explore opportunities for further cooperation. During the Track Record Period, our revenues attributable to the NEV related services were insignificant.

Our Technology Capabilities

We believe our data insights and technology capabilities are our key edges. We are committed to using technological innovation, efficient operation management system and data insights to revolutionise how automotive service is planned, managed and rendered. We currently have over 900 R&D personnel in our team, led by experts in their respective fields, including data analytics, industrial digitisation solutions and intelligent store management. Based on our strong in-house R&D capabilities and industry insights, we have developed a full suite of proprietary technologies tailored to China's automotive service industry.

We have developed an automotive service technical support system along the automotive service industry chain that includes parts-matching big-data platform, warehouse management system, transportation management system, order management system, store management system, and technicians support and management system. As of 31 December 2022, our auto parts database is the largest and most accurate in China, covering over 61,000 car models under 280 makes and with a 99.99% of matching accuracy, according to the CIC Report. Blue Tiger, our proprietary store and technician management system, is also the largest in China in terms of DAU, according to the CIC Report.

On the customer-facing front, our self-developed business intelligence system leverages our industry know-how to offer both a broad SKU selection of auto parts and data-driven recommendation of services and stores via our online interfaces. During offline service rendering process, our mobile app offers an interactive and convenient experience, allowing customers to review instantaneous analysis reports after inspections, and offering live video monitoring of the service process.

Our Fulfilment Infrastructure

A flexible and extensive fulfilment infrastructure is critical to the success of our platform. We have constructed a nationwide warehousing and logistics system with a combination of self-operated infrastructure and third-party service providers. As of 31 December 2022, we operated 39 regional distribution centres, or RDCs, and 266 front distribution centres, or FDCs. Our logistics solutions cover more than 300 cities in China as of 31 December 2022 and our RDCs supported a monthly average of 2.4 million tires and 11.2 million other auto parts received and shipped in 2022, respectively.

Customers and Suppliers

During the Track Record Period, our customers primarily include individual car owners that represent a highly-fragmented customer base. Our five largest customers in each year during the Track Record Period accounted for 2.7%, 2.8%, 1.9% and 1.3% of our total revenues in each year ended 31 December 2019, 2020, 2021 and 2022, respectively, and our largest customer accounted for 1.8%, 1.9%, 1.0% and 0.6% of our total revenues in each year ended 31 December 2019, 2020, 2021 and 2022, respectively.

Auto parts suppliers on our platform consist of manufacturing brands and wholesalers of various auto parts and equipment. All of our five largest suppliers are Independent Third Parties. Purchases from our five largest suppliers in each year during the Track Record Period accounted for 31.6%, 37.0%, 36.8% and 36.6% of our total purchases in each year ended 31 December 2019, 2020, 2021 and 2022, respectively, and purchases from our largest supplier accounted for 12.6%, 14.1%, 14.2% and 13.8% of our total purchases in each year ended 31 December 2019, 2020, 2021 and 2022, respectively.

Market Opportunities and Competitive Landscape

According to the CIC Report, China's automotive service market, comprising auto repair and maintenance, car wash and detailing, and installation-required accessories, reached RMB1.2 trillion in 2022, and is expected to grow at a CAGR of 9.3% to reach RMB1.9 trillion by 2027. The steadily growing and recession-resilient aspects of China's automotive service market are driven by a number of factors, including continued growth of China's car parc, growing mileage travelled and ageing car parc.

Car owners in China are highly reliant on DIFM services provided by various types of automotive service stores. The DIY market only accounts for less than 5% of the automotive service market in China. Automotive service in China are provided by either authorised dealerships or IAMs. Authorised dealerships are stores authorised by automobile original equipment manufacturers, or OEMs. IAMs are stores independent from the authorised dealership system. Authorised dealership stores accounted for approximately 53.6% of the total automotive service market as measured by GMV in 2022, according to the CIC Report. However, along with the ageing car parc and the increased proportion of passenger vehicles that are out of warranty or with expiring warranty, IAM stores are expected to outgrow authorised dealership and account for 58.1% of the automotive service market by 2027.

The automotive service market in China is highly fragmented. In 2021, there were approximately 29 thousand authorised dealership stores and 746 thousand IAM stores in China. The automotive service market in China has long been facing the pain points including underwhelming customer experience, complex supply chain and inefficient fulfilment process.

As China's leading integrated online and offline platform for automotive service, we have innovatively brought technological solutions and integrated online and offline model into the equation. With our well-recognised brand, large customer base, broad and authentic products offerings, standardised services and strong digitalisation capabilities, we have achieved initial success and believe we are well-positioned to capture the massive addressable market and growth opportunities in China's automotive service market. We ranked first in terms of number of stores as of 31 December 2022 among all automotive service providers in China. We also ranked first and third in terms of annual automotive service revenue in 2022 among IAM stores in China and all automotive services providers in China, respectively.

Our competitive advantages compared with authorised dealerships and other IAM stores mainly includes: (i) our extensive spectrum of products and services provided to customers and platform participant; (ii) our innovative online and offline integrated business model with strong supply chain, nationwide fulfilment infrastructure and strong control over store operation; and (iii) our technologies capabilities that improve customer experience and digitalise each step of the entire operational process. See "Business — Our Competitive Strengths" for details.

OUR COMPETITIVE STRENGTHS

We believe that the following strengths contribute to our success and differentiate us from our competitors.

- Largest independent automotive service platform in China with an extensive spectrum of services
- Trusted brand with great customer loyalty
- Digitalised industry solutions enabling superior operational efficiencies
- Partner of choice for brands and suppliers
- Effective and scalable store network to ensure standardised service and fast expansion
- Significant flywheel effects and high entry barriers driven by our innovative automotive service platform
- Visionary management team with solid technology background

OUR STRATEGIES

We will focus on the following key growth strategies to realise our vision:

- Expand the scale of platform
- Further improve fulfilment capabilities
- Continue to invest in technology
- Further expand our automotive service spectrum to address diversified customer demand
- Partner with more auto part suppliers and further build proprietary brands
- Partner with NEV brands to provide dedicated services to the NEV market

WVR STRUCTURE AND WVR BENEFICIARY

Our Company is proposing to adopt a weighted voting rights structure effective immediately prior to completion of the **[REDACTED]**. Under this structure, our Company's share capital will comprise Class A Shares and Class B Shares. Each Class A Share will entitle the holder to exercise one vote, and each Class B Share will entitle the holder to exercise ten votes, on any resolution tabled at our Company's general meetings, except for resolutions with respect to the Reserved Matters, in relation to which each Share is entitled to one vote.

Since our inception, we have been striving to address the key pain points faced by the automotive service market in China. We differentiate ourselves through our innovative online and offline integrated business model, fully-digitalized customer service experience and industry solutions, leading scale of operations and development and application of proprietary automotive service technical support systems in operations. According to the CIC Report, we are the most renowned independent automotive service brand in China.

Through our online interfaces and national offline service network, we serve most of the passenger vehicle models sold in China, fulfilling automotive service demands ranging from tires and chassis parts replacement to auto maintenance, repair, detailing, and more. By bringing automotive service demands onto one platform, customer engagement is significantly increased as compared to the traditional offline automotive service model that is highly dependent on localized service demands.

Our innovative business model is backed by our rapidly expanding store network. We have built the largest automotive service stores network in China in terms of number of stores operated as of 31 December 2022, according to the CIC report. Our growing service network of over 4,600 Tuhu workshops and over 20,000 partner stores spans across the entire country, covering a majority of prefecture-level cities. See "Business" for details of our product and service offerings and nationwide store network.

We adopt a franchise business model, which allows us to scale up rapidly while maintaining service quality and consistency. We leverage franchisees to build and operate franchised Tuhu workshops and empowers them with store management and information system, access to our online traffic, and full supply chain support. All Tuhu workshops employ our proprietary ERP system and digitalized toolkits for operational standardization and financial and transaction management. In addition, we focuses on controlling the supply chain, inventory, store finance, operation and technicians of stores to ensure consistent service quality and product authenticity. The entire supply chain of franchised Tuhu workshops is fulfilled and fully trackable through our proprietary fulfilment infrastructure and Qipeilong. Based on our philosophy of "shared-success", we have built a franchisee-friendly business model and implemented a series of measures to support our franchisees to develop their businesses. We were the first company to structure the franchise model in this way and still the only player among the independent automotive service platform to widely adopt this approach, according to the CIC report.

In addition, we harness the power of technology to revolutionize the automotive service industry and has been an early mover in developing and adopting a full suite of proprietary automotive service technical support systems to improve operating outcomes. Our in-house developed technical support systems, including our WMS, TMS, OMS and SMS, and our real-time predictive algorithm-driven supply chain, support the digitalization of our supply chain management. Our auto parts database is the largest and most accurate in China, covering over 61,000 car models under 280 makes and with a 99.99% of matching accuracy, according to the CIC Report. We also developed our Blue Tiger technicians support and management system, which is the largest proprietary store and technician management system in China in terms of DAU, to streamlines the process of store management and provide training and remote support to our technicians to ensure service quality. Our digitalized end-to-end industry solutions cover all aspects of the automotive service value chain, which not only improve our own operating efficiency, but also optimise the overall efficiency of the automotive service industry.

We design our platform to ensure that it improves over time by learning from millions of transactions and interactions with customers, stores, technicians and supply chain partners. Our data-driven approach creates a virtuous cycle, whereby the more competitive our product and service offerings are, the more customers are drawn to our platform, which results in a desire for our platform participants to join our platform. In effect, this innovative business model creates a closed loop that has propelled our success as a result of the value created within our platform, and our current leading position in the automotive service industry enables us to gain significant advantage over our peers. See "Business" for more details of our innovative business model.

According to the CIC Report, we were one of the leading integrated online and offline platforms for automotive service in China and the largest independent automotive service platform in China in terms of revenue in 2022 and number of automotive service stores operated as of 31 December 2022. We generated RMB11.5 billion total revenue in 2022, which accounted for 0.9% market share and exceeded the cumulative automotive service revenue of the second to the fifth largest players in total. Please refer to "Industry Overview — Competitive Landscape of China's Automotive Service Market" for rankings of all automotive service providers in terms of number of stores and rankings of IAM stores in terms of automotive service revenue in 2022.

Immediately upon the completion of **[REDACTED]**, the WVR Beneficiary will be Mr. Chen Min. Mr. Chen Min will beneficially own **[REDACTED]** Class A Shares and **[REDACTED]** Class B Shares, representing approximately **[REDACTED]** of the voting rights in our Company (assuming the **[REDACTED]** is not exercised and no Shares are issued under the Equity Incentive Schemes) with respect to shareholder resolutions relating to matters other than the Reserved Matters. See "Share Capital — Weighted Voting Rights Structure" for further details.

Mr. Chen Min is our co-founder, chairman of the Board, chief executive officer and executive Director. Mr. Chen Min has been integral to the success of our Company and has been materially responsible for the founding and growth of our Company's business. He is primarily responsible for the overall strategic planning, business direction and management of our Group and leads our Company in formulating our cultural values. Mr. Chen Min has led our Company since our inception, and has been establishing and developing our Company's vision, mission and culture. Mr. Chen Min makes all key management decisions of our Company and is the leader behind all key strategic developments and shifts of our Company. See "Directors and Senior Management — Director — Executive Directors" for Mr. Chen Min's biography.

Our Company is adopting the WVR structure to enable the WVR Beneficiary to exercise voting control over our Company notwithstanding that the WVR Beneficiary does not hold a majority economic interest in the share capital of our Company. This will enable our Company to benefit from the continuing vision and leadership of the WVR Beneficiary who will control our Company with a view to its long-term prospects and strategy.

Prospective **[REDACTED]** are advised to be aware of the potential risks of **[REDACTED]** in companies with a WVR structure, in particular that the interests of the WVR Beneficiary may not necessarily always be aligned with those of our Shareholders as a whole, and that the WVR Beneficiary will be in a position to exert significant influence over the affairs of our Company and the outcome of our Shareholders' resolutions, irrespective of how other Shareholders vote. Prospective **[REDACTED]** should make the decision to **[REDACTED]** in our Company only after due and careful consideration. For further information about the risks associated with the WVR structure adopted by our Company, see section headed "Risk Factors — Risks Relating to the WVR Structure — Holders of our Class B Shares may exert substantial influence over us and may not act in the best interests of our independent Shareholders" of this **[REDACTED]**.

RISK FACTORS

Our operations and the **[REDACTED]** involve certain risks and uncertainties, which are set out in the section headed "Risk Factors". You should read that section in its entirety carefully before you decide to **[REDACTED]** in our Class A Shares. Some of the major risks we face include:

- Our business and growth are affected by changes in customer demand and spending for automotive service in China;
- We primarily provide our automotive services to customers through Tuhu workshops and partner stores, and we may not be able to attract or retain franchisees or partner store operators;
- We have a history of losses and negative cash flows from operating activities, which may continue in the future;
- Our business may be affected by advances in automotive technology, such as new energy vehicles, autonomous driving and shared mobility;
- Any harm to our brand or reputation may materially and adversely affect our business, market share and results of operations;

OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no Shares are issued under the Equity Incentive Schemes), Mr. Chen Min will be interested in and will control (i) **[REDACTED]** Class A Shares and (ii) **[REDACTED]** Class B Shares, both through Nholresi Investment Limited and Ilnewgnay Investment Limited. Mr. Chen Min will be interested in approximately **[REDACTED]** of our issued Shares, and will be entitled to exercise approximately **[REDACTED]** of the voting rights of our issued Shares in general meetings (except for resolutions with respect to the Reserved Matters, in relation to which each Share is entitled to one vote). Therefore, Mr. Chen Min, Ilnewgnay Investment Limited and Nholresi Investment Limited together will constitute Controlling Shareholders of our Company after the **[REDACTED]**. See the section headed "Relationship with our Controlling Shareholders" for further details.

PRE-[REDACTED] INVESTORS

We received multiple series of equity financing from our Pre-**[REDACTED]** Investors to support our expanding business operations. Our diverse base of Pre-**[REDACTED]** Investors consists of, among others, Tencent Entities, Joy Capital Entities, Sequoia China, FountainVest Entity, which hold approximately, [19.41]%, [8.98]%, [7.56]% and [5.46]% respectively, of our total issued and outstanding shares, as of the date of this **[REDACTED]**. As of the Latest Practicable Date, approximately 67% of the proceeds from Pre-**[REDACTED]** Investments had been utilised. See the section headed "History, Reorganisation and Corporate Structure — Pre-**[REDACTED]** Investments — Information on the Pre-**[REDACTED]** Investors" of this **[REDACTED]**.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountants' Report set out in Appendix I. The summary consolidated financial data set forth below should be read together with the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Selected Consolidated Income Statement Items

The following table sets forth our consolidated statements of profit or loss with line items in absolute amounts and as percentages of our revenue for the years indicated:

	For the Year Ended 31 December							
	2019		2020		2021		2022	
	RMB	%	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentage data)							
Revenue	**7,040,361**	**100.0**	**8,753,316**	**100.0**	**11,724,263**	**100.0**	**11,546,851**	**100.0**
Cost of revenue	**(6,516,954)**	**(92.6)**	**(7,673,294)**	**(87.7)**	**(9,853,961)**	**(84.0)**	**(9,276,669)**	**(80.3)**
Gross Profit	**523,407**	**7.4**	**1,080,022**	**12.3**	**1,870,302**	**16.0**	**2,270,182**	**19.7**
Operating loss	**(1,135,130)**	**(16.1)**	**(912,866)**	**(10.4)**	**(1,313,879)**	**(11.2)**	**(763,920)**	**(6.6)**
Fair value changes of convertible redeemable preferred shares	(1,933,597)	(27.4)	(2,992,664)	(34.2)	(4,441,164)	(37.9)	(1,339,273)	(11.7)
Loss before tax	**(3,417,976)**	**(48.5)**	**(3,903,615)**	**(44.6)**	**(5,809,979)**	**(49.6)**	**(2,107,649)**	**(18.3)**
Loss for the year	**(3,428,278)**	**(48.7)**	**(3,928,209)**	**(44.9)**	**(5,844,801)**	**(49.9)**	**(2,138,315)**	**(18.5)**
Attributable to:								
Owners of the parent	(3,428,278)	(48.7)	(3,928,209)	(44.9)	(5,840,577)	(49.8)	(2,136,173)	(18.5)
Non-controlling interests	—	—	—	—	(4,224)	(0.1)	(2,142)	(0.0)

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRSs, we also use adjusted EBITDA (non-IFRS measure) and adjusted net loss (non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with, IFRSs. Adjusted EBITDA (non-IFRS measure) represents loss for the year excluding income tax expenses, finance income, finance costs, depreciation and amortisation, share-based payment expenses and, fair value changes of convertible redeemable preferred shares, loss on repurchase of convertible redeemable preferred shares and **[REDACTED]** expenses. Adjusted net loss (non-IFRS measure) represents loss for the year excluding share-based payment expenses, fair value changes of convertible redeemable preferred shares, loss on repurchase of convertible redeemable preferred shares and **[REDACTED]** expenses.

We have made the following adjustments consistently during the Track Record Period complying with Guidance Letter HKEX-GL103-19 issued by the Stock Exchange:

- Share-based payment expenses primarily represent the non-cash employee benefit expenses incurred in connection with our 2019 Share Incentive Plan. Such expenses in any specific period are not expected to result in future cash payments.
- Fair value changes of convertible redeemable preferred shares mainly represent changes in the fair value of the convertible redeemable preferred shares issued by us and relate to changes in our valuation. We do not expect to record any further fair value changes of the convertible redeemable preferred shares after **[REDACTED]** as preferred shares liabilities will be redesignated and reclassified from liabilities to equity as a result of the automatic conversion into ordinary shares upon the **[REDACTED]**.
- Loss on repurchase of convertible redeemable preferred shares represents repurchase of our convertible redeemable preferred shares as a result of withdrawals by certain investors in 2019. Such expenses are not expected to result in future cash payments.

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

	For the Year Ended 31 December			
	2019	2020	2021	2022
	RMB	RMB	RMB	RMB
		(in thousands)		
Loss for the year	(3,428,278)	(3,928,209)	(5,844,801)	(2,138,315)
Adjusted for:				
Income tax expense	10,302	24,594	34,822	30,666
Finance income	(41,707)	(63,236)	(63,504)	(56,934)
Finance costs	26,397	50,530	65,696	27,875
Depreciation and amortisation	199,316	238,966	304,517	363,776
Share-based payment expenses	95,121	41,533	118,512	219,339
Fair value changes of convertible redeemable preferred shares	1,933,597	2,992,664	4,441,164	1,339,273
Loss on repurchase of convertible redeemable preferred shares	363,868	—	—	—
[REDACTED] expenses	—	—	**[REDACTED]**	**[REDACTED]**
Adjusted EBITDA (non-IFRS measure)	(841,384)	(643,158)	(922,424)	(186,546)

We adjust for share-based payment expenses, fair value changes of convertible redeemable preferred shares, loss on repurchase of convertible redeemable preferred shares and **[REDACTED]** expenses to net loss to derive adjusted net loss. For the same reasons stated above, we have made the adjustments of share-based payment expenses, fair value changes of convertible redeemable preferred shares and loss on repurchase of convertible redeemable preferred shares.

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

	For the Year Ended 31 December			
	2019	2020	2021	2022
	RMB	RMB	RMB	RMB
		(in thousands)		
Loss for the year	(3,428,278)	(3,928,209)	(5,844,801)	(2,138,315)
Adjusted for:				
Share-based payment expenses	95,121	41,533	118,512	219,339
Fair value changes of convertible redeemable preferred shares	1,933,597	2,992,664	4,441,164	1,339,273
Loss on repurchase of convertible redeemable preferred shares	363,868	—	—	—
[REDACTED] expenses	—	—	**[REDACTED]**	**[REDACTED]**
Adjusted net loss (non-IFRS measure)	(1,035,692)	(894,012)	(1,263,955)	(551,929)

We present the non-IFRS financial measures because they are used by our management to evaluate our operating performance and formulate business plans. Adjusted EBITDA (non-IFRS measure) enables our management to assess our operating results eliminating the impact of income tax expenses, finance income, finance costs, depreciation and amortisation, share-based payment expenses, fair value changes of convertible redeemable preferred shares, loss on repurchase of convertible redeemable preferred shares and **[REDACTED]** expenses. Adjusted net loss (non-IFRS measure) enables our management to assess our operating results eliminating the impact of share-based payment expenses, fair value changes of convertible redeemable preferred shares, loss on repurchase of convertible redeemable preferred shares and **[REDACTED]** expenses.

Adjusted EBITDA (non-IFRS measure) and adjusted net loss (non-IFRS measure) should not be considered in isolation or construed as an alternative to loss for the year or any other measure of performance. **[REDACTED]** are encouraged to review our historical non-IFRS financial measures together with the most directly comparable IFRS measures. Adjusted EBITDA (non-IFRS measure) and adjusted net loss (non-IFRS measure) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage **[REDACTED]** and others to review our financial information in its entirety and not rely on a single financial measure.

We recognised fair value loss of convertible redeemable preferred shares of RMB1.9 billion, RMB3.0 billion, RMB4.4 billion and RMB1.3 billion in 2019, 2020, 2021 and 2022, respectively, which is due to the increases in the fair value liabilities of our convertible redeemable preferred shares mainly driven by the increases in our valuation. Such fair value loss of convertible redeemable preferred shares led to the increases in our losses during the Track Record Period. Our convertible redeemable preferred shares will be redesignated and reclassified from liabilities to equity as a result of the automatic conversion into ordinary shares upon the **[REDACTED]**. Changes in fair value of convertible redeemable preferred shares affected our performance significantly during the Track Record Period and may continue to have adverse effect on our results of operations when our valuation continues to increase until conversion into ordinary shares, after which we do not expect to recognise any further loss or gain on fair value changes from convertible redeemable preferred shares and will return to a net assets position. We had a net loss of RMB3.4 billion, RMB3.9 billion, RMB5.8 billion and RMB2.1 billion in 2019, 2020, 2021 and 2022, respectively.

Breakdown by Store Type

The below table sets forth the revenue, cost of revenue, gross profit and gross margin by store type and direct sales to customers during the Track Record Period. The numbers in the below table only represent the stores' financial contributions to us, and do not necessarily reflect the stores' own financial condition and results of operations.

	For the Year Ended 31 December															
	2019				2020				2021				2022			
	Revenue	Cost of Revenue	Gross Profit[1]	Gross Margin[1]	Revenue	Cost of Revenue	Gross Profit[1]	Gross Margin[1]	Revenue	Cost of Revenue	Gross Profit[1]	Gross Margin[1]	Revenue	Cost of Revenue	Gross Profit[1]	Gross Margin[1]
	RMB	RMB	RMB	%	RMB	RMB	RMB	%	RMB	RMB	RMB	%	RMB	RMB	RMB	%
	(in thousands, except for percentage data)															
Franchised Tuhu workshops[2]	3,938,470	3,505,366	433,104	11.0	5,485,465	4,614,483	870,982	15.9	8,119,365	6,612,256	1,507,109	18.6	8,757,970	6,793,804	1,964,166	22.4
Self-operated Tuhu workshops	503,440	548,905	(45,465)	(9.0)	525,423	520,831	4,592	0.9	591,376	613,799	(22,423)	(3.8)	563,321	582,139	(18,818)	(3.3)
Partner stores[3]	1,265,064	1,241,521	23,543	1.9	1,182,971	1,121,880	61,091	5.2	1,240,969	1,152,064	88,905	7.2	673,712	609,903	63,809	9.5
Direct sales to customers[4]	833,789	774,795	58,994	7.1	777,705	716,795	60,910	7.8	795,355	677,042	118,313	14.9	776,372	651,025	125,347	16.1

Notes:

(1) It is difficult to allocate cost of revenue by each store type in a precise manner. The current numbers presented and used for calculation of gross profit and gross margin are based on our best estimates under certain assumptions.

(2) Revenue from franchised Tuhu workshops include (i) revenue from online and walk-in individual customer orders and recorded under automotive products and services to individual end customers, (ii) revenue from sales of auto products to franchised Tuhu workshops through Qipeilong, and (iii) revenue in relation to our franchise services to franchised Tuhu workshops.

(3) Revenue from partner stores include (i) revenue from online individual customer orders fulfilled at partner stores, and (ii) revenue from sales of auto products to partner stores through Qipeilong.

(4) Revenue from direct sales to customers represents revenue from online orders from individual customers with delivery of auto products directly to the customer's home or other designated place.

For details, see "Business—Our Nationwide Store Network."

Selected Consolidated Balance Sheet Data

The table below sets forth selected information from our consolidated statements of balance sheets as of the dates indicated.

	As of 31 December			
	2019	2020	2021	2022
	RMB	RMB	RMB	RMB
	(in thousands)			
Total non-current assets	660,675	1,456,463	2,085,863	2,108,270
Total current assets	5,503,750	7,577,854	7,746,291	6,905,846
Total current liabilities	2,722,444	6,337,249	5,742,993	5,572,199
Total non-current liabilities	9,937,264	12,602,611	19,453,535	22,398,481
Net current assets	2,781,306	1,240,605	2,003,298	1,333,647
Net liabilities	(6,495,283)	(9,905,543)	(15,364,374)	(18,956,564)
Non-controlling interests	—	3,861	2,337	195

We recorded net liabilities of RMB6.5 billion, RMB9.9 billion, RMB15.4 billion and RMB19.0 billion, as of 31 December 2019, 2020, 2021 and 2022, respectively, primarily due to the net losses we incurred during the Track Record Period. We had a net loss of RMB3.4 billion, RMB3.9 billion, RMB5.8 billion and RMB2.1 billion in 2019, 2020, 2021 and 2022, respectively. We recognised fair value loss of convertible redeemable preferred shares of RMB1.9 billion, RMB3.0 billion, RMB4.4 billion and RMB1.3 billion in 2019, 2020, 2021 and 2022, respectively, which is due to the increases in the fair value liabilities of our convertible redeemable preferred shares mainly driven by the increases in our valuation. Such fair value loss of convertible redeemable preferred shares contributed to our net losses during the Track Record Period. Our convertible redeemable preferred shares will be re-designated from liabilities to equity as a result of the automatic conversion into ordinary shares upon the **[REDACTED]**, after which we do not expect to recognise any further loss or gain on changes in fair value of convertible redeemable preferred shares and will return to a net assets position from a net liabilities position. In addition, the share-based payments we made during the Track Record Period also partially resulted in the fluctuations of net liabilities. We had share-based payments of RMB95.1 million, RMB41.5 million, RMB118.5 million and RMB219.3 million in 2019, 2020, 2021 and 2022, respectively.

We had net current assets of RMB1.2 billion as of 28 February 2023, as compared to net current assets of RMB1.3 billion as of 31 December 2022. The change was primarily due to (i) an increase of RMB174.5 million in trade and bills payables, (ii) a decrease of RMB122.1 million in the restricted cash and time deposits, partially offset by an increase of RMB87.8 million in inventories. The increase in trade and bills payables and inventories were primarily due to the increased procurement of merchandise in line with the business recovery from the COVID-19 resurgence in 2022. The decrease in the restricted cash and time deposits was primarily due to the release of certain security deposits upon maturity, part of which was converted into cash and cash equivalents and used as advance payment in connection with the construction of a warehouse in Guangzhou, and the rest of which was renewed and categorised under the non-current portion of restricted cash and time deposits.

We had net current assets of RMB1.3 billion as of 31 December 2022, as compared to net current assets of RMB2.0 billion as of 31 December 2021. The change was primarily due to (i) a decrease of RMB1.5 billion in the restricted cash and time deposits, (ii) a decrease of RMB294.4 million in financial assets at fair value through profit or loss as a result of the redemption of certain wealth management products, and (iii) a decrease of RMB171.0 million in inventories, partially offset by (i) an increase of RMB1.2 billion in the cash and cash equivalents, (ii) a decrease of RMB264.0 million in interest-bearing borrowings as we repaid certain short-term bank borrowings in 2022, and (iii) a decrease of RMB121.0 million in trade and bills payables. The decrease in the restricted cash and time deposits and the increase in the cash and cash equivalents were primarily due to the release of certain security deposits and maturity of certain time deposits, most of which were converted into cash and cash equivalents. The decrease in inventories and trade and bills payables were both because we paced the procurement of merchandise in 2022 in light of the COVID-19 resurgence in China.

We had net current assets of RMB2.0 billion as of 31 December 2021, as compared to net current assets of RMB1.2 billion as of 31 December 2020. The change was primarily due to (i) a decrease of RMB1.8 billion in interest-bearing borrowings as we repaid certain short-term bank borrowings in 2021, (ii) an increase of RMB307.3 million in cash and cash equivalents, and (iii) an increase of RMB230.0 million in inventories, partially offset by (i) an increase of RMB501.5 million in other payables and accruals, (ii) an increase of RMB431.9 million in trade and bills payables, and (iii) a decrease of RMB372.0 million in financial assets at fair value through profit or loss.

We had net current assets of RMB1.2 billion as of 31 December 2020, as compared to net current assets of RMB2.8 billion as of 31 December 2019. The change was primarily due to an increase of RMB2.0 billion in interest bearing bank borrowings, an increase of RMB1.1 billion in trade and bills payables in line with our business growth and a decrease of RMB1.1 billion in financial assets at fair value through profit or loss, partially offset by an increase of RMB2.6 billion in restricted cash and time deposits. For details, see "Financial Information — Liquidity and Capital Resources — Net Current Assets."

Selected Consolidated Cash Flow Data

The following table sets forth our selected cash flow data for the years indicated:

	For the Year Ended 31 December			
	2019	**2020**	**2021**	**2022**
	RMB	**RMB** (in thousands)	**RMB**	**RMB**
Selected Consolidated Cash Flow Data:				
Net cash flows (used in)/from operating activities	(251,539)	331,280	(98,750)	(312,711)
Net cash flows (used in)/from investing activities	(1,077,746)	570,808	(917,972)	481,347
Net cash flows from/(used in) financing activities	1,905,441	(1,041,096)	1,407,937	935,977
Net increase/(decrease) in cash and cash equivalents	576,156	(139,008)	391,215	1,104,613
Cash and cash equivalents at the beginning of the year	895,706	1,474,876	1,164,958	1,472,293
Effect of foreign exchange rate changes, net	3,014	(170,910)	(83,880)	109,447
Cash and cash equivalents at the end of the year[1]	1,474,876	1,164,958	1,472,293	2,686,353

Note:

(1) The below table sets forth the analysis of balances of cash and cash equivalents for the years indicated.

	For the Year Ended 31 December			
	2019	**2020**	**2021**	**2022**
	RMB	*RMB* (in thousands)	*RMB*	*RMB*
Cash and bank balances	2,321,033	4,865,846	5,449,954	4,707,793
Restricted cash and time deposits	(846,157)	(3,700,888)	(3,977,661)	(2,021,440)
Cash and cash equivalents as stated in the consolidated statement of cash flows	1,474,876	1,164,958	1,472,293	2,686,353

We had net cash flows used in our operating activities of RMB251.5 million, RMB98.8 million and RMB312.7 million in 2019, 2021 and 2022, respectively, primarily because we incurred net losses as the costs and expenses increased at a faster rate than our gross profit as we had not yet achieved economies of scale. During the Track Record Period, we had been continually improving gross margin, enhancing cash management capabilities and optimising cash conversion cycles. For discussion on cash flow data, adjustments for non-cash items, and changes in working capital accounts and the reasons underlying the changes, see "Financial Information — Liquidity and Capital Resources."

KEY OPERATING DATA

The below table sets forth our transacting users for the years indicated.

	For the year ended 31 December			
	2019	2020	2021	2022
	(in millions)			
Transacting users	8.6	11.0	14.8	16.5

The below table sets forth our store numbers as of the dates indicated.

	As of 31 December			
	2019	2020	2021	2022
Number of Tuhu workshops	1,423	2,488	3,853	4,653
Number of partner stores	18,743	23,285	31,623	20,870

The below table sets forth the number of our profit-making self-operated Tuhu workshops and franchised Tuhu workshops which paid profit-based royalty fees to us in December 2019, 2020, 2021 and 2022, respectively.

	For the month ended 31 December							
	2019		2020		2021		2022	
	Number of stores(1)	%(1)	Number of stores(1)	%(1)	Number of stores(1)	%(1)	Number of stores(1)	%(1)
Self-operated Tuhu workshops(2)	61	52.1	92	77.3	102	57.3	106	76.3
Franchised Tuhu workshops(3)	838	90.4	1,504	88.7	2,428	87.1	3,320	81.2

Notes:

(1) The numbers of Tuhu workshops used for calculations are those in operation on our record for at least six months as of the period-end of each period.

(2) Represents the number of profit-making self-operated Tuhu workshops for the month ended 31 December 2019, 2020, 2021 and 2022, respectively.

(3) Represents the number of franchised Tuhu workshops which paid profit-based royalty fees to us for the month ended 31 December 2019, 2020, 2021 and 2022, respectively.

The below table sets forth the revenue, gross profit and gross margin of our Tuhu workshops by years of operation as of 31 December 2022. The numbers in the below table only represent the Tuhu workshops' financial contributions to us, and do not necessarily reflect the Tuhu workshops' own financial condition and results of operations.

	<1 year	1-2 years	2-3 years	≥ 3 years	Total
Number of Tuhu workshops	907	1,388	1,054	1,304	4,653
Revenue[(1)] (RMB in thousands)	563,976	2,401,869	2,475,892	3,850,299	9,292,036
Gross profit[(1)] (RMB in thousands)	99,579	467,349	545,324	825,394	1,937,646
Average revenue[(1)] (RMB in thousands)	622	1,730	2,349	2,953	1,997
Average gross profit[(1)] (RMB in thousands)	110	337	517	633	416
Average gross margin[(1)] (%)	17.7	19.5	22.0	21.4	20.9

Note:

(1) Represents revenue, gross profit, and average revenue, gross profit and gross margin in 2022.

For details, see "Business — Our Nationwide Store Network — Our Franchise Model."

BUSINESS SUSTAINABILITY

To capture the industry opportunity, we have been striving to address the key pain points of the automotive service market in China, and to innovate simple and easy automotive service by providing a digitalised and on-demand service experience to our customers. To lay a solid foundation for our long-term development and growth, we have been focused on executing growth strategies, rather than seeking immediate financial returns or profitability. To that end, we have devoted considerable resources to growing our user base, broadening our service and product offerings, expanding our geographic coverage, building our fulfilment infrastructure and investing in technology, which has led to us recording accumulated losses as at 1 January 2019 and net losses during the Track Record Period. We expect that we will continue to record net losses for our results of operations in 2023.

Our Resilient Historical Growth

We witnessed resilient growth in our business operations and financial results during the Track Record Period. Our revenues increased by 24.3% from RMB7.0 billion in 2019 to RMB8.8 billion in 2020, and further increased by 33.9% from RMB8.8 billion in 2020 to RMB11.7 billion in 2021. Our revenue slightly decreased by 1.5% from RMB11.7 billion in 2021 to RMB11.5 billion in 2022, primarily due to the impact of COVID-19 resurgence in China, which had adversely affected our operations. Our gross profit margin increased from 7.4% in 2019 to 12.3% in 2020, further increased to 16.0% in 2021, and further increased to 19.7% in 2022. Furthermore, as we improved our operational efficiencies, our operating losses as percentage of revenue narrowed over time. Our operating loss as percentage of revenue changed from 16.1% in 2019 to 10.4% in 2020, to 11.2% in 2021, and further to 6.6% in 2022.

- **Service and product offerings expansion:** Since our inception in 2011, we have been continuously adding more service and product offerings and also exploring new business initiatives with strong growth potential. For example, we launched Qipeilong, our auto part trading business in 2015 to improve our supply chain efficiency. In addition, we launched tires, motor oil, chassis parts, storage battery and NEV battery maintenance and repair businesses in 2011, 2013, 2015, 2015 and 2021, respectively, to address the increasing demand in this service category.
- **Geographic coverage expansion:** We have been continuously expanding our geographic coverage to serve customers in wider areas and also enable them to enjoy our services with greater convenience. The number of Tuhu workshops increased from 1,423 in 141 cities as of 31 December 2019 to 4,653 in 302 cities as of 31 December 2022. We were the largest

automotive services providers in China in terms of number of stores operated, as of 31 December 2022, according to the CIC Report.

- **Fulfilment infrastructure:** We have built a nationwide warehousing and logistics system to ensure timely delivery of our products and accurate monitoring of the logistics. As of 31 December 2022, we operated 39 regional distribution centres, or RDCs, and 266 front distribution centres, or FDCs, across the country. Our logistics solutions cover more than 300 cities in China as of 31 December 2022 and our RDCs support a monthly average of 2.4 million tires and 11.2 million other auto parts received and shipped in 2022.
- **Technology innovations:** We have built an R&D team with over 900 R&D personnel as of 31 December 2022 and developed a full suite of proprietary technologies tailored to China's automotive service industry. Such technology innovations not only include customer-facing digitalised applications, but also include the automotive service technical support system along the automotive service industry chain. We leverage technology to digitalise the industry chain and improve customer experience.
- **User base and user engagement:** Growing user base and enhancing user engagement are crucial for our growth and to generate more revenues. We have been continuously improving our user experience. Our efforts have contributed to the strength and loyalty of our customer base, and we continue to attract new customers to our platform across mobile, website and other digital interfaces. Our registered users increased from 44.2 million as of 31 December 2019 to 95.5 million as of 31 December 2022. Our transacting users increased from 8.6 million in 2019 to 16.5 million in 2022. Our average MAUs increased from 5.5 million in 2019 to 9.0 million in 2022.

Going forward, we plan to achieve profitability primarily by: (i) continuing to achieve revenue growth, driven by a larger user base, more product and services offerings and wider geographic coverage; (ii) improving our cost efficiency, driven by better products mix and more favourable pricing terms with our suppliers; and (iii) increasing our operating leverage, driven by our economies of scale and optimised supply chain efficiency.

- Continuing to achieve revenue growth. Our store expansion plan includes penetration in tier 2 and below cities and counties and the optimisation of location and density of our stores in existing cities. In addition, to accommodate our customers' diversified needs, we will continue to explore new service offerings that can be seamlessly integrated with our existing offerings. Furthermore, we have been expanding the partnerships with more NEV brands or key suppliers of NEV brands to provide dedicated services addressing the growing NEV market.
- Improving our cost efficiency. We will continue to offer more auto maintenance products and services, which generally have higher margins. We have also entered into exclusive partnerships with many major suppliers and manufacturing brands to roll out more exclusive products and private label products with higher gross margin. In addition, as our platform continues to expand and our scale continues to increase, we could leverage the scale advantage to increase the leverage in merchandise sourcing and obtain more favourable terms from our suppliers.
- Increasing our operating leverage. We will continue to optimise the operating efficiency through the technology innovation and benefit from the economy of scale. Specifically, we will continue to (i) evaluate and monitor the effectiveness and efficiency of our selling and marketing spending, as well as strategically focus on marketing efforts customised for different target customer groups; (ii) invest in our research and development capabilities efficiently to improve our technological capabilities to enhance our store management system, fulfilment efficiency and user experience.

For detailed strategies and measures we plan to take to achieve profitability, see "Business — Business Sustainability."

Working Capital Sufficiency

Taking into account the financial resources available to us, including our cash and cash equivalents on hand and the estimated **[REDACTED]** from the **[REDACTED]**, our Directors are of the view that we have sufficient working capital to meet our present needs and for the next twelve months from the date of this document. We also proactively review and adjust our cash management policy and working capital needs according to general economic conditions and our short-term business plans. In addition, in view of our net cash outflow from operating activities in 2019, 2021 and 2022, we plan to ensure our working capital sufficiency by taking advantage of above-mentioned measures to narrow down our net loss and improve our profitability, which will in parallel translate into improved net operating cash flows. Further, as evidenced by our historical equity financing activities, we have a good track record in being able to raise money from renowned investors to finance our business. See the section headed "History, Reorganisation and Corporate Structure — Pre-**[REDACTED]** Investments" of this **[REDACTED]**. We believe that potential external financing sources, including those to which we will gain access after the **[REDACTED]**, will provide additional funding to fuel our business operation and expansion until we achieve profitability and positive operating cash flow. See "Business — Business Sustainability — Working Capital Sufficiency" for details.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the **[REDACTED]** of, and permission to deal in, the Class A Shares in issue and to be issued pursuant to the **[REDACTED]** (including any Class A Shares which may be issued pursuant to the exercise of the **[REDACTED]**), the Class A Shares to be issued under the Equity Incentive Schemes, and the Class A Shares that may be issued upon conversion of the Class B Shares on a one to one basis, on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) and Rule 8A.06(2) of the Listing Rules with reference to (i) our revenue for the year ended December 31, 2022, being RMB11.5 billion, which is over HK$1 billion; and (ii) our expected market capitalisation at the time of **[REDACTED]**, which, based on the low-end of the indicative **[REDACTED]** range, exceeds HK$**[REDACTED]**.

FUTURE DIVIDENDS

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividend will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRSs. PRC laws also require companies incorporated in PRC to set aside at least 10% of its after-tax profits, if any, to fund its statutory reserves, which are not available for distribution as cash dividends. Dividend distribution to our shareholders is recognised as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate.

Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant. As advised by our Cayman Islands legal counsel, under Cayman Islands law, a position of accumulated losses and net liabilities does not necessarily restrict the Company from declaring and paying dividends to our shareholders out of either our profit or our share premium account, provided this would not result in the Company being unable to pay its debts as they fall due in the ordinary course of business. **[REDACTED]** should not purchase our shares with the expectation of receiving cash dividends. We did not declare or pay any dividends on our shares during the Track Record Period and we do not anticipate paying any cash dividends in the foreseeable future.

[REDACTED]

This document is published in connection with the **[REDACTED]** as part of the **[REDACTED]**. The **[REDACTED]** comprises of:

(a) the **[REDACTED]** of initially **[REDACTED]** (subject to **[REDACTED]**) in Hong Kong as described below in the section headed "Structure of the **[REDACTED]**—The **[REDACTED]**"; and

(b) the **[REDACTED]** of initially **[REDACTED]** (subject to **[REDACTED]** and the **[REDACTED]**) (i) in the United States solely to QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (ii) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S, as described below in the section headed "Structure of the **[REDACTED]** — The **[REDACTED]**".

The **[REDACTED]** will represent approximately **[REDACTED]** of the total Shares in issue immediately following the completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised and no Shares are issued under the Equity Incentive Schemes. If the **[REDACTED]** is exercised in full, the **[REDACTED]** will represent approximately **[REDACTED]** of the total Shares in issue immediately following the completion of the **[REDACTED]**, assuming no Shares are issued under the Equity Incentive Schemes.

[REDACTED]

[REDACTED] EXPENSES

Our **[REDACTED]** expenses primarily include **[REDACTED]** fees and commissions and professional fees paid to legal, accounting and other advisors for services rendered in relation to the **[REDACTED]**. Based on the mid-point **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** and assuming that the **[REDACTED]** is not exercised, the total estimated **[REDACTED]** expenses in relation to the **[REDACTED]** were approximately RMB**[REDACTED]**, representing **[REDACTED]** of the total gross **[REDACTED]** from the **[REDACTED]** of approximately HK$**[REDACTED]**. Approximately RMB**[REDACTED]** is directly attributable to the **[REDACTED]** and **[REDACTED]** of our **[REDACTED]** and will be deducted from equity upon the **[REDACTED]**. During the Track Record Period, we incurred **[REDACTED]** expenses of RMB**[REDACTED]**, of which RMB**[REDACTED]** and RMB**[REDACTED]** were charged to the consolidated statements of profit or loss in 2021 and 2022 and RMB**[REDACTED]** was directly attributable to the **[REDACTED]** and **[REDACTED]** of our **[REDACTED]** and will be deducted from equity upon the **[REDACTED]**. We expect to incur additional **[REDACTED]** expenses of RMB**[REDACTED]**, of which RMB**[REDACTED]** is expected to be expensed and RMB**[REDACTED]** is directly attributable to the **[REDACTED]** and **[REDACTED]** of our **[REDACTED]** and expected to be recognised as a deduction in equity directly upon the **[REDACTED]**.

The table below sets forth a breakdown of the above estimated total **[REDACTED]** expenses (based on the mid-point **[REDACTED]**).

	RMB in millions
[REDACTED]-related expenses	**[REDACTED]**
Non-**[REDACTED]** expenses	
Fees and expenses of legal advisors and accountants	**[REDACTED]**
Other fees and expenses	**[REDACTED]**
Subtotal	**[REDACTED]**
Total [REDACTED] expenses	**[REDACTED]**

USE OF [REDACTED]

Assuming an **[REDACTED]** of HK$**[REDACTED]** per Share (being the mid-point of the **[REDACTED]** range of between HK$**[REDACTED]** and HK$**[REDACTED]** per Share), we estimate that we will receive net **[REDACTED]** of HK$**[REDACTED]** from the **[REDACTED]** after deducting the **[REDACTED]** and other estimated **[REDACTED]** expenses paid and payable by us in connection with the **[REDACTED]** and assuming that the **[REDACTED]** is not exercised. In line with our strategies, we intend to use our **[REDACTED]** from the **[REDACTED]** for the purposes and in the amounts set forth below:

- Approximately **[REDACTED]** (approximately HK$**[REDACTED]**) of the net **[REDACTED]** is expected to be used over the next three years for the enhancement of our supply chain capability.
- Approximately **[REDACTED]** (approximately HK$**[REDACTED]**) of the net **[REDACTED]** is expected to be used over the next three years for research and development to advance our data analytics technologies and further enhance our operating efficiency. We will continue to recruit and retain research and development talents.
- Approximately **[REDACTED]** (approximately HK$**[REDACTED]**) of the net **[REDACTED]** is expected to be used over the next three years for expanding our store network and franchisee base, especially in the tier 2 and below cities and counties, enlarging our operations and supporting team, and further tightening our relationship with franchisees.
- Approximately **[REDACTED]** (approximately HK$**[REDACTED]**) of the net **[REDACTED]** is expected to be used over the next three years to fund investment related to automotive services for NEV owners as well as investment in tools and equipment related to these services.
- Approximately **[REDACTED]** (approximately HK$**[REDACTED]**) of the net **[REDACTED]** is expected to be used for working capital and general corporate purposes.

See "Future Plans and Use of **[REDACTED]**" for more details.

RECENT DEVELOPMENTS

Recent Regulatory Development

The regulatory environment in China has been undergoing a number of recent changes and reforms in various areas.

Regulatory Changes on Data Privacy and Protection

Recently, the PRC governmental authorities have promulgated, among others, the Personal Information Protection Laws (《個人信息保護法》) and Data Security Laws (《數據安全法》) to ensure cybersecurity, data and personal information protection, which demonstrates that relevant laws and regulations governing such areas are developing along with the enforced and constantly tightening of relevant regulatory supervision. Specifically, on 28 December 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), which became effective on 15 February 2022. Further, on 14 November 2021, the CAC published Regulations on Cyber Data Security Management (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》), or the Draft Regulations on Cyber Data Security Management, for public comments. See "Regulation Overview — Regulations Relating to Internet Information Security and Privacy Protection."

Pursuant to the Cybersecurity Review Measures, network platform operators holding over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review before listing in a foreign country (國外上市). Although our business generates and processes personal information of over one million users, as advised by our PRC Legal Advisor, based on consultations conducted in January 2022 and September 2022 with the China Cybersecurity Review Technology and Certification Center, which is the competent authority entrusted by the CAC to set up cybersecurity review consultation hotlines, (i) the term of "listing in a foreign country (國外上市)" under the Cybersecurity Review Measures does not apply to listings in Hong Kong, and thus the obligations to proactively apply for cybersecurity review by an entity seeking listing in a foreign country shall not be applicable to the proposed **[REDACTED]**, (ii) since the Draft Regulations on Cyber Data Security Management has not become effective or been formally implemented, the mandatory obligation to apply for a cybersecurity review with the CAC does not apply to the proposed **[REDACTED]**. However, given the Cybersecurity Review Measures were recently promulgated, there are substantial uncertainties as to the interpretation, application and enforcement of the Cybersecurity Review Measures.

As discussed in more detail in "Business — Information System Risk Management," our PRC Legal Advisor and Directors are of the view that (i) we are in compliance with the existing PRC laws and regulations on cybersecurity, data security and personal data protection in all material aspects, and (ii) our business operation is unlikely to be deemed as affecting national security in light of the factors set out in Article 10 of the Cybersecurity Review Measures. In addition, our Directors and PRC Legal Advisor do not believe that the Draft Regulations on Cyber Data Security Management, if implemented in the current form, would have a material adverse impact on our business operations or the proposed **[REDACTED]**, nor do they foresee any material impediments for us to comply with the requirements under the Draft Regulations on Cyber Data Security Management in all material aspects. We will proactively maintain communications with relevant government authorities as necessary, and will also adjust and enhance our data protection measures in a timely manner. See "Business — Information System Risk Management" for more details.

***Regulatory Changes on* [REDACTED]**

On February 17, 2023, the CSRC released several regulations regarding the filing requirements for overseas offerings and listings by domestic companies, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Measures") together with five supporting guidelines (together with the Trial Measures, the "New Regulations on Filing"), effective from 31 March 2023. According to the New Regulations on Filing, a filing-based regulatory system will be applied to both direct and indirect overseas offering and listing by PRC domestic companies. See "Regulation Overview — Regulations Relating to M&A and Overseas Listings".

According to the Notice on the Filing Management Arrangements for the Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), if an application of indirect overseas offering and listing by a domestic company has been approved by overseas regulators or overseas stock exchanges (e.g., has passed the hearing in the Hong Kong market) by the effective date of Trial Measures and such overseas offering and listing will be completed before 30 September 2023, no immediate filing with the CSRC will be required for the domestic company with respect to such overseas offering and listing as long as no re-hearing is required. If a re-hearing for such application is required or if the domestic company fails to complete the offering and listing before 30 September 2023, the domestic company will be subject to the filing requirements under the New Regulations on Filing. However, since the New Regulations on Filing was newly promulgated, there remains uncertainties as to their interpretation, implementation and enforcement and how they will affect our operations and our future financing. For more details, please refer to "Risk Factors — Risks Related to Doing Business in China — The approval and/or other requirements of the CSRC or other PRC governmental authorities may be required in connection with the **[REDACTED]** under PRC rules, regulations or policies".

IMPACT OF COVID-19 ON OUR OPERATIONS

In an effort to control the spread of the COVID-19 pandemic, China took precautionary measures, such as extending the Chinese New Year holiday, travel restrictions, quarantines, remote working, cancellation of public events, and recommendations against travel for leisure, among others. These measures adversely affected our operations and financial performance during the Track Record Period.

The restriction on or advise against travel, including travel for holidays, reduces miles driven, and as a result needs for tire changes, vehicle maintenance, and repairs decreased accordingly. Other precautionary measures such as lockdowns, social-distancing, remote working and generally the fear of contracting the disease made our customers less willing to visit our stores for services or postponed their needs for services. Stores in our network were closed temporarily due to cautionary measures and shortage of labour. For instance, more than 200 Tuhu workshops were closed for the whole month of February 2020. While we still managed to achieve a revenue growth of 24.3% from 2019 to 2020, the growth is slower than expected. Hubei province and Henan province were materially affected by the COVID-19 pandemic in 2020. The Tuhu workshops located in these two provinces only accounted for 10.1% of our total number of Tuhu workshops as of 31 December 2020. We derive average monthly in-operation ratios through dividing (a) the monthly average number of Tuhu workshops that received more than five orders on a given day; by (b) the deemed daily average total number of Tuhu workshops for the month, which, for the ease of calculation, is the average of the total numbers of Tuhu workshops at the beginning and the end of the month. The average monthly in-operation ratio of our Tuhu workshops was around 28.4% in February 2020. For the average monthly in-operation ratios of Tuhu workshops in each month of 2020, see "Financial Information — Impact of COVID-19 on Our Operations."

Our network expansion was also affected. While we managed to increase the number of Tuhu workshops and partner stores according to our plan, many of these were opened in the second half of 2020. As these stores were afforded less time to organise their operations and ramp up, their results of operations have been negatively affected. Meanwhile, we have experienced and may continue to experience impacts caused by business disruptions to certain of our suppliers as a result of the COVID-19 pandemic. However, as we have a nationwide network of suppliers, such disruptions did not have a material adverse impact on our business, financial condition, results of operations and cash flows. Despite the adverse impact of the COVID-19 pandemic, due to our scale, we exhibited better resilience in difficult times than smaller scale operators, which helped us attract more franchisees.

The COVID-19 resurgence caused by the Omicron variants since late March 2022 adversely affected our operations in certain cities in China. For example, the average monthly in-operation ratio of our Tuhu workshops in Shanghai was less than 5% in April and May 2022. The average monthly in-operation ratio of our Tuhu workshops in Beijing was around 65% in May 2022. For the average monthly in-operation ratios of Tuhu workshops in each month of 2022, see "Financial Information — Impact of COVID-19 on Our Operations." Travel restrictions, recommendations against gathering and other pandemic control measures also caused a reduction in the number of customers visiting the Tuhu workshops still in operation, resulting in customer traffic below its pre-resurgence level. The number of our transacting users decreased from 1.8 million in March 2022 to 1.7 million in April 2022.

Our revenue slightly decreased by 1.5% from RMB11.7 billion in 2021 to RMB11.5 billion in 2022, primarily due to a slight decrease in revenue from automotive products and services partially offset by an increase in revenue from advertising, franchise and other services. For details, see "Financial Information — Period-to-Period Comparison of Results of Operations." In particular, the revenue from sale of tires and related services decreased from RMB4.7 billion to RMB4.3 billion with the sales volume of tires products decreasing by 12.3% from 13.1 million units to 11.5 million units, primarily due to a large increase of COVID-19 cases in China, especially an unexpected outbreak in Shanghai, further travel restrictions and pandemic control measures that were implemented. The extended period of lockdown and the large number of regions affected by the COVID-19 resurgence also negatively affected our expansion plan, such as the site selection process of new stores, our marketing activities and the operation of certain FDCs.

In December 2022, China began to ease its dynamic zero-COVID policy, and most of the travel restrictions and quarantine requirements were lifted by the end of 2022. There were surges of cases in many cities in December 2022 and January 2023 which caused disruption to our operations, and there remains uncertainty as to the future impact of the virus. The extent to which the pandemic impacts our results of operations going forward will depend on future developments which are highly uncertain and unpredictable, including the frequency, duration and extent of outbreaks of COVID-19, the appearance of new variants with different characteristics, the effectiveness of efforts to contain or treat cases, and future actions that may be taken in response to these developments. We cannot guarantee you, however, that the COVID-19 pandemic will not further escalate or have a material adverse effect on our results of operations, financial position or prospects. For more details, please refer to "Risk Factors — Risks Related to Our Business and Industry—Our business has been and may continue to be adversely affected by the COVID-19 pandemic."

We currently do not anticipate any material deviation from our development and expansion plan due to the COVID-19 pandemic. We believe that the level of liquidity is sufficient to successfully navigate an extended period of uncertainty. As of 31 December 2022, we had cash and bank balances of RMB4.7 billion.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that up to the date of this document, there has been no material adverse change in our financial, operational or trading positions or prospects since 31 December 2022, being the end date of the periods reported on as set out in the Accountants' Report included in Appendix I to this document, and there has been no event since 31 December 2022 that would materially affect the information as set out in the Accountants' Report included in Appendix I to this document.