

快狗打车 | GOGO X

GOGO X HOLDINGS LIMITED

快狗打车控股有限公司

(於開曼群島註冊成立的有限公司)

(incorporated in the Cayman Islands with limited liability)

股份代號 Stock code: 2246



Interim Report
中期報告 2023

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Company Profile

We are a major online intra-city logistics platform in Asia. Our mission is to simplify intra-city logistics with technology. We are committed to providing technology-powered, user-centric logistics solutions for social good and sustainable development. Operating in more than 360 cities across six countries and regions in Asia, namely Chinese mainland, Hong Kong, Singapore, Korea, India and Vietnam, we own and operate two highly-recognized, well-trusted brands in the online intra-city logistics field: Kuaigou Dache (快狗打车) in Chinese mainland and GOGO in other countries and regions in Asia.

Corporate Information

DIRECTORS

Executive Directors

Mr. CHEN Xiaohua (陳小華) (*Chairman of the Board*)
Mr. HE Song (何松) (*Co-Chief Executive Officer*)
Mr. LAM Hoi Yuen (林凱源) (*Co-Chief Executive Officer*)
Mr. HU Gang (胡剛)

Non-executive Directors

Mr. LEUNG Ming Shu (梁銘樞)
Mr. WANG Ye (王也)

Independent Non-executive Directors

Mr. NI Zhengdong (倪正東)
Mr. TANG Shun Lam (鄧順林)
Mr. ZHAO Hongqiang (趙宏強)
Ms. MI Wenjuan (米雯娟)

COMPANY SECRETARY

Ms. YU Wing Sze (余詠詩) (*ACG, HKACG*)

AUTHORIZED REPRESENTATIVES

Mr. CHEN Xiaohua (陳小華)
Ms. YU Wing Sze (余詠詩)

AUDIT COMMITTEE

Mr. ZHAO Hongqiang (趙宏強) (*Chairman*)
Mr. TANG Shun Lam (鄧順林)
Mr. NI Zhengdong (倪正東)

REMUNERATION COMMITTEE

Mr. TANG Shun Lam (鄧順林) (*Chairman*)
Mr. NI Zhengdong (倪正東)
Mr. HU Gang (胡剛)

NOMINATION COMMITTEE

Mr. NI Zhengdong (倪正東) (*Chairman*)
Mr. CHEN Xiaohua (陳小華)
Ms. MI Wenjuan (米雯娟)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. HE Song (何松) (*Chairman*)
Mr. LAM Hoi Yuen (林凱源)
Mr. HU Gang (胡剛)

AUDITOR

PricewaterhouseCoopers
*Certified Public Accountants and Registered
Public Interest Entity Auditor*
22/F, Prince's Building
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Hong Kong

LEGAL ADVISOR

Cooley HK
35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Corporate Information

COMPLIANCE ADVISOR

Red Solar Capital Limited
Unit 402B, 4/F
China Insurance Group Building
No. 141 Des Voeux Road Central
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Hong Kong

REGISTERED OFFICE

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 212, Building C
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Huayuan Industrial Park
Binhai Hi-tech Zone, Tianjin
PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL BANKS

Ping An Bank Co., Ltd.
(Beijing Chongwenmen Sub-branch)
No.7 and No.9 Chongwenmenwai Street
Dongcheng District, Beijing
PRC

Shanghai Pudong Development Bank
(Shanghai Minhang Sub-branch)
No. 159 Shensong Road
Minhang District, Shanghai
PRC

STOCK CODE

2246

COMPANY WEBSITE

gogoxholdings.com

LISTING DATE

June 24, 2022

Financial Highlights

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		Period-to-period change (%)
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	
Revenue	371,758	348,755	6.6
Gross profit	119,333	112,211	6.3
Loss before income tax	(645,010)	(1,051,057)	(38.6)
Loss for the period	(642,938)	(1,049,064)	(38.7)
Non-IFRS measure:			
Adjusted net loss for the period ⁽¹⁾	(121,260)	(118,179)	2.6
Adjusted EBITDA for the period ⁽²⁾	(106,338)	(105,223)	1.1

Notes:

- (1) Represents loss for the period before (i) share-based compensation expenses, (ii) changes in fair value of financial liabilities at fair value through profit or loss, (iii) listing expenses and (iv) impairment of goodwill.
- (2) Represents adjusted net loss for the period before (i) income tax credit, (ii) depreciation and amortization and (iii) net finance income.

Management Discussion and Analysis

BUSINESS REVIEW

Overview

We have maintained a solid growth in revenue due to our years of industry accumulation and further improved overall efficiency, despite the prevailing environment of slow economic recovery. In the first half of 2023, our revenue increased by 6.6% and operating loss decreased by 13.3% as compared to the six months ended June 30, 2022.

We are continually improving our vibrant ecosystem of millions of shippers and drivers. As of June 30, 2023, we had approximately 32.0 million registered shippers and 6.5 million registered drivers. In the first half of 2023, there were 12.1 million shipment orders fulfilled on our platform, generating a total gross transaction volume ("GTV") of RMB1,178.5 million. With the gradual phasing out of subsidized competition in the industry, we will continue to enhance our competitiveness in the industry and steadily expand our market share in the inter-city logistics market.

Our Service Offerings and Platforms

Platform Services

Our platform services digitalize the traditional shipping transaction process and establish a mechanism promoting honest, transparent and efficient dealings among drivers and shippers. For the six months ended June 30, 2023, we facilitated approximately 11.3 million shipment orders through our platform services, representing a total GTV of approximately RMB945.1 million.

In Chinese mainland, since February 2023, we collaborated with Tencent transportation platform, enabling users of Wechat to access to our intra-city logistics services and moving services conveniently. As the first intra-city logistics services provider on Tencent transportation platform, this collaboration helps us to cover wider user base and more cities.

Propelled by the resurgence of economic vitality in Hong Kong, coupled with the ongoing phased reopening of the city subsequent to a protracted period of COVID-19 restrictions, the demand for our platform services in Hong Kong and overseas markets has increased. As the pandemic's impact gradually subsided and precautionary measures were progressively eased, a revival in commercial undertakings ensued, paralleled by an upliftment in consumer confidence. This, in turn, translated into a gradual recovery in demand for our logistics and delivery solutions.

Management Discussion and Analysis

Enterprise Services

Our enterprise services provide scalable intra-city logistics solutions for complex needs. As of June 30, 2023, we had cumulatively served more than 55,200 small and medium enterprises (“SMEs”) and large enterprises through our enterprise services. For the six months ended June 30, 2023, we completed approximately 0.8 million logistics deliveries for our enterprise customers, representing a GTV of approximately RMB233.4 million.

In Chinese mainland market, we provide one-stop custodial services tailored to the diversified needs of clients from various industries, including drivers’ recruitment and training, as well as on-site management. We have dedicated personnel to monitor the entire process to ensure delivery quality, which has earned us a strong reputation among our clients.

Leveraging our platform advantage, we empower the industry and alleviate financial pressure on downstream fleets and drivers. According to the “Logistics Enterprise Operating Environment Survey Report of 2021” by the China Federation of Logistics & Purchasing, the average credit terms for logistics companies in Chinese mainland are generally three to six months, which could put great pressure on industry participants. By establishing pricing and risk control systems catering to different industries, scenarios, and pricing models, we help to shorten the credit term for fleets and drivers to ease their financial burden.

In Hong Kong and overseas markets, our focus has consistently been enterprise services, which have a number of remarkable developments. In particular, our significant expansion in Vietnam was driven by four major customer segments – fast-moving consumer goods, home Appliances, cosmetics, and healthcare. This strategic approach has allowed us to identify consumer behaviors, generate leads, and enhance customer satisfaction. Furthermore, our Indian operations have sustained their upward trajectory, maintaining triple-digit growth from the robust momentum of 2022, in particular in the north and east regions of India. In Singapore, we have further expanded our Electric Vehicle (“EV”) fleet support to enterprise clients, underscoring our steadfast commitment to sustainable practices. Our commitment to such environmentally-conscious adaptations is a testament to our broader vision, and we will commit to replicating such endeavors elsewhere when appropriate.

Value-added Services

We offer a diverse range of value-added services to shippers, drivers, and other stakeholders within our ecosystem. These services aim to enhance their engagement with our platform and broaden our revenue sources. In the first half of 2023, our value-added services experienced rapid growth, contributing significantly to the organic development of our platform.

In the Chinese mainland market, we proactively explored the channels for vehicle sales, leading to a substantial increase in the scale of collaborative fleets and dealers. Through our continuously optimized dispatch system, we have provided drivers with stable income security. As a result, an increasing number of drivers have chosen to acquire EVs through our cooperative fleets and dealers and register as drivers on our platform.

Management Discussion and Analysis

In the first half of 2023, we also observed impressive expansion and development of our value-added services in Hong Kong and overseas markets. Our fuel card service has achieved more than significant increases in revenue in both Hong Kong and Singapore due to high fuel prices and an increase in marketing and sales efforts, allowing us to acquire a great number of new customers looking to better manage their fuel costs. In Hong Kong, the successful launch of the insurance business continues to gain traction and we have entered into a strategic cooperation relationship with a multinational insurance corporation. This collaboration is aimed at enhancing insurance agency services offered to our platform ecosystem participants. Our partner will provide comprehensive insurance solutions, including but not limited to motor, personal accident, and business insurance. This partnership aligns with our commitment to ensuring the safety and well-being of our ecosystem participants, while also reinforces our partner's position as a leading insurance provider in the digital space.

The outstanding performance of our value-added services is a testament to our relentless focus on customer satisfaction and our commitment to delivering innovative and tailored solutions. By continuously enhancing our service portfolio and anticipating the evolving needs of our clients, we have solidified our position as a leading provider of comprehensive logistics solutions.

BUSINESS OUTLOOK

As we venture into the second half of 2023, we are well poised to capitalize on the momentum gained in the first half of 2023. With a customer-centric approach, continuous technological advancements, and strategic expansion plans, we are confident in achieving sustainable and high-quality growth, improving our competitiveness and creating lasting value for all stakeholders.

FINANCIAL REVIEW

Overview

For the six months ended June 30, 2023, the Company achieved total revenue of RMB371.8 million, increased by 6.6% as compared to the corresponding period of last year. In the same reporting period, gross profit achieved growth to RMB119.3 million, representing a 6.3% period-to-period increase. During six months ended June 30, 2023, the adjusted net loss and adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA")¹ were RMB121.3 million and negative RMB106.3 million, respectively. The basic and diluted losses per share were RMB103 cents and RMB269 cents for the six months ended June 30, 2023 and 2022, respectively.

In the first half of 2023, the Company's net cash used in operating activities was RMB128.1 million. Capital expenditure was RMB2.9 million for the six months ended June 30, 2023.

¹ Adjusted net loss represents loss for the period before (i) share-based compensation expenses, (ii) changes in fair value of financial liabilities at fair value through profit and loss, (iii) listing expenses, and (iv) impairment of goodwill. Adjusted EBITDA represents adjusted net loss for the period before (i) income tax credit, (ii) depreciation and amortization, and (iii) net finance income.

Management Discussion and Analysis

Revenue

In the first half of 2023, the Company's revenue was RMB371.8 million, increased by 6.6% from RMB348.8 million for the six months ended June 30, 2022.

The following table sets forth a breakdown of our revenue by business line and geographical region in absolute terms of our revenue for the periods indicated.

Revenue Reporting

	Six months ended June 30, 2023			Six months ended June 30, 2022			Period-to-period change		
	Chinese mainland operations	Hong Kong and overseas operations	Total	Chinese mainland operations	Hong Kong and overseas operations	Total	Chinese mainland operations	Hong Kong and overseas operations	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue:									
Logistics services provided to enterprise customers	52,715	175,784	228,499	64,262	150,713	214,975	(11,547)	25,071	13,524
Service income from logistics services platforms	82,239	27,256	109,495	88,227	22,189	110,416	(5,988)	5,067	(921)
Value-added services	13,241	20,523	33,764	11,185	12,179	23,364	2,056	8,344	10,400
Total	148,195	223,563	371,758	163,674	185,081	348,755	(15,479)	38,482	23,003

Enterprise services

The revenue from enterprise services increased by 6.3% from RMB215.0 million for the six months ended June 30, 2022 to RMB228.5 million for the six months ended June 30, 2023, primarily due to (i) the significant business growth in Hong Kong and overseas markets, in particular, in India (274.8%), Singapore (16.7%), and Korea (14.5%), (ii) the consistent rising demand for logistics services in E-commerce industry, and (iii) the organic growth of our business to acquire new clients spanning various industries.

Platform services

The revenue from platform services remained stable, amounting to RMB110.4 million and RMB109.5 million for the six months ended June 30, 2022 and 2023, respectively.

Management Discussion and Analysis

Value-added services

Revenue from value-added services increased by 44.5% from RMB23.4 million for the six months ended June 30, 2022 to RMB33.8 million for the six months ended June 30, 2023, primarily due to (i) our partnership with dealerships and fleets to facilitate the sale of vehicles in Chinese mainland, and (ii) the increase of sales of fuel card services and insurance agency services partner with insurance corporations in Hong Kong and overseas markets.

Cost of revenue

Our cost of revenue increased by 6.7% from RMB236.5 million for the six months ended June 30, 2022 to RMB252.4 million for the six months ended June 30, 2023, mainly driven by the rise in subcontracting fees in line with the increased number of shipment orders. Our cost of revenue excluding share-based compensation expenses increased by 9.1% from RMB231.8 million for the six months ended June 30, 2022 to RMB252.8 million for the six months ended June 30, 2023.

The following table sets forth a breakdown of our cost of revenue (including and excluding the share-based compensation expenses) for the periods indicated.

	Six months ended June 30,		Period-to-period change	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	RMB'000	%
Subcontracting fee				
– logistics services providers	207,698	181,614	26,084	14.4
– others	5,436	13,473	(8,037)	(59.7)
Employee benefit expenses (including share-based compensation expenses)	8,389	11,958	(3,569)	(29.8)
Depreciation and amortization	9,328	8,957	371	4.1
Payment of processing cost	3,250	3,138	112	3.6
Others	18,324	17,404	920	5.3
Total	252,425	236,544	15,881	6.7
<i>Deduction:</i>				
Share-based compensation expenses	(395)	4,719	(5,114)	(108.4)
Total (excluding share-based compensation expenses)	252,820	231,825	20,995	9.1

Management Discussion and Analysis

Gross profit and gross profit margin

As a result of the foregoing, we recorded (i) a gross profit of RMB112.2 million and RMB119.3 million for the six months ended June 30, 2022 and 2023, respectively, and (ii) a gross profit margin of 32.2% and 32.1% for the same periods, respectively. Excluding the share-based compensation expenses, we recorded (i) a gross profit of RMB116.9 million and RMB118.9 million for the six months ended June 30, 2022 and 2023, respectively, and (ii) a gross profit margin of 33.5% and 32.0% for the same periods, respectively.

The following table sets forth our gross profit and gross profit margin (including and excluding share-based compensation expenses) for the periods indicated.

	Six months ended June 30,		Period-on-period change	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	RMB'000	%
Revenue	371,758	348,755	23,003	6.6
Cost of revenue	(252,425)	(236,544)	(15,881)	6.7
Gross profit	119,333	112,211	7,122	6.3
Gross profit margin	32.1%	32.2%	-	(0.1)

Excluding share-based compensation

	Six months ended June 30,		Period-on-period change	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	RMB'000	%
Revenue	371,758	348,755	23,003	6.6
Cost of revenue (excluding share-based compensation expenses)	(252,820)	(231,825)	(20,995)	9.1
Gross profit (excluding share-based compensation expenses)	118,938	116,930	2,008	1.7
Gross profit margin (excluding share-based compensation expenses)	32.0%	33.5%	-	(1.5)

Management Discussion and Analysis

Selling and marketing expenses

Our selling and marketing expenses decreased by 34.2% from RMB167.9 million for the six months ended June 30, 2022 to RMB110.6 million for the six months ended June 30, 2023. The decrease was primarily due to the decrease of share-based compensation expenses arising from the decrease of vested share options. Our selling and marketing expenses excluding share-based compensation expenses decreased by 17.0% from RMB136.9 million for the six months ended June 30, 2022 to RMB113.7 million for the six months ended June 30, 2023.

The following table sets forth a breakdown of our selling and marketing expenses (including and excluding the share-based compensation expenses) for the periods indicated.

	Six months ended June 30,		Period-to-period change	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	RMB'000	%
Subcontracting fee				
– Others	19,007	19,197	(190)	(1.0)
Employee benefit expenses (including share-based compensation expenses)	32,145	67,906	(35,761)	(52.7)
Depreciation and amortization	3,701	3,211	490	15.3
Incentives to transacting users from platform services	35,404	43,445	(8,041)	(18.5)
Promotion and advertising	12,282	22,166	(9,884)	(44.6)
Professional service costs	2,669	2,130	539	25.3
Short term lease expenses	703	3,181	(2,478)	(77.9)
Travelling expenses	1,856	1,978	(122)	(6.2)
Office expenses	868	1,606	(738)	(46.0)
Others	1,922	3,121	(1,199)	(38.4)
Total	110,557	167,941	(57,384)	(34.2)
<i>Deduction:</i>				
Share-based compensation expenses	(3,112)	31,059	(34,171)	(110.0)
Total (excluding share-based compensation expenses)	113,669	136,882	(23,213)	(17.0)

Management Discussion and Analysis

General and administrative expenses

Our general and administrative expenses decreased by 81.7% from RMB646.5 million for the six months ended June 30, 2022 to RMB118.2 million for the six months ended June 30, 2023, primarily due to a decrease of share-based compensation expenses arising from the decrease of vested share options and listing expenses in relation to listing of the shares of the Company (the “Shares”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in June 2022 (the “Listing”). Our general and administrative expenses excluding share-based compensation expenses and listing expenses increased by 19.9% from RMB87.1 million for the six months ended June 30, 2022 to RMB104.5 million for the six months ended June 30, 2023.

The following table sets forth a breakdown of our general and administrative expenses (including and excluding the share-based compensation expenses and listing expenses) for the periods indicated.

	Six months ended June 30,		Period-to-period change	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	RMB'000	%
Employee benefit expenses (including share-based compensation expenses)	85,979	576,334	(490,355)	(85.1)
Depreciation and amortization	4,040	3,041	999	32.9
Professional service cost	12,297	9,246	3,051	33.0
Listing expenses	–	41,023	(41,023)	(100.0)
Auditor’s remuneration	3,943	5,145	(1,202)	(23.4)
Office expenses	3,906	3,298	608	18.4
Short term lease expenses	344	1,660	(1,316)	(79.3)
Travelling expenses	2,147	1,228	919	74.8
Recruitment costs	1,812	1,370	442	32.3
Others	3,781	4,118	(337)	(8.2)
Total	118,249	646,463	(528,214)	(81.7)
<i>Deduction:</i>				
Share-based compensation expenses	13,784	518,337	(504,553)	(97.3)
Listing expenses	–	41,023	(41,023)	(100.0)
Total (excluding share-based compensation expenses & listing expenses)	104,465	87,103	17,362	19.9

Management Discussion and Analysis

Research and development expenses

Our research and development expenses decreased by 52.9% from RMB47.5 million for the six months ended June 30, 2022 to RMB22.4 million for the six months ended June 30, 2023. The decrease was primarily attributable to a decrease of share-based compensation expenses arising from the decrease of vested share options. Our research and development expenses excluding share-based compensation expenses increased by 23.6% from RMB19.8 million for the six months ended June 30, 2022 to RMB24.5 million for the six months ended June 30, 2023.

The following table sets forth a breakdown of our research and development expenses (including and excluding the share-based compensation expenses) for the periods indicated.

	Six months ended June 30,		Period-to-period change	
	2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)	RMB'000	%
Employee benefit expenses (including share-based compensation expenses)	20,982	45,523	(24,541)	(53.9)
Depreciation and amortization	728	853	(125)	(14.7)
Professional service costs	533	939	(406)	(43.2)
Others	149	195	(46)	(23.6)
Total	22,392	47,510	(25,118)	(52.9)
<i>Deduction:</i>				
Share-based compensation expenses	(2,124)	27,683	(29,807)	(107.7)
Total (excluding share-based compensation expenses)	24,516	19,827	4,689	23.6

(Impairment losses)/reversal of impairment losses on financial assets

We recorded a reversal of impairment losses on financial assets of RMB0.6 million for the six months ended June 30, 2022. Our impairment losses on financial assets amounted to RMB2.9 million for the six months ended June 30, 2023, primarily due to the increased long-aging accounts receivables.

Management Discussion and Analysis

Impairment of goodwill

We recorded impairment of goodwill of RMB513.5 million for the six months ended June 30, 2023, as compared to nil for the corresponding period in 2022.

Goodwill 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, if any. Our goodwill mainly arose from the acquisition of subsidiaries of GoGo Tech Holdings Limited in 2017. For details of such goodwill, please refer to "Financial Information – Discussion of Selected Items from the Consolidated Statements of Financial Position – Assets – Goodwill" in the Prospectus. We reviewed the business performance and monitored goodwill resulting from the acquisition on operating segment level. We performed the impairment test on goodwill by comparing the recoverable amounts of CGU or group of CGUs to the respective carrying amounts. We used the income approach, i.e. the discounted cash flow method, to determine the fair value of the CGUs. For details of the impairment test for goodwill, including the key assumptions adopted in determining the fair value of the CGUs, please refer to the section headed "Impairment test for goodwill" in note 12 to the Unaudited Condensed Consolidated Interim Financial Statements.

Valuation methodology used to determine the fair value of the CGUs

In the appraisal of an asset or a business, there are three basic approaches to valuation. The descriptive titles typically attached to these approaches are cost approach, income approach (discounted cash flow method), and market approach.

Cost approach established value based on the cost of reproducing or replacing the property less depreciation from physical deterioration and functional and economic obsolescence, if present and measurable. This approach might be considered the most consistently reliable indication of value for assets without a known used market or separately identifiable cash flows attributable to assets appraised.

Income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the property than an amount equal to the present worth of anticipated future benefits (income) from the same or equivalent property with similar risk.

Market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established active market may be appraised by this approach.

To develop the fair value of the CGUs, the above three generally accepted approaches are considered. While useful for certain purposes, the cost approach is not considered applicable to the valuation of a going concern, as it does not capture future earning potential of the business. Thus, the cost approach is not utilized in the valuation. We searched for public companies with business nature and development stage similar to the CGUs. However, no companies were similar to the CGUs in all aspects. Therefore, the market approach is not considered. As the company has the basis and conditions for sustainable operation and has sufficient historical operation and financial data which has stable corresponding relationship between operation and income, future income and risk of the company can be predicted and quantified, and the management team can provide a set of financial forecasts from the perspective of market participants. Therefore, we adopt and rely upon the income approach, i.e. the discounted cash flow method, to determine the fair value of the CGUs.

Given that the overall post-pandemic economic recovery fell short of expectation, the growth in revenue and earnings of the Group's business for the first half of 2023 did not meet the original growth expectation. In July 2023, during the preparation of the condensed consolidated interim financial statements for the six months ended June 30, 2023, the Board noted certain indicators that the goodwill might be impaired. Based on the information available to the Board, it considered relevant factors, including the macro-economic environment, the logistics industry outlook and the market interest rates in revising downwards the forecast for revenue growth and cash flow projections.

Management Discussion and Analysis

Market interest rates

An increase in market interest rates resulted in the Board revising downwards its revenue growth and cash flow projections, resulting in a downward adjustment to the valuation of the CGUs.

The Board has considered, among others, the following economic factors:

As of May 2023, the Federal Reserve had raised fund rates ten consecutive times, bringing its fund rate to the range of 5.00% to 5.25%. In July 2023, the Federal Reserve further raised fund rates to the range of 5.25% to 5.50%. The rate has been increased once again after the Federal Reserve paused rate hikes in June 2023. In light of this, the Board considered the high-interest rate will further discourage consumption, and revised downwards its revenue growth and cash flow projections.

Macro-economic environment

A decrease in the GDP of the countries where the CGUs operate, resulted in the Board revising downwards its revenue growth and cash flow projections, resulting in a downward adjustment to the valuation of the CGUs.

The Board has considered, among others, the following economic factors:

According to the Preliminary Accounting Results for GDP for the Second Quarter and the First Half of 2023 issued by the National Bureau of Statistics of China published on July 18, 2023, Chinese mainland recorded a quarter-on-quarter GDP growth rate of 2.2% in the first quarter of 2023 and 0.8% in the second quarter of 2023 respectively. In addition, Fitch lowered China's 2023 GDP growth forecast from 5.6% to 4.8% in August 2023, signaling further economic slowdown. In Hong Kong, the half-yearly economic report 2023 published by the government of HKSAR showed that on a seasonally adjusted quarter-to-quarter comparison, real GDP fell by 1.3% in the second quarter of 2023. In South Korea, the Bank of Korea noted that the real GDP increased by only 0.9% year-on-year in the second quarter of 2023, which was lower than the real GDP growth of 2.6% in 2022. Fitch expects South Korea's GDP growth to fall from 2.6% in 2022 to 1.2% in 2023. In light of this, the Board considered the slowdown of GDP growth in countries where the CGUs operate, and revised downwards its revenue growth and cash flow projections.

Logistics industry

A decrease in growth of the logistics industry in Chinese mainland and Hong Kong resulted in the Board revising downwards its revenue growth and cash flow projections, resulting in a downward adjustment to the valuation of the CGUs.

The Board has considered, among others, the following economic factors:

According to the Online Freight Information Interaction System of the Ministry of Transport of China (中國交通網絡運輸部網路貨運資訊交互系統統計), in the first quarter of 2023, the system uploaded 30.135 million waybills, representing a year-on-year increase of 35.6%; in the first half of 2023, the system uploaded 52.928 million waybills, representing a year-on-year increase of only 23.5%. In Hong Kong, the Census and Statistics Department of the Government of HKSAR published that by comparing the first quarter of 2023 with the first quarter of 2022, double-digit decreases were recorded in business receipts of transportation (-18.7%) and courier (-12.5%) industries respectively. In light of this, the Board considered the decrease in growth in the logistics industry in Chinese mainland and Hong Kong and revised downwards its revenue growth and cash flow projections.

Management Discussion and Analysis

After taking into account the factors mentioned above, together with the Group's strategic transformation from pursuing revenue growth through high subsidy to focusing on steady development and reducing net losses, the Board revised downwards its forecast for revenue growth and cash flow projections.

Other income

Our other income decreased by 80.7% from RMB6.0 million for the six months ended June 30, 2022 to RMB1.2 million for the six months ended June 30, 2023, primarily due to the decrease of government subsidies we received in Chinese mainland and Hong Kong in the first half of 2023.

Other net gains/(losses)

We recorded other net losses of RMB0.9 million for the six months ended June 30, 2022, primarily due to exchange rate losses and the sale of fixed assets. We recorded other net gains of RMB1.9 million for the six months ended June 30, 2023, primarily representing fair value gains from financial assets at fair value through profit or loss.

Operating loss

As a result of the foregoing, our operating loss decreased by 13.3% from RMB744.0 million for the six months ended June 30, 2022 to RMB645.2 million for the six months ended June 30, 2023.

Net finance income

Our net finance income decreased by 27.9% from RMB1.1 million for the six months ended June 30, 2022 to RMB0.8 million for the six months ended June 30, 2023, primarily due to the increase of interest expenses on lease liabilities.

Changes in fair value of financial liabilities at fair value through profit or loss

We recorded loss in fair value of financial liabilities at fair value through profit or loss of RMB308.1 million for the six months ended June 30, 2022, because of the increased valuation of the Company due to the Listing and nil for the six months ended June 30, 2023, primarily because the financial liabilities at fair value through profit or loss amounted to nil in relation to the Listing.

Income tax credit

Our income tax credit remains stable, amounting to RMB2.0 million and RMB2.1 million for the six months ended June 30, 2022 and 2023, respectively.

Loss for the period

Our loss for the period decreased by 38.7% from RMB1,049.1 million for the six months ended June 30, 2022 to RMB642.9 million for the six months ended June 30, 2023.

Management Discussion and Analysis

Non-IFRS Measures

To supplement this interim report, which is presented in accordance with IFRSs, we also presented the adjusted net loss and adjusted EBITDA as additional financial measures. The management believes that the presentation of adjusted net loss (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) would facilitate comparisons of operating performance from period to period and comparisons with other comparable companies with similar business operations by eliminating the potential impact of certain items.

In the first half of 2023, our adjusted net loss was RMB121.3 million, up by 2.6% as compared to the corresponding period of 2022. We define adjusted net loss (a non-IFRS measure) as loss for the period adjusted for (i) share-based compensation expenses, (ii) changes in fair value of financial liabilities at fair value through profit or loss, (iii) listing expenses, and (iv) impairment of goodwill. In particular, we consider these non-IFRS measures as an additional analytical tool for you to assess our operating results without the effect of certain non-cash items, such as share-based compensation expenses, changes in fair value of financial liabilities at fair value through profit or loss and impairment of goodwill. Further, changes in fair value of financial liabilities at fair value through profit or loss, listing expenses and impairment of goodwill are typically one-off and non-recurring in nature. Share-based compensation expenses consist of non-cash expenses arising from granting share options, restricted shares and restricted share units to eligible individuals under the share incentive plan of the Company adopted on August 18, 2021 (the “**Share Incentive Plan**”). The convertible redeemable preferred shares have been automatically converted into ordinary shares upon the Listing, and we did not record any further gains or losses in relation to valuation changes in such instruments since June 24, 2022. For details of our goodwill impairment, see “Management Discussion and Analysis – Financial Review – Impairment of Goodwill” in this interim report.

In the first half of 2023, our adjusted EBITDA was negative RMB106.3 million, up by 1.1% as compared to the corresponding period of 2022. We define adjusted EBITDA as adjusted net loss for the period adjusted for the netting of the following: (i) income tax credit, (ii) depreciation and amortization, and (iii) net finance income.

Management Discussion and Analysis

The following table reconciles our adjusted net loss (a non-IFRS measure) and adjusted EBITDA for the period presented to the most directly comparable financial measure calculated and presented under IFRS, which is loss for the periods.

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period	(642,938)	(1,049,064)
Adjusted for:		
Share-based compensation expenses	8,153	581,799
Changes in fair value of financial liabilities at fair value through profit or loss	-	308,063
Listing expenses	-	41,023
Impairment of goodwill	513,525	-
Non-IFRS measures:		
Adjusted net loss for the period⁽¹⁾	(121,260)	(118,179)
Adjusted net loss for the period	(121,260)	(118,179)
Adjusted for:		
Income tax credit	(2,072)	(1,993)
Depreciation and amortization	17,797	16,063
Finance income, net	(803)	(1,114)
Non-IFRS measures:		
Adjusted EBITDA for the period⁽²⁾	(106,338)	(105,223)

Notes:

- (1) Represents loss for the period before (i) share-based compensation expenses, (ii) changes in fair value of financial liabilities at fair value through profit or loss, (iii) listing expenses and (iv) impairment of goodwill.
- (2) Represents adjusted net loss for the period before (i) income tax credit, (ii) depreciation and amortization and (iii) net finance income.

Management Discussion and Analysis

Capital Structure, Liquidity and Capital Resources

As at June 30, 2023, the Company's issued share capital was approximately US\$1,567.2 divided into 626,863,057 Shares of US\$0.0000025 each, and the total equity of the Group was approximately RMB864.9 million.

For the six months ended June 30, 2023, we satisfied our cash requirements principally from cash generated from daily operations and equity financing activities in relation to the Listing. Our cash and cash equivalents represent cash and bank balances. We had cash and cash equivalents of RMB202.3 million as of June 30, 2023.

For the six months ended June 30, 2023, our capital expenditures were approximately RMB2.9 million (six months ended June 30, 2022: approximately RMB5.0 million) and were primarily related to purchase of property, plant and equipment and intangible asset.

The following table provides information regarding our cash flows for the six months ended June 30, 2023 and 2022:

	For the six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(128,063)	(147,318)
Net cash generated from/(used in) investing activities	911	(3,644)
Net cash (used in)/generated from financing activities	(5,358)	566,305
Net (decrease)/increase in cash and cash equivalents	(132,510)	415,343
Cash and cash equivalents at the beginning of the period	330,734	312,997
Exchange differences on cash and cash equivalents	1,567	20,388
Cash and cash equivalents at the end of the period	199,791	748,728
Representing:		
Cash and bank balances as stated in the condensed consolidated interim balance sheets	202,296	748,728
Less: Client segregated accounts	(2,505)	-
	199,791	748,728

Going forward, we believe that our liquidity requirements will be satisfied by using the cash generated from operating activities and the net proceeds received from the global offering of the Company (the "Global Offering"). We currently do not have any other plans for material additional external financing.

Management Discussion and Analysis

Significant Investments Held

We recorded financial assets at fair value through profit or loss amounting to approximately RMB268.0 million as of June 30, 2023 (as of December 31, 2022: RMB258.3 million). The financial assets at fair value through profit or loss primarily include wealth management products previously purchased from different segregated portfolio companies that are independent from the Company and independent from each other. Such wealth management products are principal-guaranteed and carry interest at fixed rates ranging from 1.2% to 1.6% per annum. The investment scope of such products is primarily cash, bank deposits, U.S. treasury bonds and other money market instruments.

Information about the relevant wealth management products with a carrying amount that accounts for 5% or more of the Group's total assets as of June 30, 2023 are set out as follows:

Subscription date	Type of product	Currency of subscription	Principal amount of subscription (US\$'000)	Interest rate per annum (%)	Expiry date of the lock-up period (Note 1)	Fair value	Carrying amount
						gain for the Reporting Period (RMB'000) (Note 2)	as of June 30, 2023 (RMB'000) (Note 3)
July 4, 2022	Principal-guaranteed with fixed rate of return	US dollar	11,000	1.20	August 3, 2022	453	79,693
July 19, 2022	Principal-guaranteed with fixed rate of return	US dollar	11,000	1.25	August 18, 2022	472	79,661
July 19, 2022	Principal-guaranteed with fixed rate of return	US dollar	10,000	1.40	August 18, 2022	481	72,438

Notes:

Note 1: Upon the expiry date of the lock-up period, the Company is free to redeem any or all part of its subscription for the respective products.

Note 2: Calculated based on the monthly average exchange rate for US dollars to Renminbi for the first six months of 2023. The monthly average exchange rate for any given month is the average of the medium exchange rates for all business days within the relevant month as published on the website of the State Administration of Foreign Exchange.

Note 3: Calculated based on the medium exchange rate for US dollars to Renminbi on June 30, 2023 as published on the website of the State Administration of Foreign Exchange.

Save as disclosed above, the Group did not make or hold any significant investments during the six months ended June 30, 2023.

Future Plans for Material Investments and Capital Assets

As of June 30, 2023, we did not have any other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

The Group did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies for the six months ended June 30, 2023.

Management Discussion and Analysis

Employee and Remuneration Policy

As of June 30, 2023, we had 1,004 (June 30, 2022: 1,071) full-time employees (inclusive of outsourced personnel) located in various jurisdictions in which we operate.

The following table sets forth the number of our employees categorized by function as of June 30, 2023.

Function Area	Number of Employees	% of Total
Sales and marketing	418	41.6
User services and operations	334	33.3
Research and development	127	12.6
Management and administration	125	12.5
Total	1,004	100.0

As required under PRC regulations, we participate in employee social security plans complied with the requirements of local and provincial governments, including provident fund, pension, medical, work-related injury and unemployment benefit plans. We are required under PRC laws to make contributions to employee benefit plans at specific percentages of employee salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time. We participate in and make contributions to those social security plans and employee benefit plans. The Company also makes payments to other defined contribution plans and defined benefit plans for the benefit of employees employed by subsidiaries outside of the Chinese mainland as required by the applicable laws.

Our success depends on our ability to attract, retain and motivate high-quality talents. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives. In order to recognize and acknowledge the contributions made by certain of management members, employees and consultants, the Company has also adopted the Share Incentive Plan on August 18, 2021.

We have adopted a training protocol in Chinese mainland, pursuant to which we provide pre-employment and ongoing management and technical training to our employees.

The employee benefit expenses, including share-based compensation expenses, for the six months ended June 30, 2023 were RMB147.5 million, as compared to RMB701.7 million for the six months ended June 30, 2022, representing a period-to-period decrease of 79.0%.

Management Discussion and Analysis

Gearing Ratio

As of June 30, 2023, the gearing ratio, calculated as total borrowings divided by total equity attributable to owners of the Company, was not applicable as the Company's borrowing amounted to nil as of the same date.

Foreign Exchange Risk

We operate in Asian countries and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars, Hong Kong dollars, Singapore dollars, South Korean Won and Vietnamese Dong. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. We currently do not hedge transactions undertaken in foreign currencies.

Pledge of Assets

As of June 30, 2023, restricted cash of RMB78.5 million was pledged, as compared with RMB70.8 million as of December 31, 2022.

Contingent Liabilities

As of June 30, 2023, we did not have any material contingent liabilities or guarantees.

Subsequent Events

As of the date of this interim report, the Group had no other significant event subsequent to the Reporting Period.

Borrowings

As of June 30, 2023, our outstanding borrowings amounted to nil.

Other Information

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**Corporate Governance Code**”) set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. The Company has, to the best knowledge of the Directors, complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code during the Reporting Period.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiry to all Directors, each of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

The Directors were not aware of any circumstances resulting in the disclosure obligation under Rules 13.20, 13.21 and 13.22 of the Listing Rules as of June 30, 2023.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividends for the six months ended June 30, 2023.

AUDIT COMMITTEE

The Company has established the Audit Committee, which comprises three independent non-executive Directors, namely Mr. ZHAO Hongqiang, Mr. TANG Shun Lam and Mr. NI Zhengdong. Mr. ZHAO Hongqiang is the chairman of the Audit Committee. The primary functions of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group, oversee the audit process, provide advice and comments to the Board, perform other duties and responsibilities as may be assigned by the Board, and review and oversee the risk management of the Company.

The Audit Committee has discussed with the management of the Company and reviewed the unaudited interim consolidated financial statements of the Group for the six months ended June 30, 2023 and the Company’s 2023 interim report.

Other Information

CHANGES IN THE INFORMATION OF DIRECTORS

Since May 2023, Mr ZHAO Hongqiang resigned from his position as an executive director and the chief financial officer of Bairong Inc. (百融雲創) whose shares are listed on the Stock Exchange (stock code: 6608). Mr. ZHAO has been serving as the chief financial officer of Momenta, China's leading autonomous driving company, since May 2023.

Save as disclosed herein, since the date of the Company's 2022 annual report and up to the date of this interim report, the Company is not aware of any changes in the information of Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

The Shares were listed on the Main Board of the Stock Exchange on June 24, 2022. The net proceeds raised from the Company's Global Offering, after deduction of the underwriting fees and commissions and other estimated expenses payable by the Company in connection with the Global Offering, were approximately HK\$554.5 million.

Other Information

As of the date of this interim report, there was no change in the intended use of net proceeds and the expected timeline as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The following table sets forth a summary of the utilization of the net proceeds from the Global Offering as of June 30, 2023:

Purpose	Percentage to total amount	Net proceeds (HK\$ in million)				Expected timeline for full utilization of the remaining net proceeds
		Net proceeds incurred from the Global Offering	Actual use of proceeds up to December 31, 2022	Actual use of proceeds up to June 30, 2023	Unutilized amount as of June 30, 2023	
Enlarge our user base and strengthen our brand awareness	40%	221.8	109.8	180.0	41.8	December 31, 2025
Develop new services and products to enhance our monetization capabilities	20%	110.9	29.0	69.8	41.1	December 31, 2025
Pursue strategic alliances, investments and acquisitions in overseas markets	20%	110.9	0.7	2.2	108.7	December 31, 2025
Advance our technological capabilities and enhance our research and development capabilities, including upgrade our information and technology systems and procure advanced technologies from third-party service providers	10%	55.5	15.4	39.3	16.2	June 30, 2025
Working capital and general corporate purposes	10%	55.4	34.4	52.0	3.4	December 31, 2025
Total	100%	554.5	189.3	343.3	211.2	

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at June 30, 2023, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interest in Shares of the Company

Name of Director	Capacity and nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of the Company's issued share capital ⁽²⁾
Mr. CHEN Xiaohua	Interest held by controlled corporations ⁽³⁾	7,912,383	1.26%
	Beneficial owner ⁽³⁾	11,936,087	1.90%
Mr. HE Song	Beneficial owner ⁽⁴⁾	16,537,168	2.64%
Mr. HU Gang	Beneficial owner ⁽⁵⁾	6,100,000	0.97%
Mr. LAM Hoi Yuen	Beneficial owner ⁽⁶⁾	5,000,000	0.80%
	Interest held by controlled corporations ⁽⁷⁾	6,879,517	1.10%

Notes:

- (1) All interest stated are long position.
- (2) The calculation is based on the total number of 626,863,057 ordinary Shares in issue as at June 30, 2023.
- (3) On January 13, 2022, Mr. CHEN exercised certain of his options granted under the Share Incentive Plan. As a result, 7,912,383 Shares were issued to Genesis Fortune Holdings Limited, a special purpose vehicle wholly owned by Major Group Enterprises Limited, which is in turn wholly owned by Mr. CHEN. Options representing the right to subscribe for 11,936,087 Shares remain outstanding.
- (4) Represents 16,537,168 Shares underlying the Options to Mr. HE Song.
- (5) Represents 6,100,000 Shares underlying the Options to Mr. HU Gang.
- (6) Represents 5,000,000 Shares underlying the Options to Mr. LAM Hoi Yuen.
- (7) Represents 6,879,517 Shares held by Ching Hoi Group Limited. Ching Hoi Group Limited is wholly-owned by Mr. LAM Hoi Yuen. Accordingly, Mr. LAM Hoi Yuen is deemed to be interested in the Shares held by Ching Hoi Group Limited.

Other Information

(ii) Interests in associated corporations

Name of Director	Name of associated corporation	Capacity and nature of interest	Number of shares held	Approximate percentage of equity interest	
Mr. CHEN Xiaohua	58 Daojia	Interest held by controlled corporations ⁽¹⁾	24,000,000	5.21%	
		Beneficial owner ⁽²⁾	12,400,000	2.69%	
	Daojia Limited	Interest held by controlled corporations ⁽³⁾	20,865,888	3.95%	
		Beneficial owner ⁽⁴⁾	9,709,468	1.84%	
		Tianjin 58 Freight ⁽⁵⁾	Beneficial owner	N/A	50.00%
	Changsha Daojia Youxiang Home Services Co., Ltd. (長沙市到家悠享家政服務有限公司) ⁽⁶⁾	Beneficial owner	N/A	82.88%	
		Wuba Daojia Co., Ltd. (五八到家有限公司) ⁽⁶⁾	Beneficial owner	N/A	82.88%
		Tianjin Haodaojia Information Technology Co., Ltd. (“Tianjin Haodaojia”) (天津好到家信息技術有限公司) ⁽⁶⁾	Beneficial owner	N/A	82.88%
	Tianjin 58 Daojia Life Services Co., Ltd. (天津五八到家生活服務有限公司) ⁽⁷⁾	Beneficial owner	N/A	4.5%	
Mr. HE Song	58 Daojia	Beneficial owner ⁽⁸⁾	2,560,000	0.56%	
	Daojia Limited	Beneficial owner ⁽⁹⁾	2,004,535	0.38%	

Notes:

(1) As of June 30, 2023, Trumpway Limited held 24,000,000 Class C ordinary shares of 58 Daojia. Trumpway Limited is wholly-owned by Mr. CHEN. Therefore, Mr. CHEN is deemed to be interested in the shares of 58 Daojia held by Trumpway Limited.

(2) Represents 12,400,000 ordinary shares of 58 Daojia underlying the restricted share units vested to Mr. CHEN.

Other Information

- (3) Represents (i) 4,000 series A preferred shares and 3,925,661 series B preferred shares of Daojia Limited held by Trumpway Limited, and (ii) 16,936,227 ordinary shares of Daojia Limited to be distributed as in-kind dividends or transferred by 58 Daojia to Trumpway Limited. Trumpway Limited is wholly-owned by Mr. CHEN. Therefore, Mr. CHEN is deemed to be interested in the shares of Daojia Limited held and to be held by Trumpway Limited.
- (4) Represents Mr. CHEN's entitlement to receive up to 9,709,468 ordinary shares of Daojia Limited pursuant to the exercise of options granted to him.
- (5) Tianjin 58 Freight is a limited liability company incorporated in the PRC and controlled through contractual arrangements by the Company. It did not issue any share. As of June 30, 2023, Mr. CHEN directly held 50% equity interest in Tianjin 58 Freight.
- (6) Each of Changsha Daojia Youxiang Home Service Co., Ltd., Wuba Daojia Co., Ltd. and Tianjin Haodaojia Information Technology Co., Ltd. is a limited liability company incorporated in the PRC and controlled through contractual arrangements by 58 Daojia. None of them issued any share. As of June 30, 2023, Mr. CHEN directly held 82.88% equity interest in Changsha Daojia Youxiang Home Service Co., Ltd., Wuba Daojia Co., Ltd. and Tianjin Haodaojia Information Technology Co., Ltd., respectively.
- (7) Tianjin 58 Daojia Life Services Co., Ltd. is a limited liability company incorporated in the PRC and controlled through contractual arrangements by 58 Daojia. It did not issue any share. As of June 30, 2023, Mr. CHEN directly held 4.5% equity interest in Tianjin 58 Daojia Life Services Co., Ltd.
- (8) Represents Mr. HE Song's entitlement to receive up to 2,560,000 ordinary shares of 58 Daojia pursuant to the exercise of options granted to him.
- (9) Represents Mr. HE Song's entitlement to receive up to 2,004,535 ordinary shares of Daojia Limited pursuant to the exercise of options granted to him.

Save as disclosed above, as at June 30, 2023, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at June 30, 2023, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholder	Capacity and nature of interest	Number of Shares held ⁽¹⁾	Approximate percentage of the Company's issued share capital ⁽²⁾
58 Daojia	Beneficial owner	260,215,743	41.51%
58.com ⁽³⁾	Interest held by controlled corporations	260,215,743	41.51%
Mr. YAO ⁽³⁾	Interest held by controlled corporations	260,215,743	41.51%
Taobao China	Beneficial owner	76,673,409	12.23%
Taobao Holding Limited ⁽⁴⁾	Interest held by controlled corporations	76,673,409	12.23%
Alibaba ⁽⁵⁾	Interest held by controlled corporations	76,673,409	12.23%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 626,863,057 ordinary shares of the Company in issue as at June 30, 2023.

(3) 58 Daojia is a limited liability company incorporated in the British Virgin Islands and is held as to over 50% by 58.com.

58.com is wholly-owned by Quantum Bloom, which is controlled as to more than one-third by Mr. YAO (through his intermediary controlled entities).

Nihao Haven, controls over one-third interest in Quantum Bloom. Nihao Haven is wholly-owned by Nihao China which is beneficially owned by Mr. YAO through a trust.

Accordingly, under the SFO, each of 58.com, Quantum Bloom, Nihao Haven, Nihao China, and Mr. YAO is deemed to be interested in the entire equity interests held by 58 Daojia in the Company as at June 30, 2023.

(4) Taobao China is an investment holding company incorporated in Hong Kong and is wholly-owned by Taobao Holding Limited. Accordingly, under the SFO, Taobao Holding Limited is deemed to be interested in Shares held by Taobao China.

(5) Taobao China is an investment holding company incorporated in Hong Kong and is wholly-owned by Taobao Holding Limited, which is in turn wholly-owned by Alibaba. Accordingly, under the SFO, Alibaba is deemed to be interested in Shares held by Taobao China.

Other Information

Save as disclosed above, as at June 30, 2023, the Directors were not aware of any persons (who were not Directors or chief executive of the Company) who had an interest or short position in any Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE INCENTIVE PLAN

The Company approved and adopted the Share Incentive Plan on August 18, 2021, for the purpose of recognizing and rewarding the contributions of certain management members, employees and consultants of the Company.

Below is a summary of the terms of the Share Incentive Plan:

Purpose

The Share Incentive Plan is established to recognize and acknowledge the contributions that the Participants (as defined below) have made to the growth and development of our Group, to promote the success and enhance the value of our Company by linking the personal interests of the Participants to those of the Shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to the Shareholders. The Share Incentive Plan will provide the Participants with an opportunity to acquire proprietary interests in our Company with the view to achieving the following principal objectives: (i) to motivate the Participants to optimize their performance and efficiency for the benefit of our Group; (ii) to attract and retain the Participants whose contributions are, will or expected to be beneficial to our Group; and (iii) to enable the Daojia Participants and GoGoVan Participants (each as defined below) to directly hold the relevant share options to be granted by our Company.

The Share Incentive Plan is administered by the Board or a committee (the "**Committee**") of one or more members of the Board to whom the Board shall delegate the authority to grant or amend Awards to Participants other than any of the Committee members.

Who may join

Those eligible to participate in the Share Incentive Plan include directors, employees and consultants of the Company, any parent or subsidiary (including the Daojia Participants and GoGoVan Participants, each as defined below), as determined by the Board or a committee authorized by the Board (the "**Administrator**"). The Administrator may, from time to time, select from among all eligible individuals (the "**Participants**") to whom awards in the form of options (the "**Options**" or "**Shares Options**"), restricted shares (the "**Restricted Shares**") and restricted share units ("**RSUs**") (collectively "**Awards**") will be granted, and will determine the nature and number of Awards to be granted and the number of Shares to which an Award will relate.

Other Information

Maximum number of Shares that may be issued under the Share Incentive Plan

The maximum aggregate number of Shares which may be issued under the Share Incentive Plan shall be 104,134,465 Shares, representing approximately 16.6% of the total issued Shares as of date of this interim report, including:

- i. 41,172,639 Shares reserved for eligible Participants who have been granted Awards by 58 Daojia prior to the Listing ("**Daojia Participants**");
- ii. 7,735,002 Shares reserved for eligible Participants who have been granted Awards by GoGoVan Cayman prior to the Listing ("**GoGoVan Participants**"); and
- iii. 55,226,824 Shares reserved for such eligible Participants as determined by the Administrator.

Under the Share Incentive Plan, there is no specific limit on the maximum number of Shares which may be granted to a single eligible participant.

Remaining Term of the Share Incentive Plan

The Share Incentive Plan is effective from August 18, 2021 (the "**Effective Date**") and will expire after the tenth anniversary of the Effective Date. Any Options or Awards granted that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Share Incentive Plan and the applicable Award Agreement (as defined below). As at the date of this interim report, the remaining term of the Share Incentive Plan was approximately 7 years and 11 months.

Options

General information on Options under Share Incentive Plan

(i) Exercise price

The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the written agreement, contract, or other instrument or document evidencing an Award (the "**Award Agreement**") which may be a fixed or variable price related to the fair market value of the Shares. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive.

(ii) Time and Conditions of Exercise

The Committee shall determine the time or times at which an Option may be exercised in whole or in part, provided that the term of any Option granted under the Share Incentive Plan shall not exceed ten years. The Committee shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised. The exercise period of the Options granted shall commence from the date on which relevant Options become vested and end on the expiry date (which shall be 10 years from the grant date, subject to the terms of the Share Incentive Plan and the relevant Award Agreement). The vesting period of Options granted to each grantee are set forth in the relevant Award Agreement. The total vesting period of the share options granted under the Share Incentive Plan ranges from 0 to 4 years.

Other Information

(iii) Payment

The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. dollars, (ii) to the extent permissible under the relevant applicable laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a fair market value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the trading date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; provided that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a fair market value equal to the exercise price, or (vii) any combination of the foregoing.

Restricted Shares

(i) Grant of Restricted Shares

The Committee, at any time and from time to time, may grant Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted to each Participant.

(ii) Restricted Shares Award Agreement

Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the period of restriction, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

(iii) Issuance and Restrictions

Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

(iv) Forfeiture and Repurchase

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

Other Information

RSUs

(i) Grant of RSUs

The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of RSUs to be granted to each Participant.

(ii) RSUs Award Agreement

Each Award of RSUs shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of RSUs granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

(iii) Performance Objectives and Other Terms

The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of RSUs that will be paid out to the Participants.

(iv) Form and Timing of Payment of RSUs

At the time of grant, the Committee shall specify the date or dates on which the RSUs shall become fully vested and non-forfeitable. Upon vesting, the Committee, in its sole discretion, may pay RSUs in the form of cash, in Shares or in a combination thereof.

(v) Forfeiture and Repurchase

Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, RSUs that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; provided, however, the Committee may (a) provide in any RSUs Award Agreement that restrictions or forfeiture and repurchase conditions relating to RSUs will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to RSUs.

Limits on Transfers

Unless otherwise expressly provided in (or pursuant to) the Share Incentive Plan, by applicable law and by the Award Agreement, as the same may be amended, and subject to certain limited exceptions, all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge; Awards will be exercised only by the Participant; and amounts payable or Shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Shares, registered in the name of, the Participant.

Other Information

Options Granted under the Share Incentive Plan

The Company was listed on the Stock Exchange on June 24, 2022. Prior to the Listing, Options in respect of all 104,134,465 Shares available for grant under the Share Incentive Plan had been granted to eligible participants under the Share Incentive Plan in January and May 2022.

After the Listing, no further Options or Awards would be granted under the Share Incentive Plan. The number of Shares available for grant under the scheme mandate of the Share Incentive Plan at the beginning and the end of the Reporting Period both were nil.

All grants under the Share Incentive Plan were made prior to the amendment to Chapter 17 of the Listing Rules taking effect from January 1, 2023.

Details of the movements of the Options granted under the Share Incentive Plan for the six months ended June 30, 2023 are set out below:

Name of grantees	Description	Number of Share Options outstanding as at January 1, 2023	Grant date	Exercise price (US\$)	Vesting period ⁽¹⁾	Number of Share Options granted during the Reporting Period	Number of Share Options exercised during the Reporting Period	Number of Share Options lapsed during the Reporting Period	Number of Share Options cancelled during the Reporting Period	Number of Share Options outstanding as at June 30, 2023	Fair value of the Options as of the date of grant ⁽²⁾ (US\$)	Weighted average closing price of the Shares immediately before the dates on which the Options were exercised (HK\$)
(1) Directors and senior management of the Company												
CHEN Xiaohua	Chairman of the Board and Executive Director	11,936,087	January 12, 2022 and May 24, 2022	0 to 0.38	0 to 4 years	-	-	-	-	11,936,087	-	-
HE Song	Executive Director and Co-Chief Executive Officer	16,537,168	January 12, 2022	0.01 to 0.38	0 to 4 years	-	-	-	-	16,537,168	-	-
LAM Hoi Yuen	Executive Director and Co-Chief Executive Officer	5,000,000	January 12, 2022	0.38	4 years	-	-	-	-	5,000,000	-	-
HU Gang	Executive Director and Chief Financial Officer	6,100,000	January 12, 2022	0.38	4 years	-	-	-	-	6,100,000	-	-
LEE Yew Cheung	Chief operating officer of the Company	1,753,959	January 12, 2022	0.0001 to 0.5	0 to 4 years	-	-	-	-	1,753,959	-	-
Subtotal		41,327,214				-	-	-	-	41,327,214		
(2) Employee participants (excluding the directors and senior management of the Company)^(a)												
In aggregate		30,759,157	January 12, 2022	0 to 0.78	0 to 4 years	-	2,829,546	-	1,272,883	26,656,728	-	3.5

Other Information

Name of grantees	Description	Number of Share Options outstanding as at January 1, 2023	Grant date	Exercise price (US\$)	Vesting period ⁽¹⁾	Number of Share Options granted during the Reporting Period	Number of Share Options exercised during the Reporting Period	Number of Share Options lapsed during the Reporting Period	Number of Share Options cancelled during the Reporting Period	Number of Share Options outstanding as at June 30, 2023	Fair value of the Options as of the date of grant ⁽²⁾ (US\$)	Weighted average closing price of the Shares immediately before the dates on which the Options were exercised (HK\$)
(3) Related entity participants with options granted in excess of 0.1% of the total Shares in issue												
DUAN Dong	Employee of a subsidiary of 58 Daojia	3,194,857	January 12, 2022	0.01 to 0.38	0 to 4 years	-	-	-	-	3,194,857	-	-
AN Jing	Former employee of a subsidiary of 58 Daojia	2,573,810	January 12, 2022	0.01 to 0.38	0 to 4 years	-	2,573,000	-	-	810	-	3.45
LI Ying	Former employee of a subsidiary of 58 Daojia	1,445,239	January 12, 2022	0.0015	0 year	-	1,185,200	-	-	260,039	-	2.79
LI Ruiling	Former employee of a subsidiary of 58 Daojia	1,276,191	January 12, 2022	0.0015	0 year	-	150,000	-	-	1,126,191	-	3.82
ZHUANG Jiandong	Employee of 58.com	816,762	January 12, 2022	0.01	0 year	-	816,762	-	-	-	-	3.68
JIA Xiangfei	Former employee of a subsidiary of 58 Daojia	765,714	January 12, 2022	0.01	0 year	-	-	-	-	765,714	-	-
YU Jianqiang	Former employee of a subsidiary of 58 Daojia	638,095	January 12, 2022	0.55	0 year	-	-	-	-	638,095	-	-
ZHOU Hao	Employee of 58.com	625,333	January 12, 2022	0.01	0 year	-	-	-	-	625,333	-	-
Subtotal		11,336,001				-	4,724,962	-	-	6,611,039		
(4) Other related entity participants (excluding the related entity participants listed out above)												
In aggregate		7,481,181	January 12, 2022	0.0015 to 0.78	0 to 4 years	-	592,467	-	12,500	6,876,214	-	2.90
(5) Service providers⁽⁴⁾												
In aggregate		445,465	January 12, 2022	0.0001 to 0.5	0 to 3 years	-	25,805	-	-	419,660	-	3.71
Total		91,349,018				-	8,172,780	-	1,285,383	81,890,855		

Notes:

- (1) The exercise period of the options granted shall commence from the date on which relevant Options become vested and end on the expiry date (which shall be 10 years from the grant date, subject to the terms of the Share Incentive Plan and the share option award agreement signed by the grantee).
- (2) As no Share Options were granted during the Reporting Period, the fair value of the Share Options granted during the Reporting Period is not applicable.
- (3) Employee participants include employees and former employees of the Group. None of the grants to such employee participants is in excess of the 1% individual limit.
- (4) None of the grants to such service providers is in excess of 0.1% of the total Shares in issue.

Other Information

As no Share Options were granted under the Share Incentive Plan during the Reporting Period, the number of Shares that may be issued in respect of Share Options granted under the Share Incentive Plan during the Reporting Period is nil.

Details of the movement of the options under the Share Incentive Plan are also set out in Note 18 to the unaudited condensed consolidated interim financial statements.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this interim report, at no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

On behalf of the Board

CHEN Xiaohua

Chairman and Executive Director

Hong Kong, August 24, 2023

Unaudited Condensed Consolidated Interim Statements of Comprehensive Income

	Notes	Six months ended June 30,	
		2023 RMB'000 (Unaudited)	2022 RMB'000 (Unaudited)
Revenue	5	371,758	348,755
Cost of revenue	6	(252,425)	(236,544)
Gross profit		119,333	112,211
Selling and marketing expenses	6	(110,557)	(167,941)
General and administrative expenses	6	(118,249)	(646,463)
Research and development expenses	6	(22,392)	(47,510)
(Impairment losses)/reversal of impairment losses on financial assets		(2,924)	550
Impairment of goodwill	12	(513,525)	-
Other income		1,162	6,031
Other gains/(losses), net		1,943	(869)
Operating loss		(645,209)	(743,991)
Finance income, net	7	803	1,114
Changes in fair value of financial liabilities at fair value through profit or loss	22	-	(308,063)
Share of net loss of a joint venture accounted for using the equity method		(604)	(117)
Loss before income tax		(645,010)	(1,051,057)
Income tax credit	8	2,072	1,993
Loss for the period		(642,938)	(1,049,064)
Other comprehensive income/(losses):			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of convertible redeemable preferred shares due to own credit risk		-	(31,039)
Currency translation differences		11,490	(175,470)
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		2,052	26,099
Total other comprehensive income/(losses)		13,542	(180,410)
Total comprehensive loss for the period		(629,396)	(1,229,474)

Unaudited Condensed Consolidated Interim Statements of Comprehensive Income

	Notes	Six months ended June 30,	
		2023	2022
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Loss for the period attributable to:			
Equity holders of the Company		(642,475)	(1,045,908)
Non-controlling interests		(463)	(3,156)
		(642,938)	(1,049,064)
Total comprehensive loss for the period attributable to:			
Equity holders of the Company		(628,900)	(1,226,345)
Non-controlling interests		(496)	(3,129)
		(629,396)	(1,229,474)
Loss per share attributable to the equity holders of the Company (expressed in RMB per share)			
Basic and diluted	9	(1.03)	(2.69)

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Unaudited Condensed Consolidated Interim Balance Sheets

	Notes	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Assets			
Non-current assets			
Right-of-use assets		32,303	21,046
Property, plant and equipment	11	8,163	6,938
Intangible assets	12	43,836	52,448
Goodwill	12	536,051	1,048,062
Investment in a joint venture		1,432	2,036
Prepayments, deposits and other receivables		4,175	7,113
		625,960	1,137,643
Current assets			
Accounts receivables	13	100,395	96,709
Prepayments, deposits and other receivables		35,787	30,613
Financial assets at fair value through profit or loss	14	268,021	258,342
Restricted cash		78,458	70,839
Cash and cash equivalents	15	202,296	330,734
		684,957	787,237
Total assets		1,310,917	1,924,880
Equity			
Share capital	16	11	10
Other reserves	17	7,772,823	7,730,903
Accumulated losses		(6,906,714)	(6,246,066)
Equity attributable to equity holders of the Company		866,120	1,484,847
Non-controlling interests		(1,260)	(764)
Total equity		864,860	1,484,083

Unaudited Condensed Consolidated Interim Balance Sheets

	Notes	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Liabilities			
Non-current liabilities			
Lease liabilities		18,779	13,028
Deferred tax liabilities		9,475	11,402
		28,254	24,430
Current liabilities			
Accounts payables	19	56,430	51,832
Accruals and other payables	20	313,175	322,147
Contract liabilities	21	10,923	7,710
Current tax liabilities		17,659	17,791
Other tax liabilities		6,222	9,238
Lease liabilities		13,394	7,649
		417,803	416,367
Total liabilities		446,057	440,797
Total equity and liabilities		1,310,917	1,924,880

The above consolidated balance sheets should be read in conjunction with the accompanying notes.

Unaudited Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to equity holders of the Company				Non-controlling interests	Total
	Share capital	Other reserves	Accumulated losses	Sub-total		
	RMB'000	RMB'000	RMB'000	RMB'000		
(Unaudited)						
Balance as at January 1, 2022	6	2,513,753	(4,589,568)	(2,075,809)	-	(2,075,809)
Loss for the period	-	-	(1,045,908)	(1,045,908)	(3,156)	(1,049,064)
Other comprehensive income/(loss):						
Changes in fair value of convertible redeemable preferred shares due to own credit risk (Note 22)	-	(31,039)	-	(31,039)	-	(31,039)
Currency translation differences	-	(149,398)	-	(149,398)	27	(149,371)
Total comprehensive loss for the period	-	(180,437)	(1,045,908)	(1,226,345)	(3,129)	(1,229,474)
Transactions with equity holders:						
Exercise of share options	-*	-	-	-	-	-
Equity-settled share-based compensation (Note 18)	-	581,799	-	581,799	-	581,799
Contribution from non-controlling shareholders of subsidiaries	-	-	-	-	3,107	3,107
Conversion of convertible redeemable preferred shares to ordinary shares (Note 16)	3	3,739,016	-	3,739,019	-	3,739,019
Deemed distribution to shareholders	-	477,533	(477,533)	-	-	-
Transfer of accumulated changes in fair value due to own credit risk upon derecognition of other financial liabilities at fair value through profit or loss to accumulated losses	-	(43,976)	43,976	-	-	-
Issuance of ordinary shares relating to initial public offering, netting of underwriting commission and other issuance costs (Note 16)	1	551,139	-	551,140	-	551,140
Total transactions with equity holders	4	5,305,511	(433,557)	4,871,958	3,107	4,875,065
Balance as at June 30, 2022	10	7,638,827	(6,069,033)	1,569,804	(22)	1,569,782

* Less than RMB1,000

Unaudited Condensed Consolidated Interim Statements of Changes in Equity

	Attributable to equity holders of the Company					Non-controlling interests	Total
	Share capital	Other reserves	Accumulated losses	Sub-total			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
(Unaudited)							
Balance as at January 1, 2023	10	7,730,903	(6,246,066)	1,484,847	(764)	1,484,083	
Loss for the period	-	-	(642,475)	(642,475)	(463)	(642,938)	
Other comprehensive income/(loss):							
Currency translation differences	-	13,575	-	13,575	(33)	13,542	
Total comprehensive income/(loss) for the period	-	13,575	(642,475)	(628,900)	(496)	(629,396)	
Transactions with equity holders:							
Exercise of share options	1	2,020	-	2,021	-	2,021	
Equity-settled share-based compensation (Note 18)	-	8,152	-	8,152	-	8,152	
Deemed distribution to shareholders	-	18,173	(18,173)	-	-	-	
Total transactions with equity holders	1	28,345	(18,173)	10,173	-	10,173	
Balance as at June 30, 2023	11	7,772,823	(6,906,714)	866,120	(1,260)	864,860	

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash used in operations	(125,527)	(147,318)
Increase in client segregated accounts	(2,477)	-
Income tax paid, net	(59)	-
Net cash used in operating activities	(128,063)	(147,318)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,933)	(4,974)
Purchase of intangible assets	(10)	-
Purchase of financial assets at fair value through profit or loss	(99,000)	-
Proceeds from disposal of property, plant and equipment	14	14
Proceeds from disposal of financial assets at fair value through profit or loss	101,297	-
Interest received from bank deposits	1,543	1,316
Net cash generated from/(used in) investing activities	911	(3,644)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares relating to initial public offering	-	573,533
Proceeds from exercise of share options	2,021	-
Repayment of principal portions of lease liabilities	(6,639)	(5,134)
Repayment of interest portions of lease liabilities	(740)	(202)
Capital contribution from non-controlling interests	-	3,107
Listing expenses paid	-	(4,999)
Net cash (used in)/generated from financing activities	(5,358)	566,305
Net (decrease)/increase in cash and cash equivalents	(132,510)	415,343
Cash and cash equivalents at beginning of the period	330,734	312,997
Exchange differences on cash and cash equivalents	1,567	20,388
Cash and cash equivalents at end of the period	199,791	748,728
Representing:		
Cash and bank balances as stated in the condensed consolidated interim balance sheets	202,296	748,728
Less: Client segregated accounts	(2,505)	-
	199,791	748,728

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

1 General information

GOGOX HOLDINGS LIMITED (the “**Company**”) was incorporated in the Cayman Islands on June 8, 2017 as an exempted company with limited liability. The registered office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries, its controlled structured entities (“**Structured Entities**”, “**Variable Interest Entities**” or “**VIEs**”) and their subsidiaries (“**Subsidiaries of VIEs**”) (collectively, the “**Group**”) are principally engaged in the provision of logistic and delivery solution services and platform services which uses technology to connect transacting user and logistic and delivery service provider in Chinese mainland, Hong Kong, Singapore, Republic of Korea (“**Korea**”), and other Asian countries.

The consolidated financial statements are presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

2 Basis of preparation

This condensed consolidated interim financial information of the Group for the six months period ended June 30, 2023 (the “**Interim Financial Information**”) has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”).

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. Accordingly, this Interim Financial Information should be read in conjunction with the consolidated financial statements of the Group (which have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”)) for the year ended December 31, 2022.

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this Interim Financial Information, the significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2022, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings.

3 Change in accounting policy and disclosures

The accounting policies as adopted by the Group are consistent with those set out in the annual consolidated financial statements for the year ended December 31, 2022, except for the adoption of new/amended standards and also the changes in an accounting policy as described below.

(a) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period:

Amendments to IFRS 17	Insurance contracts and related Amendments
Amendment to IAS 12	International tax reform – pillar two model rules

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

3 Change in accounting policy and disclosures (Continued)

(a) New and amended standards adopted by the Group (Continued)

The amended standards listed above did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future period.

(b) New Standard and amendments to standards that have been issued but are not yet effective

Certain new and amended standards have been issued but are not yet effective for the year beginning on January 1, 2023 and have not been early adopted by the Group during the period ended June 30, 2023.

		Effective for accounting periods beginning on or after
Amendments to IFRS 16	Leases on sale and leaseback	January 1, 2024
Amendments to IAS 1	Non-current liabilities with covenants	January 1, 2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	January 1, 2024
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of the impact of these new and amended standards, and has concluded on a preliminary basis that the adoption of these new and amended standards is not expected to have a significant impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4 Fair value estimation

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 financial statements. 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. An explanation of each level follows underneath the table.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

4 Fair value estimation (Continued)

The following table presents the Group's financial liabilities that are measured at fair value as at June 30, 2023 and December 31, 2022:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at June 30, 2023 (Unaudited)				
Financial assets				
Financial assets at fair value through profit or loss – Wealth management products (Note 14)	–	268,021	–	268,021
As at December 31, 2022 (Audited)				
Financial assets				
Financial assets at fair value through profit or loss – Wealth management products (Note 14)	–	258,342	–	258,342

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the six months ended June 30, 2023 and 2022.

(a) Financial instruments in 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. As at June 30, 2023 and December 31, 2022, the Group's financial assets at fair value through profit or loss are measured at fair value through profit or loss. The fair values are categorised as level 2 which are quoted prices available from over-the-counter markets.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

4 Fair value estimation (Continued)

(a) Financial instruments in Level 2 (continued)

The movement of financial assets at fair value through profit or loss are as follows:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
At January 1	258,342	–
Additions	99,000	–
Disposals	(101,297)	–
Fair value changes on financial assets at fair value through profit or loss	2,289	–
Currency translation differences	9,687	–
At June 30 (Unaudited)	268,021	–

(b) Financial instruments at amortised cost

The carrying amounts of the Group's financial assets measured at amortised costs, including accounts receivables, deposits and other receivables, cash and cash equivalents and restricted cash and the Group's financial liabilities measured at amortised costs, including accounts payables, accruals and other payables, amounts due to related parties and other borrowing, and lease liabilities approximate their fair values due to their short maturities or the interest rates are close to the market interest rates.

5 Segment reporting

The chief operating decision-maker ("CODM") of the Group has been identified as the executive directors of the Company. The executive directors regularly review revenue/income and operating results derived from different segments.

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, mainly includes the directors of the Company that make strategic decisions. The Group evaluated its operating segments separately, and determined that it has reportable segments as i) Chinese mainland operations and ii) Hong Kong and overseas operations.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

5 Segment reporting (Continued)

The CODM assesses the performance of the operating segments mainly based on revenue of each operating segment. Thus, segment result would present revenues for each segment only, which is in line with the CODM's performance review. There were no material inter-segment revenue during six months ended June 30, 2023 and 2022.

There were no separate segment assets and segment liabilities information provided to the CODM as CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

	Six months ended June 30, 2023 (Unaudited)			Six months ended June 30, 2022 (Unaudited)		
	Chinese mainland operations RMB'000	Hong Kong and overseas operations RMB'000	Total RMB'000	Chinese mainland operations RMB'000	Hong Kong and overseas operations RMB'000	Total RMB'000
Revenue:						
Logistics services provided to enterprise customers	52,715	175,784	228,499	64,262	150,713	214,975
Service income from logistics services platforms	82,239	27,256	109,495	88,227	22,189	110,416
Value-added services (Note)	13,241	20,523	33,764	11,185	12,179	23,364
Total	148,195	223,563	371,758	163,674	185,081	348,755
Timing of revenue recognition for revenue from contracts with customers:						
Over time	56,304	179,691	235,995	62,797	160,093	222,890
A point in time	91,891	43,872	135,763	100,877	24,988	125,865
Total	148,195	223,563	371,758	163,674	185,081	348,755

Note: The value-added services included rental income from vehicle rental business amounted to approximately RMB84,000 and RMB15,000 for six months ended June 30, 2023 and 2022, respectively.

Valued-added services also included provision of fuel card services with the gross merchandise volume of approximately RMB72,862,000 and RMB61,561,000 for six months ended June 30, 2023 and 2022, respectively.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

6 Expenses by nature

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Auditor's remuneration		
– Audit services	3,720	5,145
– Non-audit services	223	–
Depreciation and amortisation	17,797	16,063
Employee benefit expenses (including share-based compensation expenses)	147,495	701,721
Incentives to transacting users from platform services	35,404	43,445
Listing expenses	–	41,023
Payment of processing costs	3,350	3,173
Professional service costs	15,650	12,438
Promotion and advertising	12,282	22,166
Recruitment costs	1,846	1,395
Service charges	9,590	8,395
Short term lease expenses	1,122	5,070
Subcontracting fee		
– logistics services providers	207,698	181,614
– others	24,444	33,001
Travelling expenses	4,122	3,284
Others	18,880	20,525
Total cost of revenue, selling and marketing expenses, research and development expenses and general and administrative expenses	503,623	1,098,458

7 Finance income, net

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Finance income:		
Interest income from bank deposit	1,543	1,316
Finance costs:		
Interest expense on lease liabilities	(740)	(202)
Finance income, net	803	1,114

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

8 Income tax credit

The income tax credit of the Group is analysed as follows:

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current income tax	(67)	-
Deferred income tax	(2,005)	(1,993)
	(2,072)	(1,993)

(a) Enterprise income tax in Chinese mainland ("EIT")

The income tax provision of the Group in respect of its operations in Chinese mainland was calculated at a tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretations and practices in respect thereof. The Chinese mainland income tax rate of all Chinese mainland subsidiaries during six months ended June 30, 2023 and 2022 was 25% on their taxable profits.

According to the relevant laws and regulations promulgated by the State Council of the Chinese mainland that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("**Super Deduction**"). The State Taxation Administration of the Chinese mainland announced in September 2018 that enterprises engaging in research and development activities would be entitled to claim 175% of their research and development expenses as Super Deduction. The deduction percentage is changed to 200% from October 2022. For the period ended June 30, 2023, the Group decided to claim the Super Deduction for the Tianjin 58 Daojia Technology Co., Ltd..

(b) Hong Kong

Pursuant to the enactment of two-tiered profit tax rates by the Inland Revenue Department of Hong Kong, the Group's first HK\$2 million of assessable profits under Hong Kong profits tax is subject to tax rate of 8.25%. The Group's remaining assessable profits above HK\$2 million will continue to be subject to a tax rate of 16.5%.

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profit subject to Hong Kong profits tax during six months ended June 30, 2023 and June 30, 2022.

(c) Other countries

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act [Cap. 22, Law 3 of 1961 as consolidated and revised] of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. As such, the operating results reported by the Company is not subject to any income tax.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

8 Income tax credit (Continued)

(c) Other countries (Continued)

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 Singapore, Korea and Vietnam have been provided for at the applicable rates on the estimated assessable profits less estimated available tax losses.

9 Loss per share

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss attributable to the equity holders of the Company used in calculating basic loss per share (in RMB'000)	(642,475)	(1,045,908)
Weighted average number of ordinary shares outstanding (in thousands of shares)	625,541	389,131
Basic loss per share	(1.03)	(2.69)

(b) Diluted loss per share

During six months ended June 30, 2023, the Company did not have any dilutive potential ordinary shares (six months ended June 30, 2022: same).

As the Group incurred losses for six months ended June 30, 2023 and 2022, the potential ordinary shares were not included in the calculation of dilutive losses per share, which would be anti-dilutive. Accordingly, dilutive losses per share for six months ended June 30, 2023 and 2022 was same as the basic loss per share for the respective periods.

10 Dividends

No dividends have been paid or declared by the Company and its subsidiaries during six months ended June 30, 2023 and 2022.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

11 Property, plant and equipment

	Office furniture RMB'000	Vehicle RMB'000	Equipment RMB'000	Leasehold improvements RMB'000	Total RMB'000
As at January 1, 2022					
Cost	1,206	332	12,210	6,773	20,521
Accumulated depreciation	(905)	(121)	(9,320)	(5,059)	(15,405)
Net book amount	301	211	2,890	1,714	5,116
Year ended December 31, 2022 (Audited)					
Opening net book amount	301	211	2,890	1,714	5,116
Additions	155	37	3,116	2,921	6,229
Disposals	-	(121)	(494)	(212)	(827)
Depreciation	(177)	(68)	(2,116)	(1,594)	(3,955)
Exchange difference	20	13	160	182	375
Closing net book amount	299	72	3,556	3,011	6,938
As at December 31, 2022 (Audited)					
Cost	1,464	174	14,536	8,171	24,345
Accumulated depreciation	(1,165)	(102)	(10,980)	(5,160)	(17,407)
Net book amount	299	72	3,556	3,011	6,938
Six months ended June 30, 2023 (Unaudited)					
Opening net book amount	299	72	3,556	3,011	6,938
Additions	267	18	750	1,898	2,933
Disposals	(3)	-	(8)	(11)	(22)
Depreciation	(92)	(19)	(950)	(818)	(1,879)
Exchange difference	10	3	66	114	193
Closing net book amount	481	74	3,414	4,194	8,163
As at June 30, 2023 (Unaudited)					
Cost	1,547	199	15,298	10,190	27,234
Accumulated depreciation	(1,066)	(125)	(11,884)	(5,996)	(19,071)
Net book amount	481	74	3,414	4,194	8,163

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

12 Goodwill and intangible assets

	Goodwill RMB'000	Brand name RMB'000	Customer relationship RMB'000	Other intangible assets			Subtotal RMB'000	Total RMB'000
				Computer software RMB'000	License RMB'000			
As at January 1, 2022								
Cost	1,020,338	95,211	47,111	2,731	-	145,053	1,165,391	
Accumulated amortisation	-	(41,257)	(34,062)	(1,388)	-	(76,707)	(76,707)	
Net book amount	1,020,338	53,954	13,049	1,343	-	68,346	1,088,684	
Year ended December 31, 2022 (Audited)								
Opening net book amount	1,020,338	53,954	13,049	1,343	-	68,346	1,088,684	
Additions	-	-	-	14	433	447	447	
Amortisation	-	(9,660)	(7,975)	(369)	(30)	(18,034)	(18,034)	
Exchange differences	27,724	1,346	306	40	(3)	1,689	29,413	
Closing net book amount	1,048,062	45,640	5,380	1,028	400	52,448	1,100,510	
As at December 31, 2022 (Audited)								
Cost	1,048,062	97,798	48,441	2,840	430	149,509	1,197,571	
Accumulated amortisation	-	(52,158)	(43,061)	(1,812)	(30)	(97,061)	(97,061)	
Net book amount	1,048,062	45,640	5,380	1,028	400	52,448	1,100,510	
Six months ended June 30, 2023 (Unaudited)								
Opening net book amount	1,048,062	45,640	5,380	1,028	400	52,448	1,100,510	
Additions	-	-	-	10	-	10	10	
Amortisation	-	(4,874)	(4,023)	(79)	(37)	(9,013)	(9,013)	
Impairment	(513,525)	-	-	-	-	-	(513,525)	
Exchange differences	1,514	392	-	(12)	11	391	1,905	
Closing net book amount	536,051	41,158	1,357	947	374	43,836	579,887	
As at June 30, 2023 (Unaudited)								
Cost	1,049,576	98,779	48,925	2,862	444	151,010	1,200,586	
Accumulated amortisation and impairment	(513,525)	(57,621)	(47,568)	(1,915)	(70)	(107,174)	(620,699)	
Net book amount	536,051	41,158	1,357	947	374	43,836	579,887	

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

12 Goodwill and intangible assets (Continued)

Impairment test for goodwill

The goodwill mainly arose from the acquisition of the subsidiaries and Structured Entities of GoGo Tech Holdings Limited (collectively referred to as “GoGoVan”) in 2017. GoGoVan is primarily engaged in the provision of logistics services and platform services in the Chinese mainland, Hong Kong and other Asian countries. 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.

Upon completion of the acquisition of GoGoVan, the Group integrated GoGoVan’s business in the Chinese mainland into the Group’s Chinese mainland operations in order to improve the operational efficiency, while GoGoVan’s business in Hong Kong and other Asian countries was monitored separately. Thus, management considers that the operating segment which is the lowest level within the Group at which the goodwill is allocated for internal management purpose.

Management reviews the business performance and monitors goodwill resulted from the acquisition on operating segment level. The Group performed its impairment test on goodwill by comparing the recoverable amounts of CGU or group of CGUs to the respective carrying amounts. The Company used the income approach, i.e. the discounted cash flow method, to determine the fair value of the CGUs.

The summary of goodwill allocation for each operating segment is as follows:

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Chinese mainland operations	413,824	720,902
Hong Kong and overseas operations	122,227	327,160
	536,051	1,048,062

An impairment review of the goodwill arising from the acquisition of GoGoVan has been conducted by the management annually or more frequently if events or changes in circumstances indicate a potential impairment. For the purpose of the impairment review, the recoverable amounts of the CGUs are determined by higher of a CGUs fair value less cost of disposal and value-in-use by using the discounted cash flow method. The Group believes that it is appropriate for the cash flow projections to cover a five-years period as at each year end or events or changes in circumstances indicate a potential impairment.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

12 Goodwill and intangible assets (Continued)

Impairment test for goodwill (Continued)

In July 2023, during the preparation of the condensed consolidated interim financial statements for the six months ended June 30, 2023, the management of the Company noted certain impairment indicators for goodwill. During the six months period ended June 30, 2023, due to the increasingly challenging market conditions faced by its Chinese mainland, Hong Kong and overseas operations. The Group did not meet its originally anticipated growth in revenue and earnings and the on-demand logistics market in Chinese mainland and Hong Kong is suffering from lower than expected post-pandemic compound annual revenue growth. Although both the Group and the market showed optimism towards the post-pandemic economic recovery in 2023, the overall economic rebound, particularly the Chinese mainland market, fell short of expectations in the first half of 2023. Additionally, the market capitalization of the technology sector, which the Group's business situated, experienced a downward trend, indicating a decline in the perceived value of the Group's business by market participants.

The directors assess the recoverable amount of the CGU, based on a FVLCOD calculations which uses cash flow projection based on the revised financial budgets covering five financial years, with reference to the valuation performed by PG Advisory (PGA), an independent professional valuer. In response to the latest market situation, the Group underwent a strategic transformation, shifting its focus away from pursuing revenue growth through high subsidy. Recently, the Board also revised downwards its forecast for revenue growth and cash flow projections. These revisions were made to reflect the information available to the Board, including the macro-economic environment, the logistics industry outlook and the market interest rates. An increase in market interest rates, a decrease in the GDP of the countries where the CGUs operate and a decrease in the growth of the logistics industry in the CGUs resulted in the Board revising downwards its revenue growth and cash flow projections.

(i) Chinese mainland operations

The directors and management considered financial budgets prepared is appropriate after considering the revised business development plan, sustainability of business growth, stability of core business developments and achievement of business targets. The financial model assumes a compound annual growth rate of revenue of 23% (December 31, 2022: 36%), a compound annual growth rate of operating cost and expenses of 14% (December 31, 2022: 24%) for five financial years budgets, a pre-tax discount rate of 15% (December 31, 2022: 15.5%) per annum and a long term growth rate of 2.2% (December 31, 2022: 3%) per annum beyond the five years period taking into account of long term gross domestic product growth, inflation rate and other relevant economic factors. During the forecast period, cost of revenue as a percentage of revenue remained between 55% to 57% (December 31, 2022: 53% to 59%).

(ii) Hong Kong and overseas operations

The directors and management considered financial budgets prepared is appropriate after considering the revised business development plan, sustainability of business growth, stability of core business developments and achievement of business targets. The financial model assumes a compound annual growth rate of revenue of 17% (December 31, 2022: 28%), a compound annual growth rate of operating cost and expenses of 11% (December 31, 2022: 22%) for five financial years budgets, a pre-tax discount rate of 15% (December 31, 2022: 15.5%) per annum and a long term growth rate of 2.2% (December 31, 2022: 3%) per annum beyond the five years period taking into account of long term gross domestic product growth, inflation rate and other relevant economic factors. During the forecast period, cost of revenue as a percentage of revenue remained between 71% to 77% (December 31, 2022: 72% to 75%).

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

12 Goodwill and intangible assets (Continued)

Impairment test for goodwill (Continued)

As a result of the impairment assessment, the Group recognised impairment for goodwill for the (i) Chinese mainland operations and (ii) Hong Kong and overseas operations amounting to RMB307,078,000 and RMB206,447,000 respectively.

(iii) The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them:

	Chinese mainland operations	Hong Kong and overseas operations
June 30, 2023		
Compound annual growth rate of revenue	23%	17%
Compound annual growth rate of operating cost and expenses	14%	11%
Long term growth rate	2.2%	2.2%
Post-tax discount rate	15%	15%
December 31, 2022		
Compound annual growth rate of revenue	36%	28%
Compound annual growth rate of operating cost and expenses	24%	22%
Long term growth rate	3%	3%
Post-tax discount rate	15.5%	15.5%

13 Accounts receivables

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Accounts receivables	119,072	112,398
Less: loss allowance	(18,677)	(15,689)
Accounts receivables, net	100,395	96,709

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

13 Accounts receivables (Continued)

The Group typically grants credit period ranging from 30 days to 60 days to its customers for different revenue streams. Aging analysis of accounts receivables based on invoice date is as follows:

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
0 to 30 days	72,093	58,266
31 to 60 days	14,999	21,434
61 to 90 days	6,527	8,914
Over 90 days	6,776	8,095
	100,395	96,709

14 Financial assets at fair value through profit or loss

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Wealth management products	268,021	258,342

Note:

The wealth management products which are unlisted and carry interest at fixed rates ranging from 1.2% to 1.6% per annum and repayable on demand.

The fair values of all of the Group's financial assets at FVPL are categorised as level 2 which are quoted prices available from over-the-counter markets.

For the methods and assumptions used in determining the fair value of the above instruments, please refer to Note 4.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

15 Cash and cash equivalents

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Cash at bank and in hand	192,893	324,827
Cash at licensed payment platforms (Note (i))	6,898	5,907
Client segregated accounts (Note (ii))	2,505	-
Total cash and cash equivalents	202,296	330,734

The cash and cash equivalent as at June 30, 2023 and December 31, 2022 are denominated in RMB and US\$, respectively.

Notes:

- (i) Cash at licensed payment platforms are denominated in RMB, represent cash that were deposited with licensed payment platforms in the Chinese mainland. The balances were unsecured and interest free.
- (ii) Client segregated accounts relates to cash held for insurance premiums received from policy holders which will ultimately be paid to insurers. Client segregated accounts cannot be used to meet business obligations/operating expenses other than payments to insurers and/or refunds to policy holders.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

16 Share capital

Authorised:

	Number of ordinary shares at US\$ 0.0000025 each '000	Number of Class A ordinary shares at US\$ 0.0000025 each '000	Number of Class B ordinary shares at US\$ 0.0000025 each '000	Total number of ordinary shares at US\$ 0.0000025 each '000	Nominal value of ordinary share US\$'000	Number of Series A preferred shares at US\$ 0.0000025 each '000	Number of Series B preferred shares at US\$ 0.0000025 each '000	Number of Series C preferred shares at US\$ 0.0000025 each '000	Total number of preferred shares at US\$ 0.0000025 each '000	Nominal value of preferred share US\$'000	Total number of shares '000	Nominal value of share capital US\$'000
As at January 1, 2022	-	19,089,862	311,111	19,400,973	49	368,196	173,914	56,917	599,027	1	20,000,000	50
Conversion of convertible redeemable preferred shares to ordinary shares	599,027	-	-	599,027	1	(368,196)	(173,914)	(56,917)	(599,027)	(1)	-	-
Issuance of ordinary shares relating to initial public offering, netting of underwriting commissions and other issuance costs (Note (ii))	19,400,973	(19,089,862)	(311,111)	-	-	-	-	-	-	-	-	-
As at December 31, 2022 (Audited) and June 30, 2023 (Unaudited)	20,000,000	-	-	20,000,000	50	-	-	-	-	-	20,000,000	50

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

16 Share capital (Continued)

Issued and fully paid:

	Number of ordinary shares at US\$ 0.0000025 each '000	Number of Class A ordinary shares at US\$ 0.0000025 each '000	Number of Class B ordinary shares at US\$ 0.0000025 each '000	Total number of ordinary shares at US\$ 0.0000025 each '000	Nominal value of ordinary share RMB'000	Nominal value of Class A ordinary shares RMB'000	Nominal value of Class B ordinary shares RMB'000	Share capital RMB'000
As at January 1, 2022	-	102,719	269,938	372,657	-	2	4	6
Exercise of share option (Note (i))	11,074	-	-	11,074	-*	-	-	-*
Conversion Class A ordinary shares to ordinary shares	102,719	(102,719)	-	-	2	(2)	-	-
Conversion Class B ordinary shares to ordinary shares	269,938	-	(269,938)	-	4	-	(4)	-
Conversion of convertible redeemable preferred shares to ordinary	203,759	-	-	203,759	3	-	-	3
Issuance of ordinary shares relating to initial public offering, netting of underwriting commissions and other issuance costs (Note (ii))	31,200	-	-	31,200	1	-	-	1
As at December 31, 2022 (Audited)	618,690	-	-	618,690	10	-	-	10
Exercise of share options (Note (iii))	8,173	-	-	8,173	1	-	-	1
As at June 30, 2023 (Unaudited)	626,863	-	-	626,863	11	-	-	11

* Less than US\$1,000 or RMB1,000

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

16 Share capital (Continued)

Notes:

- (i) During the year ended December 31, 2022, 11,074,673 shares were issued upon exercise of share options under the Share Incentive Plan of the Company at exercise price ranging from US\$ nil to US\$0.0252, and resulted in approximately RMB180 increase in share capital and RMB157,792,000 increase in share premium.
- (ii) On June 24, 2022, upon the Listing on the Main Board of the Stock Exchange, the Company issued 31,200,000 new ordinary shares at par value of US\$0.0000025 per share for cash consideration of HK\$21.5 each, and raised gross proceeds of approximately HK\$670.8 million (equivalent to approximately RMB573.5 million). The nominal value of the share capital was approximately RMB1,000 and share premium arising from the issuance was approximately RMB551.1 million, after netting off share issuance costs of RMB22.4 million.
- (iii) During the six month period ended June 30, 2023, 8,172,780 shares were issued upon exercise of share options under the Share Incentive Plan of the Company at exercise price ranging from US\$0.0001 to US\$0.38, and resulted in approximately RMB135 increase in share capital and RMB166,596,000 increase in share premium.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

17 Other reserves

	Share premium RMB'000	Capital reserve RMB'000	Share-based compensation reserve RMB'000	Exchange reserve RMB'000	Others RMB'000	Total RMB'000
(Audited)						
As at January 1, 2022	76,581	322,983	121,545	137,008	1,855,636	2,513,753
Changes in fair values of convertible redeemable preferred shares due to own credit risk (Note 22)	-	-	-	-	(31,039)	(31,039)
Conversion of convertible redeemable preferred shares to ordinary shares	3,739,016	-	-	-	-	3,739,016
Issuance of ordinary shares relating to initial public offering, netting of underwriting commission and other issuance costs (Note 16)	556,302	-	-	-	-	556,302
Transfer of accumulated changes in fair value due to own credit risk upon derecognition of other financial liabilities at fair value through profit or loss to accumulated losses	-	-	-	-	(43,976)	(43,976)
Equity-settled share-based compensation	-	-	626,514	-	-	626,514
Deemed contribution to shareholders	-	-	495,066	-	-	495,066
Exercise of share options	157,792	-	(157,645)	-	-	147
Currency translation differences	-	-	-	(124,880)	-	(124,880)
As at December 31, 2022	4,529,691	322,983	1,085,480	12,128	1,780,621	7,730,903
(Unaudited)						
As at January 1, 2023	4,529,691	322,983	1,085,480	12,128	1,780,621	7,730,903
Equity-settled share-based compensation	-	-	8,152	-	-	8,152
Exercise of share options	166,596	-	(164,576)	-	-	2,020
Deemed contribution to shareholders	-	-	18,173	-	-	18,173
Currency translation differences	-	-	-	13,575	-	13,575
As at June 30, 2023	4,696,287	322,983	947,229	25,703	1,780,621	7,772,823

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation

Share options

2015 Share Incentive Plan of 58 Daojia

The employees of the Group are eligible for 2015 Share Incentive Plan of 58 Daojia. Accordingly, the Group accounted for such plan by measuring the services received from the grantees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognised a corresponding increase in equity as a deemed contribution from 58 Daojia in accordance with IFRS 2.

The share options shall be subject to different vesting schedules of four or five years from the vesting commencement date, subject to the participant continuing to be an employee through each vesting date. The options may exercise of any time after the initial public offering of 58 Daojia provided the options have vested and subject to the term of the share option agreement. For vesting schedule of four years, i) 50% of the granted share options are vested on the second anniversary from the vesting commencement date and ii) 12.5% granted share options are vested every six months in the following two subsequent years, respectively. For vesting schedule as five years, i) 40% of the granted share options are vested on the second anniversary from the vesting commencement date and ii) 10% granted share options are vested every six months in the following three subsequent years, respectively.

In October 2020, 58 Daojia modified a portion of the outstanding options granted under the 2015 Share Incentive Plan of 58 Daojia. Holders of the modified options were granted with options of the Daojia Limited under the Daojia Limited's newly adopted incentive plan ("**2019 Share Incentive Plan of Daojia Limited**"). The holders continued to hold options of 58 Daojia, but agreed to waive all the economic interests of the Daojia Limited that those 58 Daojia options may have. The vesting schedule of the new options of the Daojia Limited as well as the modified options of 58 Daojia would primarily follow that of the original options being modified.

In January 12, 2022, the options under the 2015 Share Incentive Plan of 58 Daojia were modified with the options of the Company under the Company's newly adopted incentive plan ("**2021 Share Incentive Plan**").

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

2015 Share Incentive Plan of 58 Daojia (Continued)

Set out below are the summaries of options granted under the plan:

	Number of share options	Weighted average exercise price per share option US\$
Outstanding as at January 1, 2022 and January 1, 2023	1,565,500	0.65
Forfeited during the year	-	-
Outstanding as at December 31, 2022 (Audited) and June 30, 2023 (Unaudited)	1,565,500	0.65
Vested and exercisable as at December 31, 2022 (Audited) and June 30, 2023 (Unaudited)	-	-

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

2015 Share Incentive Plan of 58 Daojia (Continued)

Share options outstanding at the end of each financial reporting date have the following expiry date and exercise price.

Grant date	Expiry date	Exercise price	Vesting years/condition	Number of share option	
				As at June 30, 2023 (Unaudited)	As at December 31, 2022 (Audited)
February 10, 2015	February 9, 2025	US\$0.03	4 years from commencement date	154,000	154,000
February 10, 2015	February 9, 2025	US\$0.04	4-5 years from commencement date	269,000	269,000
April 30, 2015	April 30, 2025	US\$0.04	4 years from commencement	52,000	52,000
October 5, 2016	October 5, 2026	US\$0.92	4 years from commencement	986,000	986,000
October 1, 2017	October 1, 2027	US\$0.92	4 years from commencement	104,500	104,500
October 1, 2017	October 1, 2027	US\$1.31	4 years from commencement	-	-
Total				1,565,500	1,565,500
Weighted average remaining contractual life of options outstanding at end of the period/year				2.83 years	3.33 years

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

2015 Share Incentive Plan of 58 Daojia (Continued)

Based on fair value of the underlying ordinary shares, the Group has used Binomial model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

	Six months ended June 30,	
	2023 (Unaudited)	2022 (Unaudited)
Fair value of the underlying shares on the date of option grants (in US\$)	0.18-2.60	0.18-2.60
Risk-free interest rate (i)	2.27%-2.98%	2.27%-2.98%
Expected life (ii)	10 years	10 years
Expected volatility (iii)	51.00%-60.00%	51.00%-60.00%
Dividend yield (iv)	0.0%	0.0%

(i) Risk-free interest rate is based on the market yield of US Government Bonds with maturity date close to the life of options as of the Valuation Date, plus country risk spread.

(ii) Expected life of share options is based on the term prescribed in share option award agreement.

(iii) Expected volatility is assumed based on the historical price volatility of ordinary shares of comparable companies in the period equal to the expected life of each grant.

(iv) Expected dividend yield is assumed to be nil as the Company has no history or expectation of paying a dividend on its ordinary shares.

The weighted average grant date fair value of options granted for six months ended June 30, 2023 and 2022 were US\$0.65 and US\$0.65 per share, respectively.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

2019 Share Incentive Plan of Daojia Limited

The employees of the Group are eligible for 2019 Share Incentive Plan of Daojia Limited, the associate of 58 Daojia. The Group has no obligation to settle the share-based payment transaction but also applies the principles of IFRS 2 to measure the service received as an equity-settled share-based payment transaction.

Set out below are the summaries of options granted under the plan:

	Number of share options	Weighted average exercise price per share option US\$
Outstanding as at January 1, 2022 and January 1, 2023	494,085	1.04
Outstanding as at December 31, 2022 (Audited) and June 30, 2023 (Unaudited)	494,085	1.04
Vested and exercisable as at December 31, 2022 (Audited) and June 30, 2023 (Unaudited)	-	-

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

2019 Share Incentive Plan of Daojia Limited (Continued)

Share options outstanding at the end of each financial reporting date have the following expiry date and exercise price.

Grant date	Expiry date	Exercise price	Vesting years/condition	Number of share option	
				As at June 30, 2023 (Unaudited)	As at December 31, 2022 (Audited)
October 1, 2020	September 30, 2030	US\$1.04	4 years from vesting commencement date	494,085	494,085
Total				494,085	494,085
Weighted average remaining contractual life of options outstanding at end of period/year				7.25 years	7.75 years

Based on fair value of the underlying ordinary shares, the Group has used Binomial model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

	Six months ended June 30,	
	2023 (Unaudited)	2022 (Unaudited)
Fair value of the underlying shares on the date of option grants (in US\$)	2.16	2.16
Risk-free interest rate (i)	0.68%	0.68%
Expected life (ii)	10 years	10 years
Expected volatility (iii)	39.4%	39.4%
Dividend yield (iv)	0.0%	0.0%

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

2019 Share Incentive Plan of Daojia Limited (Continued)

- (i) Risk-free interest rate is based on the market yields of United States Treasury securities with maturity date close to the life of options as of the Valuation Date.
- (ii) Expected life of share options is based on the term prescribed in share option award agreement.
- (iii) Expected volatility is assumed based on the historical price volatility of ordinary shares of comparable companies in the period equal to the expected life of each grant.
- (iv) Expected dividend yield is assumed to be nil as the Company has no history or expectation of paying a dividend on its ordinary shares.

The weighted average grant date fair value of options granted for six months ended June 30, 2023 and 2022 were US\$1.28 and US\$1.28 respectively.

Share Incentive Plan of GoGoVan Cayman

On March 24, 2015, GoGoVan Cayman adopted a Share Incentive Plan (the “**GoGoVan Plan**”) which grants options to its eligible directors, employees and consultants providing similar services with employee. The maximum aggregate number of shares which may be issued pursuant to all awards under the GoGoVan Plan is 14,901,508 of GoGoVan Cayman’s ordinary shares. GoGoVan Cayman became the non-controlling interest of the Company after it was acquired by newly issued ordinary shares of the Company in August 2017, so the cost relating to such share-based awards is recognised by the Company as a contribution from non-controlling interest in connection with the services provided.

The options granted vest immediately until over a period of three years and have a term of ten years. Upon the termination of an option holder’s employment, all unvested options will immediately terminate and vested options will remain exercisable for a period of 90 days after date of termination (one year in the case of death or disability), unless otherwise specified in an option holder’s employment or stock option agreement.

In January 12, 2022, the options under the GoGoVan Plan were modified with the 2021 Share Incentive Plan.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

Share Incentive Plan of GoGoVan Cayman (Continued)

Set out below are the summaries of options granted under the plan:

	Number of share options	Weighted average exercise price per share option US\$
Outstanding as at January 1, 2022	3,900,868	0.0700
Grant during the year	2,474,263	0.0001
Forfeited during the year	(343,280)	0.3990
Modified during the year	(6,031,851)	0.0384
<hr/>		
Outstanding as at December 31, 2022 (Audited)	-	-
<hr/>		
Vested and exercisable as at December 31, 2022 (Audited)	-	-
Outstanding as at January 1, 2023	-	-
Grant during the period	-	-
Forfeited during the period	-	-
Exercised during the period	-	-
<hr/>		
Outstanding as at June 30, 2023 (Unaudited)	-	-
<hr/>		
Vested and exercisable as at June 30, 2023 (Unaudited)	-	-

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

Share Incentive Plan of GoGoVan Cayman (Continued)

Share options outstanding at the end of each financial reporting date have the following expiry date and exercise price.

Grant date	Expiry date	Exercise price	Vesting years/condition	Number of share option	
				As at June 30, 2023 (Unaudited)	As at December 31, 2022 (Audited)
March 24, 2015	March 24, 2025	US\$0.0001	0 to 3 years from vesting commencement date	N/A	N/A
April 15, 2015	March 24, 2025	US\$0.0001	2.71 years from vesting commencement date	N/A	N/A
January 25, 2016	March 24, 2025	US\$0.0001	3 years from vesting commencement date	N/A	N/A
November 30, 2016	March 24, 2025	US\$0.5000	0 to 3 years from vesting commencement date	N/A	N/A
April 25, 2018	March 24, 2025	US\$0.0001	0 to 3 years from vesting commencement date	N/A	N/A
February 2, 2020	March 24, 2025	US\$0.0001	2 years from vesting commencement date	N/A	N/A
June 4, 2020	March 24, 2025	US\$0.0001	3 years from vesting commencement date	N/A	N/A
July 22, 2020	March 24, 2025	US\$0.0001	3 years from vesting commencement date	N/A	N/A
April 12, 2021	March 24, 2025	US\$0.0001	3 years from vesting commencement date	N/A	N/A
Total				N/A	N/A
Weighted average remaining contractual life of options outstanding at end of period/year				N/A	N/A

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

Share Incentive Plan of GoGoVan Cayman (Continued)

Based on fair value of the underlying ordinary shares, the Group has used Binomial model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

	Six months ended June 30, 2023 (Unaudited)	Six months ended June 30, 2022 (Unaudited)
Fair value of the underlying shares on the date of option grants (in US\$)	N/A	N/A
Risk-free interest rate (i)	N/A	N/A
Expected life (ii)	N/A	N/A
Expected volatility (iii)	N/A	N/A
Dividend yield (iv)	N/A	N/A

(i) Risk-free interest rate is based on the market yields of United States Treasury securities with maturity date close to the life of options as of the Valuation Date.

(ii) Expected life of share options is based on the term prescribed in share option award agreement.

(iii) Expected volatility is assumed based on the historical price volatility of ordinary shares of comparable companies in the period equal to the expected life of each grant.

(iv) Expected dividend yield is assumed to be nil as the Company has no history or expectation of paying a dividend on its ordinary shares.

The weighted average grant date fair value of options granted for six months ended June 30, 2023 and 2022 were US\$nil per share and US\$1.44 per share, respectively.

The share-based compensation was charged to the consolidated statements of comprehensive income during six months ended June 30, 2023 and 2022 was approximately RMB nil and RMB1,212,000, respectively.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

2021 Share Incentive Plan

On August 18, 2021, the board of directors of the Company approved the establishment of a 2021 Share Incentive Plan with the purpose of attracting, motivating, retaining and rewarding eligible directors, employees and consultants providing similar services with employee. 58 Daojia and GoGoVan Cayman surrendered 41,172,639 Class B ordinary shares and 7,735,002 Class A ordinary shares, respectively on the same day. Such surrendered shares were cancelled by the Company and were reserved for issuance pursuant to all awards granted under 2021 Share Incentive Plan. The shareholders also approved the reservation of 55,226,824 shares for issuance under 2021 Share Incentive Plan. Accordingly, the maximum aggregate number of shares which may be issued pursuant to all awards under the 2021 Share Incentive Plan is 104,134,465 of the Company's ordinary shares.

On January 12, 2022 and May 24, 2022, the Company granted an aggregate of 104,029,380 and 936,087 share options under 2021 Share Incentive Plan to (i) eligible directors, employees of the Group and consultants providing similar services with employee to the Group who are either (a) new grantees or (b) option holders of 2015 Share Incentive Plan of 58 Daojia pursuant to which the option holders agree to waive all the economic interests of the Group that those 58 Daojia options may have in exchange of the options granted under 2021 Share Incentive Plan or (c) option holders of modified 2015 Share Incentive Plan of 58 Daojia and 2019 Share Incentive Plan of Daojia Limited pursuant to which the option holders agree to waive all the economic interests of the Group that those 58 Daojia options may have in exchange of the options granted under 2021 Share Incentive Plan or (d) option holders of Share Incentive Plan of GoGoVan Cayman pursuant to which the option holders agree to convert the options granted under Share Incentive Plan of GoGoVan Cayman into the options granted under 2021 Share Incentive Plan; and (ii) other individuals under 58 Daojia or Daojia Limited. The fair value of new options and the incremental fair value of modified options granted to the directors, employees of the Group and consultants providing similar services with employee to the Group are recognised as expenses over the requisite service period, with a corresponding increase in equity. The fair value of options granted to other individuals under 58 Daojia or Daojia Limited where the Group has obligation to settle is recognised as a deemed distribution to shareholders over the vesting period with a corresponding increase in equity in accordance with IFRS 2.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

2021 Share Incentive Plan (Continued)

Set out below are the summaries of options granted under the plan:

	Number of share options	Weighted average exercise price per share option US\$
Outstanding as at January 1, 2022	–	–
Grant during the year	104,965,917	0.2799
Forfeited during the year	(2,542,226)	0.3731
Exercised during the year	(11,074,673)	0.0019
Outstanding as at December 31, 2022 (Audited)	91,349,018	0.3110
Vested and exercisable as at December 31, 2022 (Audited)	68,214,031	0.2880
Outstanding as at January 1, 2023	91,349,018	0.3110
Grant during the period	–	–
Forfeited during the period	(1,285,383)	0.3775
Exercised during the period	(8,172,780)	0.0366
Outstanding as at June 30, 2023 (Unaudited)	81,890,855	0.3374
Vested and exercisable as at June 30, 2023 (Unaudited)	63,506,109	0.3253

Share options outstanding at the end of each financial reporting date have the following expiry date and exercise price.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

2021 Share Incentive Plan (Continued)

Grant date	Expiry date	Exercise price	Vesting years/condition	Number of share option	
				As at June 30, 2023 (Unaudited)	As at December 31, 2022 (Audited)
January 12, 2022	January 11, 2032	From US\$ nil to US\$0.78	4 years from vesting commencement date	65,256,766	71,600,048
January 12, 2022	January 12, 2032	From \$0.0001 to \$0.5	3 years from vesting commencement date	3,146,694	5,736,433
January 12, 2022	January 12, 2032	From \$ nil to \$0.38	4 years from vesting commencement date	12,551,308	13,076,450
May 24, 2022	May 23, 2032	US\$0.38	4 years from vesting commencement date	936,087	936,087
Total				81,890,855	91,349,018
Weighted average remaining contractual life of options outstanding at end of period/year				8.54 years	9.04 years

Based on fair value of the underlying ordinary shares, the Group has used Binomial model to determine the fair value of the share option as at the grant date. Key assumptions are set as below:

	Six months ended June 30,	
	2023 (Unaudited)	2022 (Unaudited)
Fair value of the underlying shares on the date of option grants (in US\$)	1.57-2.29	1.57-2.29
Risk-free interest rate (i)	1.70%-2.80%	1.70%-2.80%
Expected life (ii)	10 years	10 years
Expected volatility (iii)	46.60%-47.40%	46.60%-47.40%
Dividend yield (iv)	0%	0%

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

18 Share-based compensation (Continued)

Share options (Continued)

2021 Share Incentive Plan (Continued)

- (i) Risk-free interest rate is based on the market yields of United States Treasury securities with maturity date close to the life of options as of the Valuation Date.
- (ii) Expected life of share options is based on the term prescribed in share option award agreement.
- (iii) Expected volatility is assumed based on the historical price volatility of ordinary shares of comparable companies in the period equal to the expected life of each grant.
- (iv) Expected dividend yield is assumed to be nil as the Company has no history or expectation of paying a dividend on its ordinary shares.

The weighted average grant date fair value of options granted for six months ended June 30, 2023 and 2022 were US\$1.97 per share and US\$2.00 per share.

The share-based compensation was charged to the consolidated statements of comprehensive income during six months ended June 30, 2023 and 2022 was approximately RMB8.2 million and RMB581.8 million.

19 Accounts payables

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Accounts payables	56,430	51,832

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

19 Accounts payables (Continued)

As at June 30, 2023 and December 31, 2022, the aging of accounts payables based on invoice date are as follows:

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
0 to 30 days	46,709	41,982
31 to 60 days	3,378	4,378
61 to 90 days	2,132	1,333
Over 90 days	4,211	4,139
	56,430	51,832

20 Accruals and other payables

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Current liabilities		
Deposits from platform users (Note)	187,196	193,302
Deposits from corporate customers	23,865	25,851
Accrued salaries and staff benefits	68,469	70,220
Accrued professional fee	7,102	7,105
Accrued promotion and marketing expense	2,829	3,955
Others	23,714	21,714
	313,175	322,147

Note: Deposits from platform users including service providers and transacting users are cash deposited in the Group's platforms. Such deposits are refundable and can be used to settle the completed logistic and delivery orders by using the platforms. The contractual relationship between the Group and the platform users is primarily governed by the terms and condition of the platform.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

21 Contract liabilities

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Receipt in advance from customers	10,923	7,710
Current portion	10,923	7,710

22 Convertible redeemable preferred shares

The movements of the convertible redeemable preferred shares ("CRPS") set out as below:

	RMB'000
At January 1, 2022	3,224,447
Change in fair value through profit or loss	308,063
Change in fair value through other comprehensive income due to own credit risk	31,039
Currency translation differences	175,470
Conversion of convertible redeemable preferred shares to ordinary shares	(3,739,019)
At June 30, 2022 (Unaudited), December 31, 2022 (Audited) and June 30, 2023 (Unaudited)	-

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation of the investments on a case by case basis. The team would use valuation techniques to determine the fair value of the Group's level 3 instruments which includes CRPS, warrants and related financial liabilities and convertible notes. External valuation experts will be involved when necessary.

As the instruments are not traded in an active market, their fair values have been determined by using various applicable valuation techniques.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

22 Convertible redeemable preferred shares (Continued)

The Group applied the discounted cash flow method to determine the underlying equity value of the Company and adopted equity allocation model to determine the fair value of the CRPS. Key assumptions are set as below:

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Discount rate	N/A	N/A
Risk-free interest rate	N/A	N/A
DLOM	N/A	N/A
Volatility	N/A	N/A

Discount rate (post-tax) was estimated by weighted average cost of capital as at each valuation date. Management estimated the risk-free interest rate based on the market yield of US Treasury Curve with maturity close to expected redemption date as at the valuation date.

The DLOM was estimated based on the option-pricing method. Under option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount.

Volatility was estimated based on annualised standard deviation of the daily return embedded in historical stock prices of comparable companies with a time horizon close to the expected term.

Probability weight among redemption, liquidation and IPO scenarios was based on the Company's best estimates. In addition to the assumptions adopted above, the Company's projections of future performance were also factored into the determination of the fair value of the Preferred Shares at each valuation date.

Changes in fair value of the convertible redeemable preferred shares were recorded in "Changes in fair value of financial liabilities at fair value through profit or loss" in the profit or loss, and the fair value changes in the convertible redeemable preferred shares that are attributable to changes of own credit risk of this liability are recorded in other comprehensive income.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

23 Related party transactions

The following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties and the balances arising from related party transactions in addition to the related party information shown elsewhere in this consolidated financial statements:

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during six months ended June 30, 2023 and 2022:

Name of related parties	Relationship with the Group
58 Daojia	Shareholder of the Group
58.com Inc. (" 58.com ")	Significant Influence over the Group through 58 Daojia
Alibaba Group Service Limited (" Alibaba Group ")	Shareholder of the Group
Daojia Limited	Joint venture of the 58 Daojia
Wuhu Kaixindaojia Technology Co., Ltd.	Joint venture of the Group

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

23 Related party transactions (Continued)

(a) Transactions with related parties

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Provision of services		
Provision of logistic services to entities controlled by Alibaba Group	7,723	1,564
Provision of value added services to an entity controlled by 58.com	4	–
Provision of services to Wuhu Kaixindaojia Technology Co., Ltd.	65	–
Purchase of services		
Purchase of services from entities controlled by Alibaba Group	5,192	5,264
Purchase of services from entities controlled by Daojia Limited	53	95
Purchase of services from entities controlled by 58.com	57	122
Purchase of services from Wuhu Kaixindaojia Technology Co., Ltd.	191	459
Lease		
Lease payments to entities controlled by Daojia Limited	1,989	2,462
Interest income		
Interest income form Wuhu Kaixindaojia Technology Co., Ltd.	199	–

Transactions with related parties were determined based on prices and terms mutually agreed by the relevant parties involved.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

23 Related party transactions (Continued)

(b) Balances with related parties

	As at June 30, 2023 RMB'000 (Unaudited)	As at December 31, 2022 RMB'000 (Audited)
Right-of-use assets		
Entities controlled by Daojia Limited – trade	12,824	169
Accounts receivables from related parties		
Entities controlled by 58.com – trade	4	5
Entities controlled by Alibaba Group – trade	6,460	3,401
Wuhu Kaixindaojia Technology Co., Ltd. – trade	1,798	1,710
	8,262	5,116
Prepayments and other receivables		
Entities controlled by 58.com – trade	19	75
Entities controlled by Alibaba Group – trade	860	841
Wuhu Kaixindaojia Technology Co., Ltd. – trade	1,381	1,496
	2,260	2,412
Loan to a joint venture company		
Wuhu Kaixindaojia Technology Co., Ltd. (Note)	6,368	6,920
Other payables to related parties		
Daojia Limited – trade	113	57
Entities controlled by Alibaba Group – trade	2,922	3,194
Wuhu Kaixindaojia Technology Co., Ltd. – trade	1,149	1,057
	4,184	4,308
Lease liability		
Entities controlled by Daojia Limited	12,953	170

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

23 Related party transactions (Continued)

(b) Balances with related parties (Continued)

Note:

The loan to a joint venture company is unsecured and carrying interest rate charged at 4.5% p.a (2022: 4.5% p.a) with maturity date on January 31, 2024 and denominated in RMB. The carrying values approximate their fair values.

(c) Key management personnel compensation

	Six months ended June 30,	
	2023	2022
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Salaries and bonuses	6,680	3,572
Welfare and other employee benefits	201	262
Equity-settled share-based compensation	17,887	282,644
	24,768	286,478

24 Contingent liabilities

As at June 30, 2023 and December 31, 2022, there were no material contingent liabilities or guarantees to the Group.

25 Events occurring after the reporting period

Saved as discussed in the condensed consolidated financial statements, there were no other significant events that might affect the Group since June 30, 2023.

Definitions

“Alibaba”	Alibaba Group Holding Limited, a company incorporated in the Cayman Islands and listed on the Hong Kong Stock Exchange (stock code: 9988), whose American depository shares are listed on the New York Stock Exchange (NYSE: BABA)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of our Company
“BVI”	British Virgin Islands
“China”, or “PRC”	the People’s Republic of China, except where the context requires otherwise and only for the purposes of this interim report, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Company”, “our Company”, or “the Company”	GOGOX Holdings Limited (快狗打车控股有限公司), a company with limited liability incorporated in the Cayman Islands on June 8, 2017 and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2246)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consolidated Affiliated Entities”	the entities that we control through the Contractual Arrangements, being Tianjin 58 Freight and its subsidiaries
“Contractual Arrangements”	the series of contractual arrangements entered into by, among others, Hainan WFOE, Tianjin 58 Freight and its Registered Shareholders, and other Consolidated Affiliated Entities, as applicable, details of which are set out in the section headed “Contractual Arrangements” in the Prospectus
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules

Definitions

“Director(s)”	the director(s) of our Company
“Global Offering”	the Hong Kong Public Offering and the International Offering as defined in the Prospectus
“GoGoVan”	the subsidiaries and Structured Entities of GoGoVan Cayman
“GoGoVan Cayman”	GoGo Tech Holdings Limited, a company incorporated in the Cayman Islands on July 9, 2014
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	our Company and our subsidiaries and Consolidated Affiliated Entities at the relevant time or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries or the Consolidated Affiliated Entities, the business operated by such subsidiaries or the Consolidated Affiliated Entities or their predecessors (as the case maybe)
“GTV”	gross transaction volume
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS(s)”	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
“Interim Financial Information”	the condensed consolidated interim financial information of the Group for the six months ended June 30, 2023
“Korea”	Republic of Korea
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	June 24, 2022, the date on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

Definitions

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
“Mr. CHEN” or “Mr. CHEN Xiaohua”	Mr. CHEN Xiaohua (陳小華), our Chairman of the Board and an executive Director
“Mr. YAO”	Mr. YAO Jinbo (姚勁波), one of our Controlling Shareholders
“Nihao China”	Nihao China Corporation, a company incorporated in the British Virgin Islands, which is beneficially owned by Mr. YAO through a trust, wholly owns Nihao Haven
“Nihao Haven”	Nihao Haven Corporation, a company incorporated in the British Virgin Islands, controls over one-third interest in Quantum Bloom
“Nomination Committee”	the nomination committee of the Board
“Prospectus”	the prospectus of the Company dated June 14, 2022
“Quantum Bloom”	Quantum Bloom Group Ltd., a company incorporated in the Cayman Islands, wholly owns 58.com
“Registered Shareholders”	the registered shareholders of Tianjin 58 Freight, namely Mr. CHEN and Mr. YAO
“Reporting Period”	for the six months ended June 30, 2023
“RMB” or “Renminbi”	Renminbi, the lawful currency of PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital our Company with a nominal value of US\$0.0000025 each
“Shareholder(s)”	holder(s) of our Share(s)
“Share Incentive Plan”	the share incentive plan of our Company adopted by the Board on August 18, 2021

Definitions

“SMEs”	small and medium-sized enterprises
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Taobao China”	Taobao China Holding Limited (淘寶中國控股有限公司), a company incorporated under the laws of Hong Kong on March 26, 2003 and an indirect wholly-owned subsidiary of Alibaba Group Holding Limited
“Tianjin 58 Freight”	Tianjin 58 Daojia Freight Services Co., Ltd. (天津五八到家貨運服務有限公司), a limited liability company established under the laws of the PRC on July 10, 2017 and a Consolidated Affiliated Entity
“Tianjin 58 Technology” or “Tianjin WFOE”	Tianjin 58 Daojia Technology Co., Ltd. (天津五八到家科技有限公司), a limited liability company established under the laws of the PRC on July 26, 2017, which was an indirectly wholly-owned subsidiary of the Company
“US dollars”, “U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“58 Daojia”	58 Daojia Inc., a limited liability company incorporated in the BVI on January 26, 2015
“58.com”	58.com Inc., a limited liability company incorporated in the Cayman Islands and one of our Controlling Shareholders
“%”	per cent

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