快狗打车 | GOGOX

Annual Report 2023

GOGOX HOLDINGS LIMITED
快 狗 打 车 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)
Stock code: 2246

CONTENTS

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 370 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 space: Kuaigou Dache (快狗打车) in Chinese mainland and GOGOX in other countries and regions in Asia.

Corporate Information

DIRECTORS

Executive Directors

Mr. LAM Hoi Yuen (林凱源) *(Chairman of the Board and Co-Chief Executive Officer) (redesignated with effect from December 20, 2023)*
Mr. HE Song (何松) *(Co-Chief Executive Officer)*
Mr. HU Gang (胡剛) *(resigned with effect from April 19, 2024)*
Mr. CHEN Xiaohua (陳小華) *(Chairman of the Board) (resigned with effect from December 19, 2023)*

Non-executive Directors

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

Independent Non-executive Directors

Mr. TANG Shun Lam (鄧順林)
Mr. ZHAO Hongqiang (趙宏強)
Ms. CHU Ka Yin Norma (朱嘉盈) *(appointed with effect from March 28, 2024)*
Ms. MI Wenjuan (米雯娟) *(resigned with effect from February 23, 2024)*
Mr. NI Zhengdong (倪正東) *(resigned with effect from December 19, 2023)*

COMPANY SECRETARY

Ms. HO Wing Nga (何詠雅) *(HKFCG (PE), FCG) (appointed with effect fom December 23, 2023)*
Ms. YU Wing Sze (余詠詩) *(ACG, HKACG) (resigned with effect from December 23, 2023)*

AUTHORIZED REPRESENTATIVES

Mr. LAM Hoi Yuen (林凱源) *(appointed with effect from December 20, 2024)*
Ms. HO Wing Nga (何詠雅) *(appointed with effect from December 23, 2024)*
Mr. CHEN Xiaohua (陳小華) *(resigned with effect from December 19, 2024)*
Ms. YU Wing Sze (余詠詩) *(resigned with effect from December 23, 2024)*

AUDIT COMMITTEE

Mr. ZHAO Hongqiang (趙宏強) *(Chairman)*
Mr. Leung Ming Shu (梁銘樞) *(appointed with effect from December 19, 2023)*
Mr. TANG Shun Lam (鄧順林)
Mr. NI Zhengdong (倪正東) *(resigned with effect from December 19, 2023)*

REMUNERATION COMMITTEE

Mr. TANG Shun Lam (鄧順林) *(Chairman)*
Ms. CHU Ka Yin Norma (朱嘉盈) *(appointed with effect from March 28, 2024)*
Mr. LAM Hoi Yuen *(appointed with effect from April 19, 2024)*
Mr. HU Gang (胡剛) *(resigned with effect from April 19, 2024)*
Ms. MI Wenjuan (米雯娟) *(appointed with effect from December 19, 2023 and resigned with effect from February 23, 2024)*
Mr. NI Zhengdong (倪正東) *(resigned with effect from December 19, 2023)*

NOMINATION COMMITTEE

Ms. CHU Ka Yin Norma (朱嘉盈) *(Chairwoman) (appointed with effect from March 28, 2024)*
Mr. HE Song (何松) *(appointed with effect from December 19, 2023)*
Mr. ZHAO Hongqiang (趙宏強) *(appointed with effect from December 19, 2023)*
Ms. MI Wenjuan (米雯娟) *(Chairwoman) (resigned with effect from February 23, 2024)*
Mr. NI Zhengdong (倪正東) *(Chairman) (resigned with effect from December 19, 2023)*
Mr. CHEN Xiaohua (陳小華) *(resigned with effect from December 19, 2023)*

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. HE Song (何松) *(Chairman)*
Mr. LAM Hoi Yuen (林凱源)
Ms. CHU Ka Yin Norma (朱嘉盈) *(appointed with effect from April 19, 2024)*
Mr. HU Gang (胡剛) *(resigned with effect from April 19, 2024)*

AUDITOR

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

Corporate Information

LEGAL ADVISOR

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

COMPLIANCE ADVISOR

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

REGISTERED OFFICE

4th Floor, Harbour Place
103 South Church Street
George Town, P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 212, Building C
Kaide Building Complex
No.7 Rongyuan Road
Huayuan Industrial Park
Binhai Hi-tech Zone
Tianjin PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

46/F
Hopewell Centre
183 Queen's Road East
Wan Chai
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 Branch)
Unit 1, 1st Floor, South Section, Building 1
No.7 and No.9 Chongwenmenwai Street
Dongcheng District, Beijing
PRC

Shanghai Pudong Development Bank
(Shanghai Minhang Branch)
No. 159 Shensong Road
Minhang District, Shanghai
PRC

STOCK CODE

2246

COMPANY WEBSITE

gogoxholdings.com

LISTING DATE

June 24, 2022

Financial Highlights And Summary

FINANCIAL HIGHLIGHTS

	Year ended December 31,		
	2023	2022	Year-on-year change
	RMB'000	*RMB'000*	(%)
Revenue	**752,818**	773,248	(2.6)
Gross profit	**257,895**	261,609	(1.4)
Loss before income tax	**(1,103,139)**	(1,217,915)	(9.4)
Loss for the year	**(1,100,596)**	(1,209,141)	(9.0)
Non-IFRS measures:			
Adjusted net loss for the year(non-audited)[1]	**(170,325)**	(228,900)	(25.6)
Adjusted EBITDA for the year(non-audited)[2]	**(140,539)**	(206,263)	(31.9)

Notes:

(1) Adjusted net loss for the year represents loss for the year 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.

(2) Adjusted earnings before interest, taxes, depreciation and amortisation ("EBITDA") for the year represents adjusted net loss for the year before (i) income tax credit, (ii) depreciation and amortisation, and (iii) net finance income.

Financial Highlights And Summary

FIVE-YEAR FINANCIAL SUMMARY

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,				
	2019	2020	2021	2022	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
Revenue	548,457	530,409	660,857	773,248	**752,818**
Gross profit	173,096	183,368	241,724	261,609	**257,895**
Loss before income tax	(170,374)	(653,311)	(872,576)	(1,217,915)	**(1,103,139)**
Loss for the year	(183,845)	(658,226)	(872,854)	(1,209,141)	**(1,100,596)**
Loss for the year attributable to the equity holders of the Company	(183,845)	(658,226)	(872,854)	(1,205,408)	**(1,099,615)**
Total comprehensive loss for the year	(228,950)	(490,973)	(795,298)	(1,365,198)	**(1,093,278)**
Total comprehensive loss for the year attributable to the equity holders of the Company	(228,950)	(490,973)	(795,298)	(1,361,327)	**(1,092,311)**

CONDENSED CONSOLIDATED BALANCE SHEETS

	As of December 31,				
	2019	2020	2021	2022	**2023**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
ASSETS					
Non-current assets	1,195,844	1,132,999	1,107,356	1,137,643	**279,877**
Current assets	349,705	297,369	516,646	787,237	**587,101**
Total assets	1,545,549	1,430,368	1,624,002	1,924,880	**866,978**
Equity					
Equity attributable to equity holders of the Company	(1,098,929)	(1,581,189)	(2,075,809)	1,484,847	**481,406**
Non-controlling interest	–	–	–	(764)	**(1,731)**
Total (deficit)/equity	(1,098,929)	(1,581,189)	(2,075,809)	1,484,083	**479,675**
Liabilities					
Non-current liabilities	1,945,442	2,170,621	3,240,446	24,430	**21,105**
Current liabilities	699,036	840,936	459,365	416,367	**366,198**
Total liabilities	2,644,478	3,011,557	3,699,811	440,797	**387,303**
Total (deficit)/equity and liabilities	1,545,549	1,430,368	1,624,002	1,924,880	**866,978**

Chairman's Statement

Dear Shareholders,

On behalf of GOGOX HOLDINGS LIMITED ("**GOGOX**") and its subsidiaries and consolidated affiliated entities, I am pleased to present the annual results of the Group for the year ended December 31, 2023. This report encapsulates our journey, achievements, and strategic vision amidst a dynamic economic landscape. Despite challenges, the Group has demonstrated resilience, innovation, and unwavering commitment to excellence, positioning us for sustained growth and leadership in the logistics industry.

Focusing on the Asia-Pacific (APAC) region, our strategic pivot towards Southeast Asia countries has yielded notable results, with the Group's overseas markets contributing 62% of the total revenue as of December 31, 2023. In China, our operations continue to maintain stability amidst global uncertainties, and we remain vigilant in monitoring and adjusting resource allocation for optimal performance. Concurrently, the logistics sector in APAC has experienced significant growth, driven by the surge in e-commerce activities and digital transformation. The Group's strategic initiatives have enabled us to navigate this landscape effectively, contributing to our overall performance.

PERFORMANCE REVIEW

Our overseas markets have yielded promising results thanks to our expansion efforts, with significant revenue increases observed across markets such as Hong Kong, Korea, Singapore, Vietnam, and India. In China, our enterprise solutions, platform services, and value-added offerings have continued to contribute. These achievements underscore our ability to deliver value across diverse geographies and segments, capturing the growth of e-commerce in emerging markets.

During the reporting period, the Group achieved revenue of approximately RMB752.8 million, reflecting a year-on-year decrease of 2.6% under a challenging operating environment. Gross profit amounted to RMB257.9 million, representing a year-on-year decrease of 1.4%. Our continuous efforts in optimizing operational efficiency have further narrowed our loss by 25.6% compared to last year, amounting to approximately RMB170.3 million.

BUSINESS REVIEW AND OUTLOOK

We have been prioritizing the development of our enterprise business segment, which has emerged as the primary growth driver of the Group, contributing to 61.4% of the Group's total revenue. During the year, our enterprise business achieved consistent growth, amounting to RMB462.4 million, surpassing market expectations. The Group's enterprise services are designed to provide a one-stop solution, from recruiting drivers to training drivers, and on-site management, with dedicated personnel ensuring end-to-end tracking to guarantee delivery quality and establishing good customer reputation. Simultaneously, we fully leverage platform advantages to advance pricing and risk control systems to respond to different industries, scenarios, and pricing models, shortening the payment period for fleets and drivers, and alleviating the potential financial pressure from them while our value-added services segment witnessed 29.4% growth in revenue. These figures reflect our relentless pursuit of customer satisfaction and operational efficiency.

Chairman's Statement

Our strategic diversification efforts have resulted in consistent growth across our business segments. This increase is attributed to several initiatives carried out throughout the year that have led to enhanced performance, such as our insurance service in Hong Kong and sales of new energy vehicles in Mainland China.

As a leader in providing logistic technology solutions, I am pleased to announce the successful launch of our insurance brokerage business in Hong Kong. This strategic initiative underscores our commitment to diversification and value creation. Leveraging our industry expertise and insights, we introduced tailored insurance solutions to mitigate risks and enhance resilience across the supply chain. The response from our customers and drivers has been overwhelmingly positive, resulting in substantial revenue generation.

Our robust commitment to sustainability, driven by technology, is seamlessly integrated into our operational strategies. This year, we achieved a significant reduction in carbon emissions by lowering our empty load rate to 17%. This accomplishment underscores our dedication to reducing our carbon footprint through strategic planning and prudent investments. Initiatives such as fleet optimization in Korea and smart routing algorithms in Singapore exemplify our dedication to environmental stewardship and corporate responsibility. Additionally, the Group's efforts in new energy as a "Greener, Better" intracity logistic platform, have yielded significant results, sales of new energy vehicles facilitated by the Group has increased 12.9% compared with same period last year. In 2023, we launched exclusive financial products through collaboration with new energy logistics vehicle manufacturers and financial companies to solidify our goal of sustainability. In the mainland region, 60% of our drivers are using new energy vehicles, and the proportion of platform orders completed by new energy vehicles has increased from 38% to 43% as of 31 December 2023.

In the fast-changing environment, technological enhancement has been a crucial factor in improving efficiency. The integration of Artificial Intelligence (AI) has revolutionized our operations, enhancing efficiency and driving innovation. Leveraging advanced analytics and machine learning algorithms, we have optimized logistics processes, resulting in tangible improvements in delivery accuracy, fulfillment times, and customer services, thus increasing customer satisfaction.

Apart from customer satisfaction, safeguarding our drivers' community has been at the forefront of the Group's business philosophy. We have established Driver Service Committee that formulates rules and protects the rights of drivers, improving driver service standards. As of the end of 2023, we have established separate unions in Tianjin, Zhengzhou, Shenzhen, and Wuhan, and participated in the establishment of joint unions in places like Fuzhou. We have also established "Kuaigou Driver Home" (快狗之家) in more than 30 cities in Mainland China, providing facilities for drivers to rest and communicate.

Looking ahead, the Group remains committed to driving transformative change in the logistics industry through innovation, sustainability, and operational excellence. Our vision is to create a future where logistics is seamless, efficient, and sustainable, empowering businesses to thrive in an interconnected world. As we embark on this journey, we are grateful for the unwavering support of our shareholders, employees, and partners.

On behalf of the Board, I would like to express my sincere gratitude for the support and trust from our stakeholders. We will continue to strive for the sustainability of our business and create more value and opportunities for all our shareholders.

Report of Directors

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended December 31, 2023.

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands with limited liability on June 8, 2017. The Company's Shares were listed on the Main Board of the Stock Exchange on June 24, 2022.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is 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, Korea, and other Asian countries.

Analysis of the principal activities of the Group during the Reporting Period is set out in Note 1 to the consolidated financial statements.

SUBSIDIARIES

A list of the Company's principal subsidiaries as of December 31, 2023, together with their particulars, are set out in Note 18 to the consolidated financial statements.

RESULTS

The results of the Group for the year ended December 31, 2023 are set out in the consolidated statement of comprehensive income on pages 149 to 150 of this annual report.

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended December 31, 2023 (2022: Nil).

AGM AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming AGM of the Company will be held on Monday, May 20, 2024. For the purpose of determining the entitlement of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, May 14, 2024 to Monday, May 20, 2024 (both days inclusive), during which no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfer of Shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Monday, May 13, 2024.

Report of Directors

BUSINESS REVIEW

A fair review of the business of the Group during the Reporting Period as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an analysis of the Group's financial key performance and an indication of likely future developments in the Group's business are set out in the section headed "Management Discussion and Analysis" of this annual report. Significant events affecting the Company that have occurred since the end of the financial year is set out in the section headed "Management Discussion and Analysis – Subsequent Events" of this annual report. These discussions form part of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The following list is a summary of certain principal risks and uncertainties faced by the Group, some of which are beyond its control:

- The markets in which we participate are highly competitive, and if we do not compete effectively, our business, results of operations and financial condition could be harmed;
- If we fail to manage our growth or execute our strategies effectively, our results of operations, financial condition and growth prospects may be materially and adversely affected;
- We are subject to evolving regulatory requirements across multiple jurisdictions, and we may be unable to comply fully with various applicable regulations;
- Our business collects, generates and processes a large amount of data, and is subject to complex and evolving regulations and oversight related to data security;
- Our business operations and financial performance have been adversely affected by the COVID-19 outbreak, may in the future continue to be affected by the COVID-19 outbreak, and may be affected by other epidemics;
- Our business would be adversely affected if our approach to driver status is successfully challenged or if we are required to classify drivers as employees instead of independent contractors; and
- We have a significant amount of goodwill and other intangible assets. We may face impairment risks in connection with our goodwill and other intangible assets, which could have a material adverse impact on our financial performance.

However, the above is not an exhaustive list. Investors are advised to make their own judgment or consult their own investment advisors before making any investment in the Shares. For details of other risks and uncertainties faced by the Group, please refer to the section headed "Risk Factors" in the Prospectus.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment, giving back to the community and achieving sustainable growth. Details are set out in the section headed "Environmental, Social and Governance Report" in this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in all material aspects with relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Reporting Period, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years are set out on page 6 of this annual report. This summary does not form part of the audited consolidated financial statements.

Report of Directors

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.

As of the date of this 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 December 31, 2023:

		Net proceeds (HK$ in million)				
Purpose	Percentage to total amount	Net proceeds incurred from the Offering Global	Actual use of proceeds during the year ended December 31, 2022	Actual use of proceeds during the year ended December 31, 2023	Unutilized amount as of December 31, 2023	Expected timeline for full utilization of the remaining net proceeds
Enlarge our user base and strengthen our brand awareness	40%	221.8	109.8	80.1	31.9	December 31, 2025
Develop new services and products to enhance our monetization capabilities	20%	110.9	29.0	63.4	18.5	December 31, 2025
Pursue strategic alliances, investments and acquisitions in overseas markets	20%	110.9	0.7	3.5	106.7	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	26.4	13.7	June 30, 2025
Working capital and general corporate purposes	10%	55.4	34.4	15.4	5.6	December 31, 2025
Total	100%	554.5	189.3	188.8	176.4	

RELATIONSHIP WITH STAKEHOLDERS

Customers

For our platform services, our customers are drivers who pay us service fees for the facilitation services we provide. For our enterprise services, our customers are enterprises who engage us as logistics providers. For our value-added services, our customers consist of a wide range of ecosystem participants, such as advertisers with drivers as their target audience.

For the year ended December 31, 2023, revenue generated from the Group's five largest customers accounted for approximately 19.3% (2022: 18.4%) of the Group's total revenue.

To the best knowledge of the Directors, during the Reporting Period, except affiliates of Alibaba, none of the Directors or any of their respective close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the total number of Shares of the Company) had any interest in the Group's five largest customers.

Suppliers

Our suppliers primarily include human resource agencies and fleet operators who send drivers to our platform to fulfill shipment orders. Our suppliers also include server hosting, cloud computing, software service and other technology service providers, mapping service providers, third-party payment processors, insurance providers, sales and user service outsourcing vendors and marketing service providers.

For the year ended December 31, 2023, purchases from the Group's five largest suppliers accounted for approximately 19.1% (2022: 26.3%) of the Group's total cost of revenue.

To the best knowledge of the Directors, during the Reporting Period, except affiliates of Alibaba, none of the Directors or any of their respective close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the total number of Shares of the Company) had any interest in the Group's five largest suppliers.

Employees

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives. Bonus payments are generally discretionary and based in part on employee performance and on the overall performance of our business. 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.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended December 31, 2023 are set out in Note 16 to the consolidated financial statements.

Report of Directors

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended December 31, 2023 and details of the Shares during the year ended December 31, 2023 are set out in Note 23 to the consolidated financial statements.

DONATIONS

During the Reporting Period, the Group did not make charitable or other donations.

DEBENTURE

The Company did not issue any debenture during the year ended December 31, 2023.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended December 31, 2023 are set out in Note 35 and Note 24 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES

As at December 31, 2023, the Company had no distributable reserve (as at December 31, 2022: nil).

BANK LOANS AND OTHER BORROWINGS

During the Reporting Period, the Group did not have any bank loans and other borrowings.

DIRECTORS

The Directors during the Reporting Period and up to the date of this report are as follows:

Executive Directors:
Mr. LAM Hoi Yuen (林凱源) *(Chairman of the Board and Co-Chief Executive Officer) (redesignated with effect from December 20, 2023)* [(1)]
Mr. HE Song (何松) *(Co-Chief Executive Officer)* [(2)]
Mr. HU Gang (胡剛)
Mr. CHEN Xiaohua (陳小華) *(Chairman of the Board) (resigned with effect from December 19, 2023)* [(3)]

Non-executive Directors:
Mr. LEUNG Ming Shu (梁銘樞) [(4)]
Mr. WANG Ye (王也)

Independent non-executive Directors:
Mr. TANG Shun Lam (鄧順林)
Mr. ZHAO Hongqiang (趙宏強) [(5)]
Ms. CHU Ka Yin Norma (朱嘉盈) *(appointed with effect from March 28, 2024)* [(6)]
Ms. MI Wenjuan (米雯娟)*(resigned with effect from February 23, 2024)* [(7)]
Mr. NI Zhengdong (倪正東) *(resigned with effect from December 19, 2023)* [(8)]

Notes:

(1) Mr. LAM Hoi Yuen, an executive Director of the Company and co-chief executive officer of the Company, has been appointed by the Board as the chairman of the Board with effect from December 20, 2023.

(2) Mr. HE Song has been appointed as a member of the Nomination Committee with effect from December 19, 2023.

(3) Mr. CHEN Xiaohua has resigned as the chairman of the Board and an executive Director with effect from December 19, 2023 due to his other business commitments. Following the resignation of Mr. Chen, he also ceases to be a member of the Nomination Committee.

(4) Mr. LEUNG Ming Shu has been appointed as a member of the Audit Committee with effect from December 19, 2023.

(5) Mr. ZHAO Hongqiang has been appointed as a member of the Nomination Committee with effect from December 19, 2023.

(6) Ms. CHU Ka Yin Norma has been appointed as an independent non-executive Director, the chairwoman of the Nomination Committee and a member of the Remuneration Committee with effect from March 28, 2024.

(7) Ms. MI Wenjuan has been appointed as the chairwoman of the Nomination Committee and a member of the Remuneration Committee with effect from December 19, 2023 and resigned as an independent non-executive Director, the chairwoman of the Nomination Committee and a member of the Remuneration Committee with effect from February 23, 2024 in order to devote more time to her other business commitments.

(8) Mr. NI Zhengdong has resigned as an independent non-executive Director with effect from December 19, 2023 due to his other business commitments. Following the resignation of Mr. Ni, he also ceases to be a member of the audit committee of the Company, a member of the Remuneration Committee of the Company and the chairman of the Nomination Committee.

Pursuant to article 16.19 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Report of Directors

In accordance with article 16.2 of the Articles of Association, any Director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first AGM of the Company after his/her appointment and shall be eligible for re-election at the AGM.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 54 to 58 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the Reporting Period.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Each of the executive Directors has signed a service contract with the Company for an initial term of three years commencing from the Listing Date, until terminated in accordance with the terms and conditions of the services contract or by not less than 30 days notice by the executive Director. The appointments of the executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

Each of the non-executive Directors and independent non-executive Directors has signed an appointment letter with the Company for a term of three years commencing (i) from the Listing Date (in the case of Mr. LEUNG Ming Shu, Mr. WANG Ye, Mr. TANG Shun Lam and Mr. ZHAO Hongqiang); (ii) from November 26, 2022 (in the case of Ms. MI Wenjuan who was appointed on November 26, 2022 and resigned on February 23, 2024); (iii) from March 28, 2024 (in case of CHU Ka Yin Norma who was appointed on March 28, 2024), until terminated in accordance with the terms and conditions of appointment letter. Each of the independent non-executive Directors is entitled to a fixed Director's fee while the non-executive Directors are not entitled to any remuneration. The appointments of the non-executive Directors and independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service contract or appointment letter with any members of the Group, excluding contracts expiring or determinable by any members of the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, none of the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company, or any of its subsidiaries or fellow subsidiaries was a party for the year ended December 31, 2023.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no Controlling Shareholders or their subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2023.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

EMOLUMENT POLICY

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives. Bonus payments are generally discretionary and based in part on employee performance and on the overall performance of our business.

The Company has adopted a directors and senior management remuneration policy to maintain fair and competitive packages of the Directors and senior management. For details, please see the section headed "Remuneration of Directors and Senior Management" in the Corporate Governance Report.

Details of the emoluments of the Directors, and five highest paid individuals during the Reporting Period are set out in Notes 9 and 10 to the consolidated financial statements.

During the year ended December 31, 2023, none of the Directors and the five highest paid individuals of the Group (i) received any emolument from the Group as an inducement to join or upon joining the Group; (ii) received any compensation for loss of office as a director or management of any member of the Group; or (iii) waived or has agreed to waive any emoluments.

RETIREMENT AND EMPLOYEE BENEFITS SCHEME

The subsidiaries in the Chinese mainland participate in employee social security plans established in the Chinese mainland, which cover pension, medical and other welfare benefits. The plans are organised and administered by the governmental authorities. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the companies within the Group as required by the above social security plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed.

The Group also operates a Mandatory Provident Fund Scheme (the "**MPF scheme**") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000. The Group has no other material obligation for the payment of pension benefits beyond the contributions described above.

Details of the retirement and employee benefits scheme of the Company are set out in Note 9 to the consolidated financial statements.

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

As at December 31, 2023, the interests and short positions of the Directors and the chief executives 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 share capital[2]
Mr. LAM Hoi Yuen	Beneficial owner [3]	5,000,000	0.80%
	Interest held by controlled corporations [4]	6,879,517	1.10%
Mr. HE Song	Beneficial owner [5]	16,537,168	2.63%
Mr. HU Gang	Beneficial owner [6]	6,100,000	0.97%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 627,696,448 Shares in issue as at December 31, 2023.

(3) Represents 5,000,000 Shares underlying the Options to Mr. LAM Hoi Yuen.

(4) GoGoVan Cayman transferred 6,879,517 Shares held by it to Ching Hoi Group Limited as payment-in-kind for a share repurchase undertaken by GoGoVan Cayman. Ching Hoi Group Limited is wholly-owned by Mr. LAM Hoi Yuen. Accordingly, Mr. LAM Hoi Yuen is deemed to be interested in the 6,879,517 Shares held by Ching Hoi Group Limited.

(5) Represents 16,537,168 Shares underlying the Options to Mr. HE Song.

(6) Represents 6,100,000 Shares underlying the Options to Mr. HU Gang.

(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. HE Song	58 Daojia	Beneficial owner [(1)]	2,560,000	0.41%
	Daojia Limited	Beneficial owner [(2)]	2,004,535	0.32%

Notes:

(1) 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.

(2) 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 December 31, 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.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual 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.

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

As at December 31, 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 Shareholders	Capacity and nature of interest	Number of Shares held [(1)]	Approximate percentage of the Company's issued share capital [(2)]
58.com[(3)]	Beneficial owner	237,238,377	37.80%
Mr. YAO[(3)]	Interest held by controlled corporations	242,720,287	38.67%
Taobao China	Beneficial owner	55,763,860	8.88%
Taobao Holding Limited[(4)]	Interest held by controlled corporations	55,763,860	8.88%
Alibaba[(5)]	Interest held by controlled corporations	55,763,860	8.88%
CHEN Xiaohua	Interest held by controlled corporations[(6)]	25,407,839	4.05%
	Beneficial owner[(7)]	11,936,087	1.90%

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of 627,696,448 Shares in issue as at December 31, 2023.

(3) 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.

Nihao China directly holds 5,481,910 Shares of the Company.

Accordingly, under the SFO, each of Quantum Bloom, Nihao Haven, Nihao China, and Mr. Yao is deemed to be interested in the entire equity interests held by 58.com in the Company.

(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 holds 55,763,860 Shares of the Company. 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. Alibaba is deemed to be interested in Shares held by Taobao China.

(6) On January 13, 2022, Mr. CHEN Xiaohua 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 Xiaohua. In addition, on September 6, 2023, 58 Daojia Inc. declared a special in-kind dividend and distributed Shares to certain shareholders of 58 Daojia Inc., among which Trumpway Limited, a company wholly owned by Mr. Chen Xiaohua, received 17,495,456 Shares.

(7) Represents 11,936,087 Shares underlying the Options to Mr. CHEN Xiaohua.

Save as disclosed above, as at December 31, 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.

Report of Directors

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 annual 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 annual report, the remaining term of the Share Incentive Plan was approximately 7 years and 4 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.

(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.

Report of Directors

(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.

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 nonforfeitable. 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.

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 2024 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.

Report of Directors

Details of the movements of the Options granted under the Share Incentive Plan for the year ended December 31, 2023 are set out below:

Name of grantees	Description	Number of share options outstanding as at January 1, 2023	Grant date	Exercise price (US$)	Vesting Period[1]	Number of share options granted during the Reporting Period	Number of share options exercised during the Reporting Period	Number of share options lapsed during the Reporting Period	Number of share options forfeited during the Reporting Period	Number of share options outstanding as at December 31, 2023	Fair value of the options as of the date of grant[2] (US$)	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 *(resigned with effect from December 19, 2023)*	11,936,087	January 12, 2022 and May 24, 2022	0.38	0 to 4 years	–	–	–	–	–	–	–
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	Chairman of the Board and Co-Chief Executive Officer *(redesignated with effect from December 20, 2023)*	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) [3]												
In aggregate		30,759,157	January 12, 2022	0 to 0.78	0 to 4 years	–	2,829,546	–	2,360,698	25,568,913	–	3.50
(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	–	1,445,200	–	–	39	–	2.49
LI Ruiling	Former employee of a subsidiary of 58 Daojia	1,276,191	January 12, 2022	0.0015	0 year	–	276,000	–	–	1,000,191	–	2.62
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	–	–
Subtotal		10,710,668				–	5,110,962	–	–	5,599,706		

Report of Directors

Name of grantees	Description	Number of share options outstanding as at January 1, 2023	Grant date	Exercise price (US$)	Vesting Period[1]	Number of share options granted during the Reporting Period	Number of share options exercised during the Reporting Period	Number of share options lapsed during the Reporting Period	Number of share options forfeited during the Reporting Period	Number of share options outstanding as at December 31, 2023	Fair value of the options as of the date of grant[2] (US$)	Weighted average closing price of the Shares immediately before the dates on which the options were exercised (HK$)
(4) Other related entity participants (excluding the related entity participants listed out above)												
In aggregate		8,106,514	January 12, 2022	0.01 to 0.78	0 to 4 years	-	1,039,858	-	35,236	7,031,420	-	2.07
(5) Service providers[4]												
In aggregate		445,465	January 12, 2022	0.0001 to 0.5	0-3 years	-	25,805	-	-	419,660	-	3.71
Total		91,349,018				-	9,006,171	-	2,395,934	79,946,913		

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 grantees).

(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.

As no options were granted under the Share Incentive Plan during the Reporting Period, the number of Shares that may be issued in respect of 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 25 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Group during the Reporting Period, or subsisted as at December 31, 2023.

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

Save for disclosed in this annual report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The following are connected transactions entered into by the Group which are required to be disclosed in accordance with Chapter 14A of the Listing Rules and transactions of the Group which constituted continuing connected transactions for the Group for the year ended December 31, 2023.

Relevant Connected Persons

The following parties with whom we have entered into transactions are regarded as our connected persons under the Listing Rules:

Connected Persons	**Connected Relationship**
Zhejiang Danniao Logistecnology Co., Ltd. (浙江丹鳥物流科技有限公司) ("**Zhejiang Danniao**")(1)	An indirect non-wholly owned subsidiary of Alibaba Group Holding Limited (the holding company of Taobao China, our substantial shareholder), and therefore a connected person of our Company under Rule 14A.13(1) of the Listing Rules
Zhejiang Mengmengchun Information Technology Co., Ltd. (浙江萌萌春信息科技有限公司) ("**Zhejiang Mengmengchun**")(1)	An indirect non-wholly owned subsidiary of Alibaba Group Holding Limited (the holding company of Taobao China, our substantial shareholder), and therefore a connected person of our Company under Rule 14A.13(1) of the Listing Rules
Alibaba Cloud Computing Co., Ltd. (阿里雲計算有限公司) ("**Alibaba Cloud Computing**")(1)	An indirect non-wholly owned subsidiary of Taobao China, our substantial shareholder, and therefore a connected person of our Company under Rule 14A.13(3) of the Listing Rules
Alibaba Cloud Computing (Beijing) Co., Ltd. our substantial (阿里巴巴雲計算(北京)有限公司) ("**Alibaba Cloud Computing Beijing**")(1)	A fellow subsidiary of Taobao China, our substantial shareholder, and therefore a connected person of our Company under Rule 14A.13(1) of the Listing Rules
Zhejiang Xinyi Supply Chain Management Co., Ltd. (浙江心怡供應鏈管理有限公司) ("**Zhejiang Xinyi**")(1)	A fellow subsidiary of Taobao China, our substantial shareholder, and therefore a connected person of our Company under Rule 14A.13(1) of the Listing Rules
Beijing 58 Youxiang Enterprise Management Consulting Co., Ltd. (北京五八悠享企業管理諮詢有限公司) ("**58 Daojia**")	an associate of 58 Daojia and therefore a connected person of the Company under Chapter 14A of the Listing Rules
Zhejiang Niaochao Supply Chain Management Co., Ltd. (浙江鳥潮供應鏈管理有限公司) ("**Zhejiang Niaochao**")(1)	a connected person of the Company under Chapter 14A of the Listing Rules
Cainiao Supply Chain Hong Kong Co., Limited (菜鳥供應鏈香港有限公司) ("**Cainiao Supply Chain**")(1)	a connected person of the Company under Chapter 14A of the Listing Rules

Note:

(1) On December 15, 2023, Taobao China sold 1,369,400 Shares of the Company and the interests held by Taobao China was reduced to approximately 9.88% of the issued share capital of the Company. Accordingly, Taobao China ceased to be substantial shareholders of the Company and therefore Zhejiang Danniao, Zhejiang Mengmengchun, Alibaba Cloud Computing, Alibaba Cloud Computing Beijing, Zhejiang Xinyi, Zhejiang Niaochao and Cainiao Supply Chain ceased to be connected persons of our Company on the same day.

Report of Directors

CONTINUING CONNECTED TRANSACTIONS

1. Zhejiang Danniao Logistics Services Framework Agreement[1]

On October 1, 2021, the Company entered into a logistics services framework agreement (the "**Zhejiang Danniao Logistics Services Framework Agreement**") with Zhejiang Danniao, pursuant to which, the Group agreed to provide Zhejiang Danniao with logistics services for a term commencing on the Listing Date and ending on December 31, 2023.

Reference is made to the announcement published on August 29, 2023, the Board proposed to revise RMB10.0 million (the "**Existing Annual Cap**") to RMB17.5 million (the "**Revised Annual Cap**") for the financial year ending on December 31, 2023.

The Board confirms that the Existing Annual Cap has not yet been exceeded as at August 29, 2023. Save for the Revised Annual Cap, all the terms and conditions (including pricing basis) under the Zhejiang Danniao Logistics Services Framework Agreement remain unchanged. The Company will continue to closely monitor the implementation of the Zhejiang Danniao Logistics Services Framework Agreement and take prompt actions to make necessary disclosure and, if necessary, obtain independent shareholders' approval in the event that any further adjustment to the Revised Annual Cap becomes foreseeable.

Pricing basis

The prices of transactions contemplated under the Zhejiang Danniao Logistics Services Framework Agreement shall be determined on an arm's length basis. The prices for provision of logistics to Zhejiang Danniao by the Group shall be determined with reference to the prices of the services that the Group charges in different geographical areas and shall be in line with the prices the Group charges independent third parties.

Historical figures and annual caps

We started to provide Zhejiang Danniao with logistics services in October 2019. The historical amounts of the logistics services provided to Zhejiang Danniao were approximately RMB0.17 million, RMB1.15 million, RMB8.5 million and RMB3.4 million for the years ended December 31, 2019, 2020, 2021 and 2022 respectively.

The proposed annual cap for the transactions contemplated under the Zhejiang Danniao Logistics Services Framework Agreement for the year ended December 31, 2023 is RMB17.5 million (per the announcement dated August 29, 2023, the annual cap is revised from 10.0 million to RMB17.5 million).

During the year ended December 31, 2023, the total amount of the logistics services provided to Zhejiang Danniao was approximately RMB17.47 million, which fell within the proposed annual cap as set out above.

Further details of the Zhejiang Danniao Logistics Services Framework Agreement are set out in the section headed "Connected Transactions" in the Prospectus and the announcement dated August 29, 2023.

2. Zhejiang Mengmengchun Logistics Services Framework Agreement[(1)]

On March 30, 2022, Hainan 58 Supply Chain entered into a logistics services framework agreement (the "**Zhejiang Mengmengchun Logistics Services Framework Agreement**") with Zhejiang Mengmengchun, pursuant to which, the Group agreed to provide Zhejiang Mengmengchun with logistics services for a term from April 1, 2022 to March 31, 2023.

Reference is made to the announcement published on March 23, 2023, as Zhejiang Mengmengchun Logistics Services Framework Agreement would be expired on March 31,2023, Hainan 58 Supply Chain (a Consolidated Affiliated Entity of the Company) and Zhejiang Mengmengchun (an indirect non-wholly owned subsidiary of Taobao China) entered into the agreement (the "**Renewed Zhejiang Mengmengchun Logistics Services Framework Agreement**") in relation to the provision of intra-city logistics and transportation services by Hainan 58 Supply Chain to Zhejiang Mengmengchun with a term from March 23, 2023 to March 31, 2024.

Pricing basis

Zhejiang Mengmengchun shall pay service fees to Hainan 58 Supply Chain. The service fees for the provision of logistics and transportation services are determined on arm's length basis with reference to the fee scale set out in the Renewed Zhejiang Mengmengchun Logistics Services Framework Agreement, which takes into account a number of factors including the number and type of vehicles used, distance of the services, the geographic area covered and other specific delivery requirements.

When estimating and approving the service fees for the transactions contemplated under the Renewed Zhejiang Mengmengchun Logistics Services Framework Agreement, the Company has adopted the pricing basis used for similar intra-city logistics services to independent enterprise customers. For enterprise services, the service fees for intra-city logistics services offered to independent enterprise customers are generally determined case by case on a cost-plus basis.

Before provision of services, the Company will estimate the cost for provision of the intra-city logistics services, which primarily consists of the amount to be paid by the Group for drivers' delivery services, with reference to the specifications of service and the expected order amount in the relevant transactions. After arriving at an estimated amount of cost, the Company will add a markup (抽佣率) not less than 4%, which is applicable to its enterprise customers for comparable transactions, to finally determine the amount of service fees to be charged. The abovementioned pricing basis, including the process for estimating the service fees, also applies to the transactions contemplated under the Renewed Zhejiang Mengmengchun Logistics Services Framework Agreement. Before entering into such agreement, the Company has estimated the amount of cost for the transactions contemplated thereunder, taking into consideration, among others, the specifications of service to be provided to Zhejiang Mengmengchun and the expected transaction amount. The Company then reviewed the fee scale under such agreement against the cost estimate, and made reference to fee scales offered to or quoted by other independent enterprise customers, in order to ensure that the service fees for the transactions contemplated under the Renewed Zhejiang Mengmengchun Logistics Services Framework Agreement (including the markup enjoyed by the Company) would be commercially acceptable and that the transactions contemplated thereunder are on normal commercial terms and fair and reasonable.

Historical figures and annual cap

There are no historical amounts for the transactions contemplated under the Zhejiang Mengmengchun Logistics Services Framework Agreement for the years ended December 31, 2019, 2020 and 2021, respectively. During the period from April 1, 2022 to December 31, 2022, the total amount of the logistics services provided to Zhejiang Mengmengchun was approximately RMB2.5 million.

The proposed annual caps for the transactions contemplated under the Renewed Zhejiang Mengmengchun Logistics Services Framework Agreement for the period from January 1, 2023 to March 31, 2023 and for the period from April 1, 2023 to December 31, 2023 are RMB1.8 million and RMB6.65 million, respectively.

The proposed annual caps have been determined after having considered the expected demand of Zhejiang Mengmengchun for the usage of the Group's intra-city logistics services during its daily operation, which takes into account Zhejiang Mengmengchun's historical usage of the Group's services and the expected increase in demand for the usage of the Group's intracity logistics services by Zhejiang Mengmengchun during the term of the Renewed Zhejiang Mengmengchun Logistics Services Framework Agreement. The proposed annual caps are calculated by multiplying the number of vehicles that Zhejiang Mengmengchun is expected to use to satisfy its demands during the term of the Renewed Zhejiang Mengmengchun Logistics Services Framework Agreement, by the average service fee charged per vehicle pursuant to the fee scale.

During the period from January 1, 2023 to March 31, 2023 and for the period from April 1, 2023 to December 31, 2023, the total amount of the logistics services provided to Zhejiang Mengmengchun was approximately RMB0.6 million and RMB2.3 million respectively, which fell within the proposed annual cap as set out above.

Further details of the Zhejiang Mengmengchun Logistics Services Framework Agreement are set out in the section headed "Connected Transactions" in the Prospectus and the announcement dated March 23, 2023.

3. Alibaba Cloud Services Framework Agreement[(1)]

On June 6, 2022, Tianjin 58 Technology entered into a cloud services framework Agreement (the "**Alibaba Cloud Services Framework Agreement**") with Alibaba Cloud Computing and Alibaba Cloud Computing Beijing (collectively, "**Alibaba Cloud**"), pursuant to which, Alibaba Cloud agreed to provide Tianjin 58 Technology with cloud services, for a term from March 2, 2022 to March 2, 2023.

Reference is made to the announcement published on March 1, 2023, Tianjin 58 Technology (an indirect wholly-owned subsidiary of the Company) entered into the agreement (the "**Renewed Alibaba Cloud Services Framework Agreement**") with Alibaba Cloud Computing and Alibaba Cloud Computing Beijing (each a fellow subsidiary of Taobao China), pursuant to which Alibaba Cloud has agreed to provide Tianjin 58 Technology with cloud services for a term of one year from March 2, 2023 to March 2, 2024 (both days inclusive).

Pricing basis

The service fees for the cloud services contemplated under the Renewed Alibaba Cloud Services Framework Agreement shall be calculated with reference to the standard service charges as set out in the price catalog published by Alibaba Cloud on its official website from time to time (the "**Published Rate**"), which sets out the specific service scope and the corresponding prices for each type of service. Pursuant to the Renewed Alibaba Cloud Services Framework Agreement, Tianjin 58 Technology shall enjoy a discount which generally ranges from 20% to 55% (as the case may be) of the Published Rate. The discount rate is determined based on the types of service and the purchase amount for the relevant service. In addition, Alibaba Cloud shall also offer coupons when the purchase amount reaches a specific threshold.

Historical figures and annual caps

The historical amounts with respect to the cloud services provided by Alibaba Cloud to Tianjin 58 Technology were approximately RMB1.7 million, RMB4.4 million, RMB8.7 million and RMB10.2 million for the years ended December 31, 2019, 2020, 2021 and 2022 respectively.

The proposed annual caps for the transactions contemplated under the (Renewed) Alibaba Cloud Services Framework Agreement for the period from January 1, 2023 to March 2, 2023 and for the period from March 2, 2023 to December 31, 2023 are RMB3.1 million and RMB9.2 million, respectively.

For the period from January 1, 2023 to March 2, 2023 and the period from March 2, 2023 to December 31, 2023 and, the total amount of the cloud services provided by (Renewed) Alibaba Cloud to Tianjin 58 Technology were approximately RMB1.6 million and RMB5.4 million respectively, which fell within the proposed annual cap as set out above.

Further details of the Alibaba Cloud Services Framework Agreement are set out in the section headed "Connected Transactions" in the Prospectus and the announcement dated March 1, 2023.

Report of Directors

4. *Alibaba Cloud ECS Agreement*

On June 8, 2021, Hainan 58 Freight entered into an elastic compute service ("**ECS**") monthly subscription agreement (the "**Alibaba Cloud ECS Agreement**") with Alibaba Cloud Computing, pursuant to which Hainan 58 Freight purchased ECS services for a term commencing from May 25, 2021 to May 26, 2023, at a total consideration of RMB1,395.6 which was a one- off payout that was fully settled in July 2021. No further payment will be incurred under this agreement.

Further details of the Alibaba Cloud ECS Agreement are set out in the section headed "Connected Transactions" in the Prospectus.

5. *Alibaba Cloud Virtual Host Service Agreement*

On May 25, 2020, Hainan 58 Supply Chain entered into a service agreement with Alibaba Cloud Computing (the "**Alibaba Cloud Virtual Host Service Agreement**"), pursuant to which Hainan 58 Supply Chain purchased virtual host services for a term commencing from May 25, 2020 to May 25, 2023, at a total consideration of RMB617.0 which was a one-off payout that was fully settled in July 2020. No further payment will be incurred under this agreement.

Further details of the Alibaba Cloud Virtual Host Service Agreement are set out in the section headed "Connected Transactions" in the Prospectus.

As the Alibaba Cloud Services Framework Agreement, Alibaba Cloud ECS Agreement and Alibaba Cloud Virtual Host Service Agreement have been entered into by entities of our Group with Alibaba Cloud Computing, the transactions contemplated under the agreements shall be aggregated pursuant to Rule 14A.81 of the Listing Rules.

6. The Zhejiang Xinyi Logistics Services Cooperation Agreement

On September 9, 2022, Hainan 58 Supply Chain entered into a cooperation agreement with Zhejiang Xinyi (the "**Zhejiang Xinyi Logistics Services Cooperation Agreement**"), pursuant to which Hainan 58 Supply Chain will provide intra-city logistics and transportation services to Zhejiang Xinyi.

Pricing basis

Zhejiang Xinyi shall pay service fees to Hainan 58 Supply Chain. The service fees for the provision of logistics and transportation services are determined on arm's length basis with reference to the fee scale issued by Zhejiang Xinyi, which takes into account a number of factors including the number and type of vehicles used, distance of the services, the geographic area covered and other specific delivery requirements. The fee scale issued by Zhejiang Xinyi is applicable to all of its independent suppliers who provide them with similar intra-city logistics services.

When estimating and approving the service fees for the transactions contemplated thereunder, the Company has adopted the pricing basis used for similar intra-city logistics services to independent enterprise customers. For enterprise services, the service fees for intra-city logistics services offered to independent enterprise customers are generally determined case by case on a cost-plus basis. Before the provision of services, the Company will estimate the cost for provision of the intra- city logistics services, which primarily consists of the amount to be paid by the Group pay for drivers' delivery services, with reference to the specifications of service and the expected order amount in the relevant transactions. After arriving at an estimated amount of cost, the Company will add a markup (抽佣率) not less than 4%, which is applicable to its enterprise customers for comparable transactions, to finally determine the amount of service fees to be charged. The abovementioned pricing basis, including the process for estimating the service fees, also applies here. The Company has estimated the amount of cost for the transactions contemplated hereunder, taking into consideration, among others, the specifications of service to be provided to Zhejiang Xinyi and the expected transaction amount. Then it reviewed the fee scale issued by Zhejiang Xinyi against such cost estimate, and made reference to fee scales offered to or quoted by other independent enterprise customers, in order to ensure that the amount of service fees for the Transactions (including the markup enjoyed by the Company) would be commercially acceptable. Therefore, the Company is of the view that the service fees are on normal commercial terms and are fair and reasonable.

Report of Directors

Historical figures and annual caps

The historical amounts of the logistics services provided to Zhejiang Xinyi were approximately RMB4.76 million and RMB0.1 million for the year ended December 31, 2021 and 2022 respectively.

The proposed annual caps for the transactions contemplated under the Zhejiang Xinyi Logistics Services Cooperation Agreement for the period from January 1, 2023 to March 31, 2023 was RMB1.2 million.

The annual caps have been determined after having considered the expected demand of Zhejiang Xinyi for the usage of the Group's intra-city logistics services during its daily operation in Dongguan, which takes into account Zhejiang Xinyi's historical usage of the Group's services in other geographical areas. The annual caps are calculated by multiplying the number of vehicles that Zhejiang Xinyi is expected to use to satisfy its demands during the term of the agreement, by the average service fee charged per vehicle pursuant to the fee scale.

For the period from January 1, 2023 to March 31, 2023, the total amount of the logistics services provided to Zhejiang Xinyi was approximately RMB0.04 million, which fell within the proposed annual cap as set out above.

Further details of the Zhejiang Xinyi Logistics Services Cooperation Agreement are set out in the announcements of the Company dated September 9, 2022 and September 28, 2022.

7. *Zhejiang Niaochao Logistics Services Cooperation Agreement*[1]

On March 30, 2023, Hainan 58 Supply Chain (a Consolidated Affiliated Entity of the Company) and Zhejiang Niaochao (an indirect wholly-owned subsidiary of Taobao China) entered into the agreement in relation to the provision of logistics and transportation services by Hainan 58 Supply Chain to Zhejiang Niaochao for a term from March 30, 2023 to March 31, 2024 ("**Zhejiang Niaochao Logistics Services Cooperation Agreement**").

Pricing basis

Zhejiang Niaochao shall pay service fees to Hainan 58 Supply Chain. The service fees for the provision of logistics and transportation services are determined on arm's length basis with reference to the fee scale set out in the Zhejiang Niaochao Logistics Services Cooperation Agreement, which takes into account a number of factors including the number and type of vehicles used, distance of the services, the geographic area covered and other specific delivery requirements.

When estimating and approving the service fees for the transactions contemplated under the Zhejiang Niaochao Logistics Services Cooperation Agreement, the Company has adopted the pricing basis used for similar logistics and transportation services to independent enterprise customers. For enterprise services, the service fees for logistics and transportation services offered to independent enterprise customers are generally determined case by case on a cost-plus basis. Before provision of services, the Company will estimate the cost for provision of the logistics and transportation services, which primarily consists of the amount to be paid by the Group for drivers' delivery services, with reference to the specifications of service and the expected order amount in the relevant transactions. After arriving at an estimated amount of cost, the Company will add a markup (抽佣率) not less than 4%, which is applicable to its enterprise customers for comparable transactions, to finally determine the amount of service fees to be charged. The abovementioned pricing basis, including the process for estimating the service fees, also applies to the transactions contemplated under the Zhejiang Niaochao Logistics Services Cooperation Agreement. Before entering into such agreement, the Company has estimated the amount of cost for the transactions contemplated thereunder, taking into consideration, among others, the specifications of service to be provided to Zhejiang Niaochao and the expected transaction amount. The Company then reviewed the fee scale under such agreement against the cost estimate, and made reference to fee scales offered to or quoted by other independent enterprise customers, in order to ensure that the service fees for the transactions contemplated under the Zhejiang Niaochao Logistics Services Cooperation Agreement (including the markup enjoyed by the Company) would be commercially acceptable and that the transactions contemplated thereunder are on normal commercial terms or better and fair and reasonable.

Report of Directors

Historical figures and annual caps

There is no historical transaction amount with respect to provision of logistics and transportation services by Hainan 58 Supply Chain to Zhejiang Niaochao.

The proposed annual caps for the transactions contemplated under the Zhejiang Niaochao Logistics Services Cooperation Agreement for the period from March 30, 2023 to December 31, 2023 is RMB2.7 million.

The proposed annual caps for the transactions contemplated under the Zhejiang Niaochao Logistics Services Cooperation Agreement have been determined after having considered the expected demand of Zhejiang Niaochao for the usage of Hainan 58 Supply Chain's logistics and transportation services during its daily operation. The proposed annual caps are calculated by multiplying the number of vehicles that Zhejiang Niaochao is expected to use to satisfy its demands during the term of the Zhejiang Niaochao Logistics Services Cooperation Agreement, by the average service fee charged per vehicle pursuant to the fee scale.

For the period from March 30, 2023 to December 31, 2023, the total amount for the transactions contemplated under the Zhejiang Niaochao Logistics Services Cooperation Agreement was approximately RMB0.6 million, which fell within the proposed annual cap as set out above.

Further details of the Zhejiang Danniao Logistics Services Framework Agreement are set out in the announcement dated March 30, 2023.

8. Cainiao HK Logistics Services Cooperation Agreement[(1)]

On March 31, 2023, GoGo Tech HK (an indirect wholly owned subsidiary of the Company) and Cainiao Supply Chain (an indirect non-wholly owned subsidiary of Alibaba) entered into the agreement in relation to the provision of logistics and transportation services in Hong Kong by GoGo Tech HK to Cainiao Supply Chain ("**Cainiao HK Logistics Services Cooperation Agreement**").

Pricing basis

Cainiao Supply Chain shall pay service fees to GoGo Tech HK. The service fees for the provision of logistics and transportation services in Hong Kong by GoGo Tech HK to Cainiao Supply Chain are determined on arm's length basis with reference to the fee scale set out in the Cainiao HK Logistics Services Cooperation Agreement, which takes into account the weight of freight to be delivered, the delivery routes, the geographic areas covered and other service specifications.

When estimating and approving the service fees for the transactions contemplated under the Cainiao HK Logistics Services Cooperation Agreement, the Company has adopted the pricing basis used for similar logistics and transportation services to independent enterprise customers in Hong Kong.

For provision of logistics and transportation services to enterprise customers in Hong Kong, the service fees are generally determined case by case on a cost-plus basis. Before estimating and approving the service fees for such services, the Company will gather necessary information regarding the logistics and transportation services required by enterprise customers in Hong Kong, including but not limited to, service specifications, operational requirements and expected order volume. Based on such requirements, the Company will estimate the costs associated with provision of the required logistics and transportation services, and devise a fee scale with reference to estimated costs plus a reasonable profit margin for comparable transactions. The abovementioned pricing basis, including the process for estimating the service fees, also applies to the transactions contemplated under the Cainiao HK Logistics Services Cooperation Agreement. Before entering into such agreement, the Company has estimated the amount of cost for the transactions contemplated thereunder, taking into consideration, among others, the specifications of service to be provided to Cainiao Supply Chain and the expected order volume. The Company then reviewed the fee scale under such agreement against the cost estimate, and made reference to service fees charged in comparable transactions with independent enterprise customers, in order to ensure that the service fees for the transactions contemplated under the Cainiao HK Logistics Services Cooperation Agreement (including the profit margin enjoyed by the Company) would be commercially acceptable and that the transactions contemplated thereunder are on normal commercial terms or better and fair and reasonable.

Historical figures and annual caps

There is no historical transaction amount with respect to provision of logistics and transportation services by GoGo Tech HK to Cainiao Supply Chain.

The proposed annual caps for the transactions contemplated under the Cainiao HK Logistics Services Cooperation Agreement for the period from April 1, 2023 to December 31, 2023 is RMB3.0 million.

The proposed annual caps for the transactions contemplated under the Cainiao HK Logistics Services Cooperation Agreement have been determined after having considered the projected number of trips to be undertaken by GoGo Tech HK on a monthly basis and the projected weight of freight per trip to be undertaken by GoGo Tech HK, which takes into account the expected demand of logistics and transportation services by Cainiao Supply Chain during its daily operation in Hong Kong.

For the period from April 1, 2023 to December 31, 2023, the total amount for the transactions contemplated under the Cainiao HK Logistics Services Cooperation Agreement was approximately RMB2.2 million, which fell within the proposed annual cap as set out above.

Further details of the Cainiao HK Logistics Services Cooperation Agreement are set out in the announcements dated March 31, 2023 and April 14, 2023.

Note:

(1) On December 15, 2023, Taobao China sold 1,369,400 Shares of the Company and the interests held by Taobao China was reduced to approximately 9.88% of the issued share capital of the Company. Accordingly, Taobao China ceased to be substantial shareholders of the Company and therefore, Zhejiang Danniao Logistics Services Framework Agreement, Zhejiang Mengmengchun Logistics Services Framework Agreement, Alibaba Cloud Services Framework Agreement, Zhejiang Niaochao Logistics Services Cooperation Agreement and Cainiao HK Logistics Services Cooperation Agreement no longer constituted continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

1. Property Lease Agreement

On March 1, 2023, the Property Lease Agreement was entered into between Tianjin 58 Technology (as lessee), an indirect wholly-owned subsidiary of the Company, and Beijing 58 Youxiang (as lessor), an indirect non wholly-owned subsidiary of 58 Daojia, in respect of the lease of the Property for a term from March 1, 2023 to January 15, 2026 ("**Property Lease Agreement**").

Further details of the Property Lease Agreement are set out in the section headed "Connected Transactions" in the Prospectus and the announcement dated March 1, 2023.

Confirmation from independent non-executive Directors

The independent non-executive Directors have reviewed the aforesaid continuing connected transactions and confirmed that for the year ended December 31, 2023, the transactions have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better; and

(iii) in accordance with relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation from the Company's Auditor

PricewaterhouseCoopers, the auditor of the Company, has confirmed in a letter to the Board that, with respect to the disclosed continuing connected transactions mentioned above during the year ended December 31, 2023:

(i) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions mentioned above have not been approved by the Company's Board of Directors;

(ii) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and

(iv) with respect to the aggregate amount of each of the disclosed continuing connected transactions (other than those transactions with Consolidated Affiliated Entities under the Contractual Arrangements) mentioned above, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

Related Party Transactions

During the Reporting Period, save as disclosed above, no other related party transactions disclosed in Note 33 to the consolidated financial statements constituted a connected transaction or continuing connected transaction which should be disclosed pursuant to the Listing Rules. The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the Reporting Period.

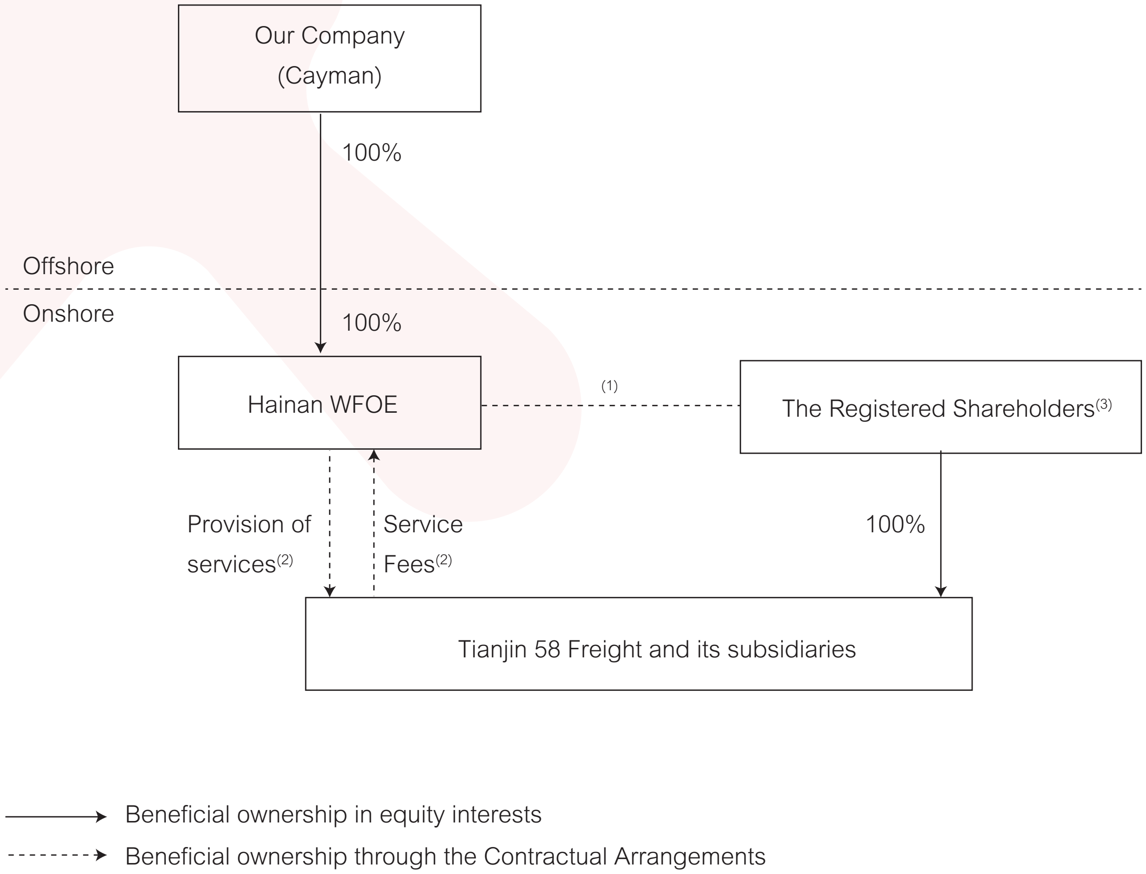
CONTRACTUAL ARRANGEMENTS

The Group facilitates and provides intra-city logistics services through our intelligent online platforms in the PRC (the "**Relevant Businesses**") under the brand Kuaigou Dache (快狗打车). We have operated the Relevant Businesses through our Consolidated Affiliated Entities, which hold value-added telecommunication business operating licenses covering Internet information service (the "**ICP License**"). Under the PRC laws and regulations, carrying out the Relevant Businesses through our mobile apps involves provision of value-added telecommunication service in the PRC (the "**VATS Business**"), which is subject to foreign investment restrictions and license requirements. In particular, the Relevant Businesses fall under the scope of Internet information services, a sub-category of VATS Business, which are the restricted businesses under the 2021 Negative List (外商投資准入特別管理措施(負面清單) (2021年版)), and foreign investors are restricted from holding more than 50% equity interests in companies providing such business and must obtain approval from the the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部). Please refer to the section headed "Regulations – Laws and Regulations in Relation to Our Business in the PRC – Regulations on Value-added Telecommunications Services and Foreign Investment Restrictions" in the Prospectus for further details.

To comply with applicable laws and regulations and in line with common practice in companies conducting the VATS Business, we had established the contractual arrangements through a series of agreements among Tianjin WFOE, Tianjin 58 Freight, shareholders of Tianjin 58 Freight and certain other parties thereto in July 2017, which was replaced by a series of agreements among Hainan WFOE, the Consolidated Affiliated Entities, the Registered Shareholders and certain other parties thereto (the "**Contractual Arrangements**"). Pursuant to the Contractual Arrangements, all substantial and material business decisions of our Consolidated Affiliated Entities will be instructed and supervised by our Group through Hainan WFOE, and all risks arising from the business of Consolidated Affiliated Entities are also effectively borne by our Group as a result of it being treated as our wholly-owned subsidiaries. The revenue generated by our Consolidated Affiliated Entities and by excluding inter-group transactions was approximately RMB286.1 million (2022: RMB347.9 million), representing approximately 38.0% of the consolidated revenue of our Group, for the year ended December 31, 2023. Based on the above and as set out in the section headed "Contractual Arrangements" in the Prospectus, we believe that the Contractual Arrangements are narrowly tailored to minimize the potential conflict with relevant PRC laws and regulations. Our Directors consider that it is fair and reasonable for Hainan WFOE to exercise control over and enjoy all the economic benefits derived from the operations of the Consolidated Affiliated Entities through the Contractual Arrangements as a whole.

Report of Directors

The following simplified diagram illustrates the flow of economic benefits from our Consolidated Affiliated Entities to our Group stipulated under the Contractual Arrangements.



(1) Control of Hainan WFOE over the equity interests of Consolidated Affiliated Entities through agreements with the Registered Shareholders: (i) Exclusive Option Agreement, (ii) Equity Pledge Agreement, and (iii) Powers of Attorney.

(2) Control of Hainan WFOE over the business of Consolidated Affiliated Entities through Exclusive Management Services and Business Cooperation Agreement.

(3) Tianjin 58 Freight was owned as to 50% by Mr. Chen (our Chairman of the Board and an executive Director, resigned with effect from 19 December 2023) and 50% by Mr. Yao, who were the Registered Shareholders.

Risks relating to the Contractual Arrangements

We believe the following risks are associated with the Contractual Arrangements. Further details of these risks are set out on pages 100 to 105 of the Prospectus.

- If the PRC government determines that the Contractual Arrangements do not comply with applicable PRC laws and regulations, or if these laws and regulations or the interpretation of existing laws and regulations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and being forced to relinquish our interests in those Consolidated Affiliated Entities.

- Our Contractual Arrangements may not be as effective in providing operational control as direct ownership.

- We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by our Consolidated Affiliated Entities if any of our Consolidated Affiliated Entities declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

- The registered shareholders of our Consolidated Affiliated Entities may have potential conflicts of interest with us.

- Contractual arrangements we have entered into with our Consolidated Affiliated Entities may be subject to scrutiny by the PRC tax authorities. A finding that we owe additional taxes could negatively affect our financial condition and the value of your investment.

- Uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and how it may impact the viability of our current corporate structure and business operations.

- Certain terms of the Contractual Arrangements may not be enforceable under PRC laws.

- Our exercise of the option to acquire the equity interests and assets of our Consolidated Affiliated Entities may be subject to certain limitations and we may incur substantial costs.

Report of Directors

Summary of the major terms of the Contractual Arrangements

The Contractual Arrangements which were in place during the Reporting Period and a description of the specific agreements that comprise the Contractual Arrangements is set out below:

Exclusive Management Services and Business Cooperation Agreement

Pursuant to the exclusive management services and business cooperation agreement dated August 16, 2021 entered into by and among Tianjin 58 Freight, Hainan 58 Supply Chain, Zhenjiang 58 Supply Chain, Hainan 58 Freight, Registered Shareholders and Hainan WFOE (the "**Exclusive Management Services and Business Cooperation Agreement**"), and the letter of acceptance of rights and obligations signed by Tianjin Kuaigou Freight and Kuaigou Dache (Tianjin) Information Service Co., Ltd, respectively as a supplemental agreement to the Exclusive Management Services and Business Cooperation Agreement, Hainan WFOE was appointed as the exclusive technology and service provider to Consolidated Affiliate Entities of comprehensive corporate management consulting, intellectual property licensing, technical support and business support services, which are specified by Hainan WFOE in accordance with scope of its business.

Under the Exclusive Management Services and Business Cooperation Agreement, service fees shall be determined by Hainan WFOE, if not violating the mandatory provisions of PRC laws, in accordance with the specific service content and service targets, as well as Consolidated Affiliated Entities' income and customer volume in a specific period, and shall be the balance of general income deducting costs, taxes and other reserved fees stipulated by laws and regulations. Hainan WFOE shall calculate the fee payable on a fixed term, which shall be determined by Hainan WFOE and agreed by accepting party of the service, and in accordance with the payment instructions of Hainan WFOE. Notwithstanding the payment agreements in the Exclusive Management Services and Business Cooperation Agreement, Hainan WFOE may, in its sole discretion, adjust the payment time and payment instructions.

In addition, Hainan WFOE is the sole and exclusive provider of services under the Exclusive Management Services and Business Cooperation Agreement. Without the prior written consent of Hainan WFOE, during the effective period of the Exclusive Management Services and Business Cooperation Agreement, Consolidated Affiliated Entities and Registered Shareholders shall not directly and indirectly obtain the same or similar exclusive technical and other services as provided under the Exclusive Management Services and Business Cooperation Agreement from any third party, or establish any similar business cooperative relation with any third party with respect to the matters stipulated herein.

The Exclusive Management Services and Business Cooperation Agreement also provided that Hainan WFOE has the exclusive proprietary rights to and interests in any and all intellectual property rights developed or produced by performance of the Exclusive Management Services and Business Cooperation Agreement. Without Hainan WFOE's consent, Consolidated Affiliated Entities and Registered Shareholders enjoy no rights other than those provided in the Exclusive Management Services and Business Cooperation Agreement. The Consolidated Affiliated Entities and the Registered Shareholders shall actively assist with Hainan WFOE for all necessary method to ensure the aforesaid interests and rights be vested in Hainan WFOE.

Under the Exclusive Management Services and Business Cooperation Agreement, Consolidated Affiliated Entities grants to Hainan WFOE an irrevocable and exclusive purchase right, which allows Hainan WFOE to purchase, subject to compliance with the PRC laws, at its discretion, any or all of the assets and business of Consolidated Affiliated Entities at the lowest price as permitted under PRC laws and regulations.

The Exclusive Management Services and Business Cooperation Agreement shall remain in force during the business operation period of Hainan WFOE and the Consolidated Affiliated Entities unless otherwise terminated earlier by consensus of all parties to the Exclusive Management Services and Business Cooperation Agreement. Hainan WFOE has the sole discretion and right to terminate the Exclusive Management Services and Business Cooperation Agreement with written notice at any time. Without Hainan WFOE's written consent, Consolidated Affiliated Entities and Registered Shareholders have no right to terminate the Exclusive Management Services and Business Cooperation Agreement.

Exclusive Option Agreements

On August 16, 2021, Hainan WFOE, Tianjin 58 Freight and Registered Shareholders entered into an exclusive option agreement. Further, on January 26, 2022, Hainan WFOE, each of the subsidiaries of Tianjin 58 Freight and their respective registered shareholder (being Tianjin 58 Freight) entered into several exclusive option agreements (collectively, the "**Exclusive Option Agreements**", each an "**Exclusive Option Agreement**"). Pursuant to the Exclusive Option Agreements, Hainan WFOE has the exclusive, unconditional and irrevocable right to require the respective registered shareholder of the Consolidated Affiliated Entities, upon occurrence of the following situations and subject to the requirements by Hainan WFOE, to transfer any or all of the equity interest in the respective Consolidated Affiliated Entity (the "**Equity Interest**") held by the respective registered shareholder of the Consolidated Affiliated Entities to it and/or a third party designated by it for free or considerations equivalent to the minimum purchase price permitted under the PRC laws and regulations:

- Hainan WFOE or the third party designated by it is permitted to hold any or all of the Equity Interest under the PRC laws; or

- Subject to the PRC laws, any situation as Hainan WFOE thinks is appropriate or necessary.

Subject to the terms and condition of the Exclusive Option Agreements and without violating the PRC law, Hainan WFOE shall have right to, at its discretion, exercise any or all of the right to acquire any or all of the Equity Interest. The time, method, amount and frequency of Hainan WFOE to exercise its right stipulated therein shall not be limited.

Under the Exclusive Option Agreements, the respective registered shareholder of the Consolidated Affiliated Entities agree that they will return to the relevant Consolidated Affiliated Entity, Hainan WFOE or its designated party any consideration received, in the event that Hainan WFOE exercises the option under the respective Exclusive Option Agreement to acquire the Equity Interest.

Under the Exclusive Option Agreements, the respective registered shareholder of the Consolidated Affiliated Entities undertake that, subject to the PRC laws and regulations and after taxes required by PRC laws and regulations have been paid, before their transferring the Equity Interest to Hainan WFOE, they shall deliver the dividends, bonus, or any other property distributed from the Consolidated Affiliated Entities to Hainan WFOE or any third party designated by Hainan WFOE as soon as possible and within three (3) days after receipt of such dividends, bonus or any other property.

Report of Directors

Further, pursuant to the Exclusive Option Agreement, the Consolidated Affiliated Entities and the respective registered shareholder of the Consolidated Affiliated Entities have, separately and jointly, covenanted that:

- During the term of the Exclusive Option Agreement, except the pledge provided in the Equity Pledge Agreement (as defined below) or with Hainan WFOE's prior written consent, the respective registered shareholder of the Consolidated Affiliated Entities shall not transfer any Equity Interest to any third party, and shall not create any pledge, mortgage, guarantee, or any other right in the benefit of any third party in the Equity Interest held by the respective registered shareholder of the Consolidated Affiliated Entities, and shall ensure that the Equity Interest is free from any claim of any third party;

- Without Hainan WFOE's prior written consent, they will not supplement, change or amend the Articles of Association and bylaws of the Consolidated Affiliated Entities in any manner, increase or reduce registered capital or change structure of registered capital of the Consolidated Affiliated Entities in any other manner;

- They will not enter into any material contract or change the scope of business of the respective Consolidated Affiliated Entity;

- Subject to the PRC laws and regulations, they shall extend the operation period of the Consolidated Affiliated Entities based on the operation period of Hainan WFOE and cause the operation period of the Consolidated Affiliated Entities the same as that of Hainan WFOE or adjust the operation period of the Consolidated Affiliated Entities based on the requirements of Hainan WFOE;

- They shall operate the Consolidated Affiliated Entities' corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs, and shall obtain all governmental permits and licenses that are necessary for the business of the Consolidated Affiliated Entities;

- They shall use their best efforts to maintain and increase the asset value of the respective Consolidated Affiliated Entity, and shall not terminate any material contract to which the respective Consolidated Affiliated Entity is a party or entered into any agreement that affect the respective Consolidated Affiliated Entity's financial status and asset value;

- They shall not create, succeed, warrant or allow any debt except the account payable occurred in ordinary course, provided however, such account payable shall not be created by loan from any other person without the prior written consent of Hainan WFOE;

- They shall inform Hainan WFOE immediately of any litigation, arbitration or administrative proceeding that will occur or may occur related to the assets, businesses, revenues of the Consolidated Affiliated Entities;

- They shall not announce or pay any dividend to the shareholders without prior written consent of Hainan WFOE;

- They shall appoint persons designated by Hainan WFOE as directors, supervisors and/or senior management of the Consolidated Affiliated Entities, and/or remove the incumbent directors, supervisors and/or senior management of the Consolidated Affiliated Entities at Hainan WFOE's request and complete all relevant filing procedures. Hainan WFOE also has the right to request them to replace the aforesaid persons;

- Without the prior written consent of Hainan WFOE, they shall not at any time following the date of the execution sell, transfer, license or dispose in any manner any asset of the Consolidated Affiliated Entities, or allow the encumbrance hereon of any asset of the Consolidated Affiliated Entities, unless the Consolidated Affiliated Entities is able to prove that the such sale, transfer, license, deposition or encumbrance is necessary for the business of the Consolidated Affiliated Entities in ordinary course and the transaction amount of one single transaction shall not higher than RMB100,000;

- In the event that during the term of the Exclusive Option Agreement the respective Consolidated Affiliated Entity liquidates or dissolves, subject to the PRC laws and regulations, they shall designate person recommended by Hainan WFOE to constitute the liquidation group and manage the asset of the Consolidated Affiliated Entities. The respective registered shareholder of the Consolidated Affiliated Entities hereby confirm that in the event of liquidation or dissolution of the Consolidated Affiliated Entities, they shall deliver all the asset distribute in the liquidation and dissolution to Hainan WFOE or its designated party in the manner that is permitted by the PRC law; and

  In the event of death, incapacity, marriage, divorce or other circumstances that may affect the exercise of the equity interest in the Consolidated Affiliated Entities held directly or indirectly by the respective registered shareholder of the Consolidated Affiliated Entities, successors of the respective registered shareholder of the Consolidated Affiliated Entities (including their spouse, children, parents, siblings and grandparents) shall be deemed to be a party to the Exclusive Option Agreement and shall succeed to and assume all of the respective registered shareholder of the Consolidated Affiliated Entities' rights and obligations thereunder and transfer the relevant Equity Interest to Hainan WFOE or its designated party in accordance with the then applicable laws and the Exclusive Option Agreement.

Powers of Attorney

Each of the Registered Shareholders has executed a power of attorney dated August 16, 2021, and Tianjin 58 Freight (being the registered shareholder of its subsidiaries) has executed several power of attorney dated January 26, 2022 (collectively, the "**Powers of Attorney**"), pursuant to which, each of the Registered Shareholders and Tianjin 58 Freight (being the registered shareholder of its subsidiaries) has irrevocably appointed Hainan WFOE or its designated persons or our Directors or their successors (including any liquidator replacing a Director, but excluding any person who is not independent or who may give rise to a conflict of interest) on his/its behalf and at the such person's own will to exercise the rights including, but not limited to, the following:

(a) proposing the shareholders' meeting according to articles of association of the Consolidated Affiliated Entities, participating in the shareholders' meeting of the Consolidated Affiliated Entities and executing relevant resolutions;

(b) exercising all the rights of shareholder of the Consolidated Affiliated Entities on shareholders' meetings according to relevant laws and regulations and the articles of association of the Consolidated Affiliated Entities, including but not limited to the right to nominate, the right to vote and the right to appoint;

(c) representing the Registered Shareholders or Tianjin 58 Freight, in the case of its subsidiaries to submit documents which shall be submitted by the shareholder of the Consolidated Affiliated Entities to relevant competent governmental authorities;

(d) exercising the right of dividend, the right to sell, transfer or assign, pledge or dispose all or part of Equity Interest owned by the Registered Shareholders or Tianjin 58 Freight, in the case of its subsidiaries, the right of distribution of residual properties after the liquidation of the Consolidated Affiliated Entities provided under the laws and articles of association of the Consolidated Affiliated Entities;

(e) constituting the liquidation group and exercising the authorities of liquidation group during the liquidation in the event of liquidation or dissolution of the Consolidated Affiliated Entities, including but not limited to the management of the Consolidated Affiliated Entities' assets;

(f) reviewing the resolutions of shareholders' meeting and the resolutions of the board meeting of the Consolidated Affiliated Entities, recording the financial statements and report of the Consolidated Affiliated Entities; and

(g) any other rights as a shareholder of the Consolidated Affiliated Entities.

The Registered Shareholders or Tianjin 58 Freight, in the case of its subsidiaries have undertaken that their authorities under the Powers of Attorney will not give rise to any actual or potential conflict of interest with Hainan WFOE and/or its overseas holding companies (including our Company). In the event of any potential conflict of interest between the Registered Shareholders or Tianjin 58 Freight, in the case of its subsidiaries and Hainan WFOE and/or its overseas holding companies (including our Company), the Registered Shareholders or Tianjin 58 Freight, in the case of its subsidiaries will, subject to the relevant provisions of the PRC laws and regulations, give priority to protect and not prejudice the interests of Hainan WFOE or its overseas holding companies (including our Company).

The Powers of Attorney shall remain valid for the duration of the Exclusive Management Services and Business Cooperation Agreement.

Equity Pledge Agreement

Pursuant to the equity pledge agreement dated August 16, 2021 by and among Hainan WFOE, Tianjin 58 Freight and Registered Shareholders (the "**Equity Pledge Agreement**"), the Registered Shareholders agreed to unconditionally and irrevocably pledge all their respective Equity Interest and the equity interests arising from the increase in capital of Tianjin 58 Freight with the consent of Hainan WFOE, including the dividends and bonuses accrued from such equity interests (hereinafter referred to as the "**Pledged Equity Interest**") to Hainan WFOE as security for the performance of all obligations of the Consolidated Affiliated Entities and the Registered Shareholders under the Exclusive Management Services and Business Cooperation Agreement, the Exclusive Option Agreement, the Powers of Attorney and the Spouse Consent Letters (as defined below) (hereinafter collectively referred to as "**Master Agreements**").

The Pledged Equity Interest under the Equity Pledge Agreement secures all obligations of the Consolidated Affiliated Entities and the Registered Shareholders under the Master Agreements (including but not limited to any amounts, penalties, damages, dividends, profits or any asset payable but not paid to Hainan WFOE), any fees for exercising the creditor's rights and the pledge right, and any other related expenses, and shall not be limited to the amounts of secured creditor's right recorded in relevant governmental authority.

The pledge thereunder shall be effective from the date of registration of the pledge with competent governmental authorities to the date on which the Master Agreements are completely performed, invalidated or terminated (the later date shall prevail). In the term of pledge, if the Consolidated Affiliated Entities and the Registered Shareholders fail to perform any of their obligations under the Master Agreements, or in case of occurrence of any of the events provided below, Hainan WFOE shall have the right but not obligated to dispose the Pledged Equity Interest in accordance with the provisions of the Equity Pledge Agreement.

(a) Tianjin 58 Freight and the Registered Shareholders violate their material obligations or covenants and warranties under the Equity Pledge Agreement, or any covenants and warranties made by them in the Equity Pledge Agreement are seriously untrue;

(b) The Consolidated Affiliated Entities and the Registered Shareholders violate any of their obligations or covenants and warranties under the Master Agreements, or any covenants and warranties made by them in the Master Agreements are seriously untrue;

(c) Any obligation of the Consolidated Affiliated Entities or the Registered Shareholders under the Equity Pledge Agreement is regarded as illegal or void;

(d) The termination of business, dissolution or bankruptcy of the Consolidated Affiliated Entities;

(e) The Consolidated Affiliated Entities and/or the Registered Shareholders are involved in any disputes, litigations, arbitrations, administrative procedures or any other legal procedures or administrative query, actions or investigations that deemed reasonably by Hainan WFOE to have material adverse effect on the following events: (i) the capacity of the Registered Shareholders to perform its obligations under the Equity Pledge Agreement or the Master Agreements, or (ii) the capacity of the Consolidated Affiliated Entities to perform its obligations under the Equity Pledge Agreement or the Master Agreements; and

(f) Any other events of the disposal of the Pledged Equity Interest according to applicable laws and regulations. The equity pledge registration by the Registered Shareholders with the relevant PRC authorities as required by the relevant PRC laws and regulations has been completed on August 24, 2021.

Report of Directors

On January 26, 2022, each Consolidated Affiliated Entity (each being a subsidiary of Tianjin 58 Freight) and their respective shareholder (being Tianjin 58 Freight) entered into an equity pledge agreement with Hainan WFOE. Such equity pledge agreements have similar terms as the Equity Pledge Agreement in relation to Tianjin 58 Freight. The relevant equity pledges were completed in February 2022.

The extent to which the Contractual Arrangements relate to requirements other than the foreign ownership restriction

All of the Contractual Arrangements are subject to the restrictions as set out on pages 261 to 278 of the Prospectus. There was no material change in the Contractual Arrangements and/or the circumstances under which they were adopted, and none of the Contractual Arrangements had been unwound as the regulatory restrictions that led to their adoptions were not removed since the Listing Date and up to December 31, 2023.

Listing Rules implications and waiver from the Stock Exchange

As certain members of the Registered Shareholders, namely Mr. CHEN and Mr. YAO are our connected persons, the transactions contemplated under the Contractual Arrangements are continuing connected transactions of our Group and are subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Our Directors, including our independent non-executive Directors, are of the view that (i) the Contractual Arrangements are fundamental to our Group's legal structure and business operations; and (ii) the Contractual Arrangements are on normal commercial terms or on terms more favorable to our Group in the ordinary and usual course of our Group's business, fair and reasonable or to the advantage of our Group and in the interests of our Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company, for all the transactions contemplated under the Contractual Arrangements to be subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the announcement and approval of independent Shareholders.

In relation to the Contractual Arrangements, we have applied to the Stock Exchange pursuant to Rule 14A.105 of the Listing Rules for, and the Stock Exchange has granted, a waiver from (i) strict compliance with the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements; (ii) setting a maximum aggregate annual value, i.e. an annual cap, under Rule 14A.53 of the Listing Rules for the fees payable to Hainan WFOE from our Consolidated Affiliated Entities under the Contractual Arrangements; and (iii) fixing the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange subject to the conditions:

(a) no change without independent non-executive Directors' approval;

(b) no change without independent Shareholders' approval;

(c) the Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities;

(d) the Contractual Arrangements may be renewed and/or reproduced upon expiry or when justified by business expediency, without obtaining Shareholders' approval, on substantially the same terms and conditions as the Contractual Arrangements; and

(e) our Group will disclose details relating to the Contractual Arrangements on an ongoing basis.

Confirmation from independent non-executive Directors

Our independent non-executive Directors have reviewed the Contractual Arrangements and confirmed that (i) the transactions carried during the year ended December 31, 2023 have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (ii) no dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group during the year ended December 31, 2023, (iii) any new contracts entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entities during the year ended December 31, 2023 are fair and reasonable, or advantageous to the Shareholders, so far as the Group is concerned and in the interests of the Company and the Shareholders as a whole.

Confirmation from the Company's Auditor

PricewaterhouseCoopers, the auditor of our company, has confirmed in a letter to the Board that, with respect to the Contractual Arrangements mentioned above during the year ended December 31, 2023:

(i) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions under the Contractual Arrangements have not been approved by the Company's Board of Directors;

(ii) nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(iii) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

(iv) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap; and

(v) nothing has come to their attention that causes them to believe that dividends or other distributions have been made by the Consolidated Affiliated Entities to the holders of the equity interests of Consolidated Affiliated Entities which are not otherwise subsequently assigned or transferred to the Group.

DIRECTORS' INTEREST IN COMPETING BUSINESS

For the year ended December 31, 2023, none of the Directors or their respective associates had any interest in business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group which would require disclosure under Rule 8.10 of the Listing Rules.

Report of Directors

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director, in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he/she is acquitted.

The Company has maintained directors' liability insurance to protect the Directors against any potential legal actions. During the Reporting Period and up to the date of this annual report, permitted indemnity provision (as defined in section 9 of the Companies (Directors' Report) Regulation (Chapter 622D of the Laws of Hong Kong)) was and is being in force for the benefit of the Directors.

AUDIT COMMITTEE

The Audit Committee had, together with the management and external auditor of the Company (the "**Auditor**"), reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements for the year ended December 31, 2023. The Audit Committee considered that the annual results of the Group for the year ended December 31, 2023 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 72 to 94 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

The Stock Exchange has granted the Company a waiver from strict compliance with the requirements of Rule 8.08(1) (a) of the Listing Rules (the "**Public Float Waiver**"), to allow the minimum percentage of the Company's issued share capital to be held by the public to be 19.11% (or such higher percentage as is held by the public upon completion of any exercise of the over-allotment option). For details, please refer to the section headed "Waivers from Strict Compliance with the Listing Rules and Exemptions from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance" in the Prospectus. Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed amount of public float as required by the Public Float Waiver during the Reporting Period and as of the date of this annual report.

AUDITOR

The consolidated financial statements of the Group have been audited by PricewaterhouseCoopers, Certified Public Accountants and Registered Public Interest Entity Auditor. The auditor of the Company has not changed since the Listing Date. PricewaterhouseCoopers will retire and, being eligible, offer themselves for reappointment as auditor of the Company at the Company's upcoming annual general meeting. A resolution for its reappointment as auditor of the Company will be proposed at the Company's upcoming annual general meeting.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules. All references above to other sections, reports or notes in this report form part of this annual report.

On behalf of the Board
Lam Hoi Yuen
Chairman of the Board and Co-Chief Executive Officer

Hong Kong, March 28, 2024

Directors and Senior Management

DIRECTORS

Executive Directors

Mr. LAM Hoi Yuen (林凱源), aged 38, is an executive Director, chairman of the Board and Co-Chief Executive Officer of the Company. Mr. LAM was appointed as a Director on August 29, 2017, and re-designated as an executive Director on August 13, 2021. Mr. LAM was appointed as a Co-Chief Executive Officer of the Company on August 29, 2017 and is responsible for the overall strategic development and business operations of the Group's overseas business. Mr. LAM was appointed by the Board as the chairman of the Board with effect from December 20, 2023. Mr. LAM was also appointed as a member of Environmental, Social and Governance Committee. Mr. LAM currently holds directorship in GoGo Tech Limited, a principal operating entity of the Group, GoGoVan Korea Co., Ltd. and GoGoVan Singapore Pte. Ltd., as well as several other overseas subsidiaries of the Group.

Mr. LAM is a successful entrepreneur who co-founded GOGOVAN, one of the first app-based logistics platforms in Asia committed to providing logistics services through technology. Mr. LAM led the expansion of GOGOVAN into Singapore and Korea in 2014 and India in 2015 and was instrumental in helping GOGOVAN and the Group set up their operations in these regions. Mr. LAM was granted accolades including Hong Kong's Ten Outstanding Young Persons Selection in 2018 (2018十大傑出青年), and 50 Asians to watch of The Straits Times in 2018 (海峽時報50位受矚目亞洲人).

Mr. LAM has recently received Hong Kong Tatler's Asia's Most Influential in 2021 & 2022, PRESTIGE Hong Kong's 40 under 40 in 2022 and EY Entrepreneur Of The Year 2023 (Hong Kong/Macau, China).

Mr. LAM received a bachelor's degree in business administration (with a focus on global management) from Walter A. Haas School of Business of the University of California, Berkeley in the United States in August 2010.

Mr. HE Song (何松), aged 45, is an executive Director and Co-Chief Executive Officer of the Company. Mr. HE was appointed as a Director and the Co-Chief Executive Officer on July 21, 2021, and was re-designated as an executive Director on August 13, 2021. Mr. HE was also appointed as the chairman of Environmental, Social and Governance Committee and a member of Nomination Committee.

Mr. HE served as the vice president of 58 Daojia Inc., which operated the freight business under "58 Suyun" before the merger between the Company and GoGo Tech Holdings Limited, since 2016. When he joined the Group in September 2019, Mr. HE served as the president of domestic business of the Company and was responsible for the operations of the Group in Chinese mainland.

From 2011 to 2015, Mr. HE has been working at 58.com Inc., and serving as the chief information quality officer and subsequently as general manager in the finance business department. Prior to that, he worked for aerospace software companies and well- known Internet companies, such as Yahoo! Beijing Global R&D Center (雅虎軟件研發(北京)有限公司). Mr. HE has over 16 years experience in the relevant industry.

Mr. HE received a bachelor's degree and master's degree in computer science and technology from Zhejiang University (浙江大學) in the PRC in June 2001 and March 2004, respectively.

Mr. HU Gang (胡剛), aged 49, is an executive Director and Chief Financial Officer of the Company. Mr. HU was appointed as a Director and the Chief Financial Officer on July 21, 2021, and was re-designated as an executive Director on August 13, 2021. Mr. HU was also appointed as a member of both Environmental, Social and Governance Committee and Remuneration Committee.

From April 2017 to May 2020, Mr. HU worked as the chief financial officer of Rimag Image Hospital Group. From June 2008 to July 2012, he worked as the chief financial officer of Yuhe International Inc. From August 2004 to October 2007, he worked at FedEx Office and worked as the finance director of Greater China. Mr. HU worked at the finance team of Dupont China Beijing Office from 2002 to 2004. From July 2001 to March 2002, he worked as a senior accountant of Lucent Technology China. Prior to that, he worked at China National Aero-Technology Import and Export Corporation.

Mr. HU has completed the ACCA examinations in February 2000 and holds ACCA affiliate status. Mr. HU obtained his bachelor's degree in economics from Shanghai University of Finance and Economics (上海財經大學) in the PRC in June 1998.

Mr. LEUNG Ming Shu (梁銘樞), aged 48, is a non-executive Director. Mr. LEUNG was appointed as a Director on July 21, 2021, and re-designated as a non-executive Director on August 13, 2021. Mr. LEUNG was also appointed as a member of Audit Committee.

Since April 2021, Mr. LEUNG has been serving as the chief financial officer, a member of strategy committee of 58.com Inc. and a managing partner of 58 industry fund, mainly responsible for overseeing overall financial and legal functions and strategic investment and management. Since January 2023, he has been serving as an independent non-executive director of Gala Technology Holding Limited (望塵科技控股有限公司), whose shares are listed on the Stock Exchange (stock code: 02458). Since May 2022, Mr. LEUNG has been serving as an independent non-executive director of Infinities Technology International (Cayman) Holding Limited (多牛科技國際(開曼)集團有限公司) (formerly known as Jiu Zun Digital Interactive Entertainment Group Holdings Limited (九尊數字互娛集團控股有限公司), whose shares are listed on the Stock Exchange (stock code: 01961). Since December 2019, he has been serving as an independent non-executive director of Renrui Human Resources Technology Holdings Limited (人瑞人才科技控股有限公司), whose shares are listed on the Stock Exchange (stock code: 06919). Since March 2017, he has been serving as an independent non-executive director of Sun. King Technology Group Limited (賽晶科技集團有限公司), whose shares are listed on the Stock Exchange (stock code: 00580). Since February 2013, he has been serving as an independent non-executive director of Cabbeen Fashion Limited (卡賓服飾有限公司), whose shares are listed on the Stock Exchange (stock code: 02030). From June 2008 to February 2021, Mr. LEUNG served as non-executive director of Comtec Solar Systems Group Limited (卡姆丹克太陽能系統集團有限公司), whose shares are listed on the Stock Exchange (stock code: 00712).

Since 2017, he has been serving as a founding and managing partner at Harmony Capital, a family office private equity fund with a focus on internet and consumer sectors in China.

Mr. LEUNG has been a Fellow Member of Association of Chartered Certified Accountants and the Fellow Member of the Hong Kong Institute of Certified Public Accountants since February 2007 and June 2010, respectively. Mr. LEUNG obtained a First- Class Honor bachelor's degree in accounting from the City University of Hong Kong in Hong Kong in November 1998 and a master's degree in accounting from The Chinese University of Hong Kong in Hong Kong in November 2001.

Directors and Senior Management

Mr. WANG Ye (王也), aged 37, is a non-executive Director. Mr. WANG was appointed as a non-executive Director on August 23, 2021.

Mr. WANG has been serving as managing director of Zhuhai Gaoshihuaxin Private Equity Investment Fund Management Co., Ltd. (珠海高實華新私募基金管理有限公司) since May 2021. From May 2016 to April 2021, he worked as managing director of Huaxin Zhiyuan (Shenzhen) Investment Management Co., Ltd. (華新致遠(深圳)投資管理有限公司). From January 2013 to July 2015, Mr. WANG worked at KKR Investment Consultancy (Beijing) Co., Ltd. (KKR投資顧問(北京)有限公司) where he served as an investment manager. From August 2011 to December 2012, Mr. WANG worked at M/C Partners as an investment manager. From July 2009 to June 2011, he worked as an analyst at the commercial and investment banking department of Deutsche Bank Securities Inc.

Mr. WANG obtained a bachelor's degree in science from Duke University in the United States in May 2009.

Mr. TANG Shun Lam (鄧順林), aged 68, was appointed as an independent non-executive Director on August 13, 2021 (effective from the Listing Date). Mr. TANG was also appointed as the chairman of Remuneration Committee and a member of Audit Committee.

Mr. TANG has served as a non-executive director of Mulsanne Group Holding Limited (慕尚集團控股有限公司), a company listed on the Stock Exchange (stock code: 01817), since March 2023. He has served as a director of Secoo Holding Limited, a company listed on NASDAQ (stock code: SECO), since April 2022, an independent director of Missfresh Limited, a company listed on NASDAQ (stock code: MF), since August 2021, an independent non-executive director of Infinities Technology International (Cayman) Holding Limited (多牛科技國際(開曼)集團有限公司) (formerly known as Jiu Zun Digital Interactive Entertainment Group Holdings Limited (九尊數字互娛集團控股有限公司)), a company listed on the Stock Exchange (stock code: 01961), since May 2022, and a director of Hongkong Huba Limited (香港睿能有限公司), an equity investment company for the sustainability and climate impact organization, since May 2022. From June 2019 to July 2021, he served as an independent director of Uxin Limited, a company listed on NASDAQ (stock code: UXIN).

Mr. TANG received a bachelor's degree of science in electrical and electronics engineering from Nottingham University in England in 1979 and a master's degree in business administration from Bradford University in England in 1981.

Mr. ZHAO Hongqiang (趙宏強), aged 47, was appointed as an independent non-executive Director on August 13, 2021 (effective from the Listing Date). Mr. ZHAO was also appointed as the chairman of Audit Committee and a member of Nomination Committee.

Since June 2018, Mr. ZHAO has been serving as an independent non-executive director of YSB Inc. whose shares are listed on the Stock Exchange (stock code: 9885). Since April 2023, Mr. ZHAO has been serving as an independent non-executive director of Beisen Holding Limited whose shares are listed on the Stock Exchange (stock code: 9669). From June 2018 to May 2023, Mr. ZHAO served as an executive director and 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 an independent director of Li Auto, Inc. which is listed on NASDAQ and the Stock Exchange (stock code: LI and 02015) since July 2020 and HUYA Inc. which is listed on the New York Stock Exchange (stock code: HUYA) since May 2018, respectively. From October 2014 to October 2015, Mr. ZHAO served as the chief financial officer of NetEase Lede Technology Co., Ltd Beijing Branch. From December 2012 to December 2015, he served as a vice president of finance at SouFun Holdings Limited (now known as Fang Holdings Limited) which is listed on the New York Stock Exchange (stock code: SFUN). Mr. ZHAO served as an assistant Chief Auditor at the Public Company Accounting Oversight Board in 2009. From August 2001 to February 2009, he worked at KPMG LLP in the United States, with the most recent position being manager audit.

Mr. ZHAO received a bachelor's degree in accounting from Tsinghua University (清華大學) in the PRC, in July 1999 and a master's degree in accountancy from George Washington University in Washington D.C. in the United States, in May 2001.

Ms. CHU Ka Yin Norma (朱嘉盈), aged 42, has extensive experience in business administration. Ms. Chu is the founder of DDC Enterprise Limited, a company listed on the NYSE American under the symbol "DDC" and has served as its chief executive officer and chairwoman of the board since its establishment in 2012.

Before founding DDC Enterprise Limited, Ms. Chu served as Head of Equities Research of HSBC Private Bank in Hong Kong from July 2010 to May 2012. Ms. Chu has also been elected as a member of the Technology and Innovation Subsector of the Election Committee of Hong Kong SAR for 2021. Ms. Chu received her Bachelor of Arts degree in the University of Washington in 2004. She is also an alumnus of Harvard Business School where she completed the Executive General Management Program in 2023.

Ms. Chu confirms that she has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on March 27, 2024, and understands her obligations as a director of a listed issuer under the Listing Rules.

Directors and Senior Management

SENIOR MANAGEMENT

Mr. LAM Hoi Yuen (林凱源), aged 38, is an executive Director, chairman of the Board and Co-Chief Executive Officer of the Company. For the biographical details of Mr. LAM, please refer to the above "Executive Directors" of this section.

Mr. HE Song (何松), aged 45, is an executive Director and Co-Chief Executive Officer of the Company. For the biographical details of Mr. HE, please refer to the above "Executive Directors" of this section.

Mr. HU Gang (胡剛), aged 49, is an executive Director and Chief Financial Officer of the Company. For the biographical details of Mr. HU, please refer to the above "Executive Directors" of this section.

Mr. LEE Yew Cheung (李耀全), aged 59, was appointed as the chief operating officer of GoGo Tech Holdings Limited on April 20, 2015. Mr. LEE is responsible for the strategic direction and operations of the Group and in particular in relation to the Group's overseas business.

Mr. LEE worked at Hewlett Packard Asia Pacific from April 1991 to February 1999. Mr. LEE obtained a bachelor's degree of business administration and management at Indiana University Bloomington in the United States in June 1990.

COMPANY SECRETARY

Ms. Ho Wing Nga (何詠雅), has been appointed as the Company Secretary and the an authorized representative of the Company for acceptance of service of process and notices on behalf of the Company in Hong Kong under Rule 19.05(2) of the Listing Rules and Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from December 23, 2023.

Ms. Ho has over 25 years of experience in corporate governance services. She obtained a master's degree in corporate governance from the Hong Kong Polytechnic University. Ms. Ho is a fellow of both the Hong Kong Chartered Governance Institute (the "**HKCGI**") and The Chartered Governance Institute.

She is also a holder of the practitioner's endorsement of HKCGI and a member of The Hong Kong Institute of Directors.

Save as disclosed in this annual report, as of December 31, 2023, there was no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Management Discussion and Analysis

BUSINESS REVIEW

Overview

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 370 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 space: Kuaigou Dache (快狗打车) in Chinese mainland and GoGoX in other countries and regions in Asia.

Our integrated smart platform seamlessly connects drivers with shippers who need their freight and goods delivered, setting transaction practices that promote transparency, trust and efficiency. Our intelligent online platform enables convenient, high-quality logistics services catering to the varying needs of large enterprises, small and medium-sized enterprises ("**SMEs**") and individual shippers, and helps drivers find sustainable opportunities.

For the year ended December 31, 2023, our revenue decreased slightly by 2.6%, while revenue generated from Chinese mainland decreased by 17.8%, and Hong Kong and overseas market grew 9.7% for the same year, respectively, with overall revenue contribution from our Chinese mainland and Hong Kong and overseas market being 38.0% and 62.0%, respectively.

We are continually improving our vibrant ecosystem of millions of shippers and drivers. As of December 31, 2023, we had approximately 33.0 million registered shippers and 6.7 million registered drivers. In 2023, there were 23.1 million shipment orders fulfilled on our platform, generating a total gross transaction volume ("**GTV**") of RMB2,296.9 million. We believe the gradual phasing out of subsidized competition in the industry, combined with our strong presence in the logistics services industry, will enable us to continue to steadily expand our market share in the intra-city logistics market.

Our Service Offerings and Platforms

We facilitate and provide intra-city logistics services through our intelligent online platform. Our service offerings consist of platform services, enterprise services as well as a growing range of value-added services, capable of catering to evolving demand of shippers, drivers and other participants in our ecosystem.

Management Discussion and Analysis

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 year ended December 31, 2023, we facilitated approximately 21.4 million shipment orders through our platform services, representing a total GTV of approximately RMB1,824.8 million. Our revenue generated from platform services in 2023 amounted to RMB216.8 million, representing 28.8% of the total revenue in the same year.

In Chinese mainland, since February 2023, our intra-city logistics services have been available on the WeChat Mini-App, where users of WeChat could access our intra-city logistics and moving services conveniently. As the first intra-city logistics services provider on the WeChat Mini-App, this collaboration helps us to significantly expand our user base and geographic coverage of our services.

Revenue generated from our Chinese mainland platform services decreased by 20.8% from RMB192.5 million for the year ended December 31, 2022, to RMB152.5 million for the year ended December 31, 2023, primarily because we strategically decreased our incentives to transacting users of platform services in response to the evolving market conditions and competitive landscape to pursue a more sustainable development strategy.

Revenue generated from our Hong Kong and overseas platform services increased by 24.7% from RMB51.6 million for the year ended December 31, 2022, to RMB64.4 million for the year ended December 31, 2023, primarily propelled by improving our engagement model with our drivers and shippers.

Enterprise Services

Our enterprise services provide scalable intra-city logistics solutions for complex needs. As of December 31, 2023, we had cumulatively served more than 60,000 SMEs and large enterprises through our enterprise services. For the year ended December 31, 2023, we completed approximately 1.7 million logistics deliveries for our enterprise customers, representing a GTV of approximately RMB472.0 million. Our revenue generated from enterprise services in 2023 amounted to RMB462.4 million, representing 61.4% of the total revenue in the same year.

In Chinese mainland market, we provide one-stop full-process services tailored to the diversified needs of clients from various industries, including drivers' recruitment and training protocols, 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.

We have observed distinct and remarkable developments in overseas market. For example, Vietnam gained further momentum as we expanded to Hanoi, with a year-on-year growth of 131.5% in terms of revenue. We also saw growth from all industries sectors, further reducing industry-concentrated risks. Despite strong competition, our revenue in Korea increased by 13.8% in 2023 as compared to 2022. Our services are accessible in more than 150 cities in India, making us well positioned to accelerate our growth in India in the coming years. We will continue to develop products and services that meets the need of the fast evolving and demanding logistics industry, and be committed to our customers as they grow.

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 2023, our value-added services experienced rapid growth, contributing significantly to the organic development of our platform. Our revenue generated from value-added services in 2023 amounted to RMB73.6 million, representing 9.8% of the total revenue in the same year.

In Chinese mainland market, we continue our strategy to expand channels for cooperation with dealerships and fleets on vehicle sales. Notably, the sales number of EVs facilitated by our platform increased by 12.9% year-on-year.

Hong Kong and Overseas' value-added service revenue increased by 64.9% in 2023 as compared to 2022. In HK, our suppliers for the value-added services have offered us more favorable discounts because we continuously reached targeted sales volume and our customer service team has successfully increased the customer reactivation. In Singapore, our overall sales volume grew by 38.0% and enterprise customer sales volume grew by 59.0% in 2023 as compared to 2022.

Business Outlook

As we venture into the year of 2024, we are well poised to capitalize on the momentum gained in 2023. With a customer-centric approach, continuous technological advancements, and strategic expansion plans, we are confident in achieving sustainable growth and creating lasting value for all stakeholders.

Management Discussion and Analysis

FINANCIAL REVIEW

Overview

For the year ended December 31, 2023, the Company achieved total revenue of RMB752.8 million, representing a slight decrease of 2.6% as compared to the year ended December 31, 2022. In the same reporting period, gross profit was RMB257.9 million, representing a 1.4% year-on-year decrease. The adjusted net loss and adjusted EBITDA[1] were RMB170.3 million and negative RMB140.5 million, respectively. The basic and diluted losses per share were 176 cents and 240 cents for the years ended December 31, 2023 and 2022, respectively. Capital Expenditure was RMB3.3 million as at December 31, 2023.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenue

In 2023, the Company's revenue was RMB752.8 million, representing a decrease of 2.6% from RMB773.2 million for the year ended December 31, 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 years indicated.

	Year ended December 31, 2023			Year ended December 31, 2022			Year-on-year 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*
Revenue:									
Logistics services provided to enterprise customers	**108,524**	**353,877**	**462,401**	127,977	344,339	472,316	(19,453)	9,538	(9,915)
Service income from logistics services platforms	**152,483**	**64,361**	**216,844**	192,476	51,617	244,093	(39,993)	12,744	(27,249)
Value-added services	**25,045**	**48,528**	**73,573**	27,411	29,428	56,839	(2,366)	19,100	16,734
Total	**286,052**	**466,766**	**752,818**	347,864	425,384	773,248	(61,812)	41,382	(20,430)

1. Adjusted net loss represents loss for the year 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 year before (i) income tax credit, (ii) depreciation and amortization, and (iii) net finance income. The Company believes that these items should be adjusted for when calculating our adjusted net loss and adjusted EBITDA in order to provide potential investors with a complete and fair understanding of our operating results, especially in making year-on-year comparisons of, and assessing the profile of, our operating and financial performance, and making comparisons with other comparable companies with similar business operations.

Enterprise services

The revenue from enterprise services decreased by 2.1% from RMB472.3 million for the year ended December 31, 2022 to RMB462.4 million for the year ended December 31, 2023, primarily due to the decrease of revenue generated from Chinese mainland as we strategically terminated the cooperation with certain customers that generate relatively lower profit margin, partially offset by the business growth in Hong Kong and overseas market.

Platform services

The revenue from platform services decreased by 11.2% from RMB244.1 million for the year ended December 31, 2022 to RMB216.8 million for the year ended December 31, 2023. This decrease is primarily due to the decrease in revenue generated from Chinese mainland as we strategically decreased our incentives to transacting users of platform services in response to the evolving market conditions and competitive landscape, which is partially offset by the increase in Hong Kong and overseas market, primarily propelled by improving our engagement model with our drivers and shippers.

Value-added services

Revenue from value-added services increased by 29.4% from RMB56.8 million for the year ended December 31, 2022 to RMB73.6 million for the year ended December 31, 2023, primarily due to (i) the organic business growth in Hong Kong and overseas market and (ii) our partnership with dealerships and fleets to facilitate the sale of vehicles in Chinese mainland.

Cost of revenue

Our cost of revenue decreased by 3.3% from RMB511.6 million for the year ended December 31, 2022 to RMB494.9 million for the year ended December 31, 2023, mainly driven by (i) a decrease of employee benefit expenses (including share-based compensation) of RMB8.4 million, and (ii) a decrease of services charges of RMB5.9 million.

Management Discussion and Analysis

Gross profit and gross profit margin

As a result of the foregoing, we recorded (i) a gross profit of RMB261.6 million and RMB257.9 million for the years ended December 31, 2022 and 2023, respectively, and (ii) a gross profit margin of 33.8% and 34.3% for the same periods, respectively.

The following table sets forth our gross profit and gross profit margin for the years indicated.

	Year ended December 31,			
	2023	2022	Year-on-year change	
	RMB'000	*RMB'000*	*RMB'000*	*%*
Revenue	**752,818**	773,248	(20,430)	(2.6)
Cost of revenue	**(494,923)**	(511,639)	16,716	(3.3)
Gross profit	**257,895**	261,609	(3,714)	(1.4)
Gross profit margin	**34.3%**	33.8%	–	–

Selling and marketing expenses

Our selling and marketing expenses decreased by 36.4% from RMB320.8 million for the year ended December 31, 2022 to RMB203.9 million for the year ended December 31, 2023. The decrease was primarily due to (i) a decrease of employee benefit expenses (including share-based compensation) of RMB32.9 million, (ii) a decrease of incentives to transacting users from platform services of RMB49.8 million, and (iii) a decrease of promotion and advertising fee of RMB21.9 million.

General and administrative expenses

Our general and administrative expenses decreased by 66.0% from RMB792.9 million for the year ended December 31, 2022 to RMB269.3 million for the year ended December 31, 2023, primarily due to (i) a decrease of employee benefit expenses (including share-based compensation) of RMB478.7 million, and (ii) a decrease of listing expenses of RMB45.7 million in relation to the Company's listing in 2022 (the "**Listing**").

Research and development expenses

Our research and development expenses decreased by 47.0% from RMB72.2 million for the year ended December 31, 2022 to RMB38.3 million for the year ended December 31, 2023. The decrease was primarily attributable to a decrease of employee benefit expenses (including share-based compensation) of RMB31.4 million.

Impairment of goodwill

We recorded impairment of goodwill of RMB843.5 million for the year ended December 31, 2023, as compared to nil 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 of the Company dated June 14, 2022 (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 9 to Consolidated Financial Statements for the Years Ended December 31, 2023.

Impairment losses on financial assets

We recorded impairment losses on financial assets of RMB4.2 million for the year ended December 31, 2022. Our impairment losses on financial assets amounted to RMB17.7 million for the year ended December 31, 2023, primarily due to the increased long-aging accounts receivables in India.

Other income

Our other income increased by 12.5% from RMB8.6 million for the year ended December 31, 2022 to RMB9.7 million for the year ended December 31, 2023, primarily due to an increase of others in relation to consulting services provided by the Company on a one-time basis in Chinese mainland, partially offset by a decrease of government subsidies in Hong Kong.

Other gains, net

We recorded other net gains of RMB7.7 million for the year ended December 31, 2022, primarily representing fair value gains on financial assets at fair value through profit or loss, which was partially offset by the net foreign exchange losses in 2022. We recorded other net gains of RMB2.8 million for the year ended December 31, 2023, primarily representing fair value gains on financial assets at fair value through profit or loss of RMB4.0 million, which was partially offset by the net foreign exchange losses and others of RMB1.2 million in 2023.

Management Discussion and Analysis

Operating loss

As a result of the foregoing, our operating loss increased by 20.8% from RMB912.3 million for the year ended December 31, 2022 to RMB1,102.4 million for the year ended December 31, 2023.

Net finance income

Our net finance income decreased by 45.7% from RMB2.4 million for the year ended December 31, 2022 to RMB1.3 million for the year ended December 31, 2023, primarily due to (i) an increase of interest expenses on lease liabilities of RMB0.7 million resulting from the increases in leases in 2023, and (ii) a decrease of interest income from bank deposit of RMB0.2 million as we utilized our bank deposits during our normal course of business.

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 year ended December 31, 2022 relating to the increased valuation of the Company due to our Listing in 2022, and nil for the year ended December 31, 2023, primarily because the financial liabilities at fair value through profit or loss amounted to nil after the Listing.

Income tax credit

Our income tax credit decreased by 71.0% from RMB8.8 million for the year ended December 31, 2022 to RMB2.5 million for the year ended December 31, 2023. We recorded current income tax expenses of RMB0.9 million in 2023 and current income tax credit of RMB4.8 million in 2022, primarily due to the reversal of income tax liabilities according to relevant tax laws and regulations in 2022.

Loss for the year

Our loss for the year decreased by 9.0% from RMB1,209.1 million for the year ended December 31, 2022 to RMB1,100.6 million for the year ended December 31, 2023.

Non-IFRS Measures

To supplement this 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 year-on-year and comparisons with other comparable companies with similar business operations by eliminating the potential impact of certain items.

We define adjusted net loss (a non-IFRS measure) as loss for the year adjusted for (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. In 2023, our adjusted net loss was RMB170.3 million, down by 25.6% as compared to 2022.

We define adjusted EBITDA as adjusted net loss for the year adjusted for (i) income tax credit, (ii) depreciation and amortization, and (iii) net finance income. In 2023, our adjusted EBITDA was negative RMB140.5 million, down by 31.9% as compared to 2022.

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

	Year ended December 31,	
	2023	2022
	RMB'000	*RMB'000*
Loss for the year	**(1,100,596)**	(1,209,141)
Adjusted for:		
Share-based compensation expenses	**86,771**	626,514
Changes in fair value of financial liabilities at fair value through profit or loss	**–**	308,063
Listing expenses	**–**	45,664
Impairment of goodwill	**843,500**	–
Non-IFRS measures:		
Adjusted net loss for the year (non-audited)[(1)]	**(170,325)**	(228,900)
Adjusted net loss for the year (non-audited)	**(170,325)**	(228,900)
Adjusted for:		
Income tax credit	**(2,543)**	(8,774)
Depreciation and amortization	**33,654**	33,851
Finance income, net	**(1,325)**	(2,440)
Non-IFRS measures:		
Adjusted EBITDA for the year (non-audited)[(2)]	**(140,539)**	(206,263)

Notes:

(1) Represents loss for the year 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.

(2) Represents adjusted net loss for the year 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 of December 31, 2023, the Company's issued share capital was approximately US$1,569.2 divided into 627,696,448 shares of US$0.0000025 each, and the total equity of the Group was approximately RMB479.7 million. For the year ended December 31, 2023, we funded 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 RMB206.3 million as of December 31, 2023.

For the year ended December 31, 2023, our capital expenditures were approximately RMB3.3 million (year ended December 31, 2022: RMB6.7 million) and were primarily related to purchase of property, plant and equipment.

Going forward, we believe that our liquidity requirements will be satisfied by using a combination of cash generated from operating activities and the net proceeds received from the Global Offering.

Significant Investments Held

We recorded financial assets at fair value through profit or loss amounting to approximately RMB 206.8 million as of December 31, 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 December 31, 2023 are set out as follows:

Subscription date	Type of product	Currency of subscription	Principal amount of subscription *(US$'000)*	Amount redeemed during the Reporting Period *(US$ '000)*	Interest rate per annum *(%)*	Expiry date of the lock-up period *(Note 1)*	Fair value gain for the Reporting Period *(RMB'000)* *(Note 2)*	Carrying amount as of December 31, 2023 *(RMB'000)* *(Note 3)*
July 4, 2022	Principal-guaranteed with fixed rate of return	US dollar	11,000	–	1.20	August 3, 2022	930	71,006
July 19, 2022	Principal-guaranteed with fixed rate of return	US dollar	11,000	(2,880)	1.25	August 18, 2022	947	57,642
July 19, 2022	Principal-guaranteed with fixed rate of return	US dollar	10,000	–	1.40	August 18, 2022	986	78,117

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 12 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 December 31, 2023 as published on the website of the State Administration of Foreign Exchange.

Save as disclosed, the Group did not make or hold any significant investments for the year ended December 31, 2023.

Future Plans for Material Investments and Capital Assets

As of December 31, 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 year ended December 31, 2023.

Management Discussion and Analysis

Employee and Remuneration Policy

As of December 31, 2023, we had 831 full-time employees located in the various jurisdictions in which we operate.

The following table sets forth the number of our employees categorized by function as of December 31, 2023.

Function Area	Number of Employees	% of Total
Sales and marketing	321	38.6
User services and operations	313	37.7
Research and development	82	9.9
Management and administration	115	13.8
Total	831	100.0

As required under PRC regulations, we participate in various employee social security plans organized by applicable local municipal and provincial governments, including housing, 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 PRC as required by the applicable laws.

The Company also has a pre-IPO employee share incentive plan, the terms of which are not subject to the provisions of Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The employee benefit expenses, including share-based compensation expenses, for the year ended December 31, 2023 were RMB321.4 million, as opposed to RMB872.7 million for the year ended December 31, 2022, representing a year-on-year decrease of 63.2%.

Gearing Ratio

As of December 31, 2023, the gearing ratio, calculated as total borrowings divided by total equity attributable to owners of the Company, was not applicable to us 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, and Singapore dollars. 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 December 31, 2023, restricted cash of RMB62.5 million was pledged, compared with RMB70.8 million as of December 31, 2022.

Contingent Liabilities

As of December 31, 2023, we did not have any material contingent liabilities or guarantees.

Subsequent Events After the Reporting Period

Mi Wenjuan's resignation as independent non-executive Director

Ms. Mi Wenjuan ("**Ms. Mi**") has resigned as an independent non-executive Director, the chairman of the nomination committee of the Company (the "**Nomination Committee**") and a member of the remuneration committee of the Company (the "**Remuneration Committee**") with effect from February 23, 2024 in order to devote more time to her other business commitments.

Following the resignation of Ms. Mi, the number of independent non-executive Directors falls below the minimum number required under Rule 3.10(1) and 3.10A of the Listing Rules and the composition of the Remuneration Committee and Nomination Committee does not meet the requirements of having a majority of members being independent non-executive Directors under Rule 3.25 and does not having a chairman and a majority of members being independent non-executive Directors under Rule 3.27A of the Listing Rules.

Please refer to the details in the announcement of the Company on February 23, 2024.

Chu Ka Yin Norma's appointment as independent non-executive Director

To fill the vacancy, on March 28, 2024, Ms. Norma Ka Yin Chu ("**Ms. Chu**") has been appointed as an independent non-executive Director, the chairman of the nomination committee of the Company (the "**Nomination Committee**") and a member of remuneration committee of the Company (the "**Remuneration Committee**") with effect from March 28, 2024.

Following the appointment of Ms. Chu, the Company has re-complied with (i) Rule 3.10(1) and 3.10A of the Listing Rules that the Board must include at least three independent non-executive directors and that the number of independent non-executive directors must represent at least one-third of the board; (ii) Rule 3.25 of the Listing Rules that the Remuneration Committee must comprise a majority of independent non-executive directors; and (iii) Rule 3.27A of the Listing Rules that the Nomination Committee must be chaired by the chairman of the board or an independent non-executive director and comprising a majority of independent non-executive directors.

For more details, please refer to the announcement of the Company on March 28, 2024.

Hu Gang's resignation as executive Director

On April 19, 2024, Mr. Hu Gang ("**Mr. Hu**") has resigned as an executive Director, chief financial officer, a member of the remuneration committee of the Company (the "**Remuneration Committee**") and a member of the environmental, social and governance committee of the Company (the "**ESG Committee**") with effect from April 19, 2024 in order to devote more time to his other business commitments.

For more details, please refer to the announcement of the Company on April 19, 2024.

Save as disclosed in this report and as of the date of this report, there were no other significant events that might affect the Group since December 31, 2023.

Borrowings

As of December 31, 2023, our outstanding borrowings amounted to nil.

Corporate Governance Report

The Board is pleased to present the corporate governance report of the Company for the year ended December 31, 2023.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as its own code of corporate governance. Save as disclosed in this annual report, the Company has, to the best knowledge of the Board, complied with all applicable code provisions as set out in Part 2 of the CG Code during the Reporting Period.

Following the resignation of Mr. Chen Xiaohua as the Chairman of the Board with effect from December 19, 2023, Mr. Lam Hoi Yuen ("**Mr. Lam**"), an executive Director of the Company and co-chief executive officer (the "**Co-CEO**") of the Company, has been appointed by the Board as the chairman of the Board (the "**Chairman**") with effect from December 20, 2023. Mr. Lam was appointed as a Director on August 29, 2017, and re-designated as an executive Director on August 13, 2021. Mr. Lam was appointed as a Co-CEO on August 29, 2017.

Following the re-designation of Mr. Lam, he becomes the Chairman with effect from December 20, 2023 and continues to serve as Co-CEO. Such practice deviates from the code provision C.2.1 of the Corporate Governance Code as set forth in Appendix C1 to Listing Rules. In view of Mr. Lam's profile, extensive relevant industry knowledge and experience, the Board has confidence in vesting the roles of both the Chairman and Co-CEO in Mr. Lam and believes that this will allow for more effective planning and execution of business strategies of the Group. Therefore, the Board considers that the deviation from the code provision C.2.1 of the Corporate Governance Code in Appendix C1 to the Listing Rules will not be inappropriate.

In addition, under the supervision of the Board which, comprise other non-executive Directors and independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks and balances to protect the interests of the Company and its shareholders.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established four Board committees including the Audit Committee, the Remuneration Committee, the Nomination Committee and the ESG Committee (together, the "**Board Committees**"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors have carried out duties in good faith and in compliance with applicable laws and regulations and have acted in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate liability insurance in respect of legal action against the Directors. The insurance coverage will be reviewed on an annual basis.

CULTURES AND VALUES

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

1. Integrity and code of conduct

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's employee handbook. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

2. Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

Board Composition

As at December 31, 2023 and the date of this annual report, the Board comprises 3 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors as follows:

Executive Directors:
Mr. LAM Hoi Yuen (林凱源) *(Chairman of the Board and Co-Chief Executive Officer) (redesignated with effect from December 20, 2023)*
Mr. HE Song (何松) *(Co-Chief Executive Officer)*
Mr. HU Gang (胡剛)
Mr. CHEN Xiaohua (陳小華) *(Chairman of the Board) (resigned with effect from December 19, 2023)*

Non-executive Directors:
Mr. LEUNG Ming Shu (梁銘樞)
Mr. WANG Ye (王也)

Independent non-executive Directors:
Mr. TANG Shun Lam (鄧順林)
Mr. ZHAO Hongqiang (趙宏強)
Ms. MI Wenjuan (米雯娟)
Mr. NI Zhengdong (倪正東) *(resigned with effect from December 19, 2023)*

Corporate Governance Report

The biographies of the Directors are set out under the section headed "Directors and Senior Management" of this annual report. During the Reporting Period, the Board has met at all times the requirements under Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. Among the three independent non-executive Directors, Mr. ZHAO Hongqiang has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

The Company has also complied with Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors representing at least one-third of the Board.

None of the Directors have any personal relationship (including financial, business, family or other material or relevant relationship) with any other Director and chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as the identity of the public companies or organisations and the time involved to the issuer, Directors have agreed to disclose their commitments and any subsequent change to the Company in a timely manner.

Board Diversity Policy

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") in order to enhance the effectiveness of our Board and to maintain high standards of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and the contribution that the selected candidates will bring to our Board. Under the current composition of our Board, our Board has a balanced mix of knowledge, skills and experience, including experience in e-commerce, finance, corporate management, accounting and financial markets. Our Directors have a diverse educational background including economics, financial accounting, information technology and management. Furthermore, the Board has a wide range of age, ranging from 37 years old to 68 years old.

Our Nomination Committee is delegated by our Board to be responsible for compliance with relevant codes governing board diversity under the CG Code. Our Nomination Committee will, from time to time and at least once annually, monitor and evaluate the implementation of the Board Diversity Policy to ensure its continued effectiveness.

With regards to gender diversity on the Board, we recognize the particular importance of gender diversity and will continue to promote gender diversity of the Board. To ensure gender diversity of our Board in the long run, the Company will identify and select several female individuals with a diverse range of skills, experience and knowledge in different fields from time to time, and maintain a list of such female individuals, which will be reviewed by the Nomination Committee periodically. The Company also intends to promote gender diversity when recruiting staff at the mid to senior level so that the Company will have a pipeline of female senior management and potential successors to the Board. We plan to offer all-rounded trainings to female employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance and research and development. We are of the view that such strategy will offer chances for our Board to identify capable female employees to be nominated as a member of the Board in future.

The Nomination Committee and the Board have reviewed the membership, structure and composition of the Board, and are of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain high standard of operation.

Measurable Objectives

As disclosed in the Prospectus, the Company has also taken, and will continue to take steps to promote gender diversity at all levels of the Company, including but without limitation at the Board and the management levels. To enhance gender diversity of the Board, the Company had set a measurable objective at the time of Listing that at least one female Director shall be appointed no later than one year from the Listing Date. Ms. MI Wenjuan has been an independent non-executive Director of the Company and female Director of the Board, the Company has successfully achieved the gender diversity objective. At as December 31, 2023 and up to the date of this annual report, the Nomination Committee and the Board considered an appropriate balance of diversity perspectives of the Board is maintained.

For the purpose of implementation of the Board Diversity Policy, the measurable objectives adopted include (a) at least one-third of the members of the Board shall be independent non-executive directors; (b) at least one of the members of the Board shall have obtained accounting or other professional qualifications; and (c) at least one of the members of the Board shall be female.

The Board has also assessed the Group's diversity profile annually of all levels of employees and apply the diversity policy to attract, retain and motivate employees from the widest possible pool of available talent. As of December 31, 2023, the Group had 831 full-time employees (including senior management), of whom the number of female employees (including senior management) accounted for approximately 42.8%. For the purpose of implementation of the gender diversity for the Group's workforce, the Company plans to hold more trainings on women's care and childcare, parent-child activities. Based on the Board's review, there was no mitigating factor or circumstance which makes achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

Independent Non-executive Directors and Board Independence Evaluation Mechanism

The independent non-executive Directors play a significant role in the Board as they bring an impartial view on the Group's strategies, performance and control, as well as ensure that the interests of all Shareholders are considered. All independent non-executive Directors possess appropriate academic, professional qualifications or related financial management experience. None of the independent non-executive Directors held any other offices in the Company or any of its subsidiaries or is interested in any shares of the Company.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors related to the independent non-executive Directors including the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

The Company has received from each independent non-executive Director an annual confirmation of his/her independence, and the Company considers such Directors to be independent in accordance with the criteria set out in Rule 3.13 of the Listing Rules.

Induction and Continuous Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statues, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development seminars and programmes to develop and refresh their knowledge and skills. The Company has also engaged external legal advisers to provide training to Directors on updates of the Listing Rules as well as the latest changes in relevant rules and regulations.

According to the information provided by the Directors, a summary of training received by the Directors throughout the year ended December 31, 2023 is as follows:

Nature of Continuous	**Name of Directors Professional Development Programmes**
Executive Directors	
Mr. LAM Hoi Yuen (林凱源)	A,B
(Chairman of the Board and Co-Chief Executive Officer)*	
*(*redesignated with effect from December 20, 2023)*	
Mr. HE Song (何松) *(Co-Chief Executive Officer)*	A,B
Mr. HU Gang (胡剛)	A,B
Non-executive Directors:	
Mr. LEUNG Ming Shu (梁銘樞)	A,B
Mr. WANG Ye (王也)	A,B
Independent non-executive Directors:	
Mr. TANG Shun Lam (鄧順林)	A,B
Mr. ZHAO Hongqiang (趙宏強)	A,B
Ms. MI Wenjuan (米雯娟)	A,B

Notes:

A: Attending trainings conducted by lawyers and/or internal seminars and/or conferences and/or forums

B: Reading materials relevant to corporate governance, director's duties and responsibilities, Listing Rules and other relevant laws and regulations applicable to the Directors

Corporate Governance Report

Chairman and Co-Chief Executive Officers

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

Mr. Lam Hoi Yuen ("**Mr. Lam**") is currently the Chairman of the Board and a Co-Chief Executive Officer (i.e. chief executive) of the Group and Mr. He Song ("**Mr. He**") is the other Co-Chief Executive Officer. The Chairman of the Board is responsible for providing strategic advice and guidance on the business development of the Group, while a Co-Chief Executive Officer is responsible for overall strategic planning, business directions and the day-to-day management of the Group.

In view of the profound knowledge and experience of Mr. Lam in the operation and business of the Group and in the industry, the Board is of the view that it is appropriate and in the best interest of the Company to vest the roles of the Executive Chairman and a Co-Chief Executive Officer in Mr. Lam for the time being to ensure effective and efficient execution of the Group's strategies and the management's decisions. Besides, the existing composition of the management team and Mr. He Song's role as the other Co-Chief Executive Officer enable the Group to achieve a balance of power and authority for Mr. Lam taking up the dual roles in the Group.

Appointment and Re-election of Directors

Each of the executive Directors has signed a service contract with the Company for an initial term of three years commencing from the Listing Date, until terminated in accordance with the terms and conditions of the services contract or by not less than 30 days notice by the executive Director. The appointments of the executive Directors are subject to the provisions of retirement and rotation of Directors under the Articles of Association.

Each of the non-executive Directors and independent non-executive Directors has signed an appointment letter with the Company for a term of three years commencing (i) from the Listing Date (in the case of Mr. LEUNG Ming Shu, Mr. WANG Ye, Mr. TANG Shun Lam and Mr. ZHAO Hongqiang); (ii) from November 26, 2022 (in the case of Ms. MI Wenjuan), until terminated in accordance with the terms and conditions of appointment letter. Each of the independent non-executive Directors is entitled to a fixed Director's fee while the non-executive Directors are not entitled to any remuneration. The appointments of the non-executive Directors and independent non-executive Directors are subject to the provisions of retirement and rotation of Directors under the of Association.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service contract or appointment letter with any members of the Group, excluding contracts expiring or determinable by any members of the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles of Association, one-third of the Directors (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) are subject to retirement by rotation at every AGM and each Director (including those appointed for a specific term) shall retire by rotation at least once every three years at an AGM. Any Director newly appointed by the Board to fill a causal vacancy of the Board or as an addition to the Board, and that Director shall hold office only until the first AGM after his/her appointment and shall then be eligible for re-election at that AGM. During the Reporting Period, there was no newly appointed Directors.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

Board Meetings

The Company adopts the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular Board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and Board Committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or Board Committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and are adequately prepared for the meetings. When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings should be kept by the company secretary or other designated persons of the Company with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail about the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. Minutes of the Board meetings are open for inspection by Directors.

During the Reporting Period, 4 Board meetings were held. The attendance of each Director at these meetings is set out in the table below:

Directors	**Attended/Eligible to attend the Board meeting(s)**
Executive Directors:	
Mr. LAM Hoi Yuen (林凱源) *(Chairman of the Board and Co-Chief Executive Officer) (redesignated with effect from December 20, 2023)*	4/4
Mr. HE Song (何松) *(Co-Chief Executive Officer)*	4/4
Mr. HU Gang (胡剛)	4/4
Mr. CHEN Xiaohua *(resigned with effect from December 19, 2023)*	4/4
Non-executive Directors:	
Mr. LEUNG Ming Shu (梁銘樞)	4/4
Mr. WANG Ye (王也)	4/4
Independent Non-executive Directors:	
Mr. TANG Shun Lam (鄧順林)	3/4
Mr. ZHAO Hongqiang (趙宏強)	4/4
Ms. MI Wenjuan (米雯娟)	4/4
Mr. NI Zhengdong *(Chairman) (resigned with effect from December 19, 2023)*	3/4

Corporate Governance Report

Model Code for Securities Transactions

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries of all the Directors, each of the Directors has confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

During the Reporting Period, the Company has also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

Delegation by the Board

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of the Directors and has delegated the corporate governance duties to the Audit Committee which includes:

(a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

(b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report of the Company.

BOARD COMMITTEES

Audit Committee

As at December 31, 2023, the Audit Committee comprises 3 members, including 2 independent non-executive Directors namely Mr. ZHAO Hongqiang (chairman) and Mr. TANG Shun Lam, 1 non-executive Director namely Mr. LEUNG Ming Shu ("**Mr. Leung**").

During the Reporting Period, Mr. NI Zhengdong ceased to be a member of the Audit Committee upon his resignation as independent non-executive Director and Mr. Leung has been appointed as a member of the Audit Committee with effect from December 19, 2023.

The principal duties of the Audit Committee include the following:

1. to review the relationship with the Company's external auditor by reference to the work performed by the Company's external auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re- appointment and removal of the Company's external auditor;

2. to review the financial statements and any significant financial reporting judgments contained in them;

3. to oversee the Company's financial reporting system, internal control system and risk management system;

4. to perform the Company's corporate governance functions, including but not limited to, developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company. During the Reporting Period, 4 meetings of the Audit Committee were held to discuss and review, among others, the unaudited interim results and interim report of the Group for the six months ended June 30, 2023, the report on review of condensed consolidated financial statements for the six months ended June 30, 2023 prepared by the external auditor relating to accounting issues and major findings in course of review, as well as the audit planning for the annual audit for the year ended December 31, 2023.

Corporate Governance Report

Attendance of each Audit Committee member is set out in the table below:

Directors	Attended/Eligible to attend
Mr. ZHAO Hongqiang *(Chairman)*	4/4
Mr. LEUNG Ming Shu *(appointed with effect from December 19, 2023)*	N/A
Mr. TANG Shun Lam	2/4
Mr. NI Zhengdong *(Chairman) (resigned with effect from December 19, 2023)*	4/4

Nomination Committee

As at December 31, 2023, the Nomination Committee comprises 3 members, including 2 independent non-executive Directors namely Ms. MI Wenjuan (chairwoman) and Mr. ZHAO Hongqiang, and 1 executive Director namely Mr. HE Song.

During the Reporting Period, Mr. NI Zhengdong ceased to be the chairman of the Nomination Committee upon his resignation as independent non-executive Director with effect from December 19, 2023. Mr. CHEN Xiaohua ceased to be a member of the Nomination Committee upon his resignation as the Chairman of the Board and an executive Director with effect from December 19, 2023. Ms. MI Wenjuan has been appointed as the chairwoman of the Nomination Committee. And each of Mr. HE Song and Mr. ZHAO Hongqiang has been appointed as a member of the Nomination Committee with effect from December 19, 2023. Ms. Chu Ka Yin Norma has been appointed as an independent non-executive Director, the chairwoman of the Nomination Committee with effect from March 28, 2024.

As of the date of this report, the Nomination Committee comprises 3 members, including 2 independent non-executive Directors namely Ms. Chu Ka Yin Norma (chairwoman) and Mr. ZHAO Hongqiang, and 1 executive Director namely Mr. HE Song.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

3. to assess the independence of independent non-executive Directors;

4. to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors (in particular the chairman or chairlady and the chief executive);

5. to review the Board Diversity Policy and any measurable objectives for implementing such Board Diversity Policy as may be adopted by the Board from time to time and to review the progress on achieving the objectives; and to make disclosures of its progress its review results in the annual report of the Company annually; and

6. where the Board proposes a resolution to elect an individual as an independent non-executive Director at the general meeting, it should set out in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting (i) the process used for identifying the individual and why the Board believes the individual should be elected and the reasons why it considers the individual to be independent; (ii) if the proposed independent non-executive Director will be holding their seventh (or more) listed company directorship, why the Board believes the individual would still be able to devote sufficient time to the Board; (iii) the perspectives, skills and experience that the individual can bring to the Board; and (iv) how the individual contributes to diversity to the Board.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, 2 meetings of the Nomination Committee were held to assess and consider the candidate of proposed independent non-executive Director in accordance with the Company's director nomination policy, recommend to the Board the proposed candidate as appointment as Chairman, and review the effectiveness of the Board Diversity Policy.

Attendance of each Nomination Committee member is set out in the table below:

Directors	**Attended/Eligible to attend**
Ms. MI Wenjuan *(Chairwoman)* *(redesignated with effect from December 19, 2023)*	2/2
Mr. ZHAO Hongqiang *(appointed with effect from December 19, 2023)*	N/A
Mr. HE Song *(appointed with effect from December 19, 2023)*	N/A
Mr. NI Zhengdong *(Chairman) (resigned with effect from December 19, 2023)*	1/2
Mr. CHEN Xiaohua *(resigned with effect from December 19, 2023)*	2/2

Nomination Policy

The Company has adopted a director nomination policy (the "**Director Nomination Policy**") in accordance with the CG Code for selecting and recommending candidates for directorships.

The Company recognizes the importance of having a qualified and competent Board to achieve the Company corporate strategy as well as promote shareholder value. The Company believes that a Board that possesses a balance of skill set, experience, expertise and diversity of perspectives enhances decision-making capability and the overall effectiveness of the Board. The Board is committed to ensuring that proper nomination and election processes are in place for the selection and nomination of Directors.

The nomination committee of the Company shall identify, assess, select and nominate suitable director candidates to the Board for it to consider for appointment. The ultimate responsibility for the selection and appointment of Directors rests with the Board as a whole.

Corporate Governance Report

The Director Nomination Policy sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business.

Selection Criteria

The Nomination Committee shall identify director candidates with appropriate qualifications in accordance with the provisions under the Listing Rules, the Articles of Association of the Company and applicable laws and regulations. The Nomination Committee will evaluate, select and recommend candidate(s) for directorships to the Board by giving due consideration to criteria, having due regard to the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, sufficient time to effectively carry out their duties, their services on other listed and non-listed companies should be limited to reasonable numbers, qualifications including accomplishment and experience in the relevant industries the Company's business is involved in, independence, reputation for integrity, potential contributions that the individual(s) can bring to the Board and commitment to enhance and maximize Shareholders' value.

Nomination Process

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

(a) To consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from an independent agency firm and proposals from shareholders of the Company with due consideration given to the criteria;

(b) To adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;

(c) Upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;

(d) To make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and

(e) The Board will have the final authority on determining the selection of nominees.

For the re-election of Directors at the general meeting, the Nomination Committee shall review the overall contribution and service to the Company of the retiring Directors, including its attendance at Board meetings, Board committee meetings and general meetings (if applicable), and his/her level of participation and performance on the Board. The Nominating Committee shall require the nominee to submit updated biographical information and the consent to be re-elected as a Director; and should review and determine whether retiring Directors still meet the criteria for Director selection. The Nominating Committee shall then make recommendations to the Board on the re-election of Directors.

The Nomination Committee will from time to time review this policy, monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice and makes recommendation on any proposed revisions as may be required to the Board for approval.

The Nomination Committee and the Board have reviewed the Director Nomination Policy and considered it to be effective.

Remuneration Committee

As at December 31, 2023, the Remuneration Committee comprises 3 members, including 2 independent non-executive Directors namely Mr. TANG Shun Lam (chairman) and Ms. MI Wenjuan, and 1 executive Director namely Mr. HU Gang.

During the Reporting Period, Mr. NI Zhengdong ceased to be a member of the Remuneration Committee upon his resignation as independent non-executive Director with effect from December 19, 2023. Ms. MI Wenjuan has been appointed as a member of the Remuneration Committee with effect from December 19, 2023. Ms. CHU Ka Yin Norma has been appointed as a member of the Remuneration Committee with effect from March 28, 2024.

As at the date of this report, the Remuneration Committee comprises 3 members, including 2 independent non-executive Directors namely Mr. TANG Shun Lam (chairman) and Ms. Chu Ka Yin Norma, and 1 executive Director namely Mr. HU Gang.

The principal duties of the Remuneration Committee include the following:

1. to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

2. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

3. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

4. to make recommendations to the Board on the remuneration of non-executive Directors;

5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;

6. to review and approve the compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

7. to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;

8. to ensure that no director or any of his/her associates is involved in deciding his/her own remuneration; and

9. to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Corporate Governance Report

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

The Remuneration Committee has adopted the second model described in code provision E.1.2(c) of the CG Code (i.e. make recommendation to the Board on the overall remuneration policy and structure relating to individual executive Directors and senior management of the Group).

During the Reporting Period, 2 meetings of the Remuneration Committee was held to discuss, consider and recommend to the Board the proposed remuneration for the newly appointed Chairman and other Board Committees' members. No material matters relating to share schemes under Chapter 17 of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the Reporting Period.

Attendance of each Remuneration Committee member is set out in the table below:

Directors	**Attended/Eligible to attend**
Mr. TANG Shun Lam *(Chairman)*	2/2
Ms. MI Wenjuan *(appointed with effect from December 19, 2023)*	N/A
Mr. HU Gang	2/2
Mr. NI Zhengdong *(resigned with effect from December 19, 2023)*	1/2

Remuneration of Directors and Senior Management

The Company has adopted a directors and senior management remuneration policy to maintain fair and competitive packages of the Directors and senior management. For determining the remuneration packages of each Director and senior management, market rates and factors such as Director's experience, duties and responsibilities, time commitment, the Company's performance and the prevailing market conditions are taken into consideration.

Particulars of the remuneration of the five highest paid individuals and the Directors for the year ended December 31, 2023 are set out in Notes 9 and 10 to the consolidated financial statements. Pursuant to code provision E.1.5 of the CG Code, the remuneration (excluding equity settled share-based compensation) of the members of the senior management whose particulars are contained in the section headed "Directors and Senior Management" in this annual report for the year ended December 31, 2023 by band is set out below:

Remuneration band	Number of individual
Nil to RMB1,000,000	1
RMB1,000,001 to RMB2,000,000	3

Environmental, Social and Governance Committee

As at December 31, 2023, the Environmental, Social and Governance Committee ("**ESG Committee**") comprises 3 members, including 3 executive Directors namely Mr. HE Song (chairman), Mr. LAM Hoi Yuen and Mr. HU Gang.

The principal duties of the ESG Committee include the following:

1. reviewing and monitoring the Company's ESG strategies, policies and practices in order to ensure that they align with the Company's needs and comply with the applicable laws, regulations and regulatory requirements and international standards;

2. identifying the relevant matters that significantly affect the operation of the Group and/or the interest of other important stakeholders in the ESG aspects;

3. monitoring and assessing material ESG issues, the assessment results of which should be reported by the ESG Committee to the Board;

4. reviewing the Company's ESG report and making recommendations to the Board for approval;

5. supervising and reviewing the work of the Company's ESG working group, assessing and reviewing the Company's ESG performance against targets; and

6. performing other ESG related duties delegated by the Board.

The written terms of reference of the ESG Committee are available on the websites of the Stock Exchange and the Company.

During the year ended December 31, 2023, 4 meetings of the ESG Committee was held.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the year ended December 31, 2023 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 142 to 148 of this annual report. In preparing the financial statements for the year ended December 31, 2023, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimated that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has complied with the risk management and internal control code provisions during the reporting period. The Company has established and maintained risk management and internal control systems consisting of policies and procedures appropriate for its business operations, and is dedicated to continuously improving these systems. Such systems aim to manage rather than eliminate the risk of failure to achieve business objectives, promote effective and efficient operations, reasonably ensure the reliability of financial reports and comply with applicable laws and regulations and protect the assets of the Group. The Board is responsible for the risk management and internal control systems and reviewing their effectiveness. The Board can only give reasonable but not absolute assurance that there will be no material misrepresentation or loss.

The risk management and internal control system of the Group comprises a well-established organisational structure and comprehensive policies and standards. The Group's risk management and internal control measures focus on various aspects of its business operations, such as financial reporting, information system, internal control, human resources, ESG, anti-corruption and regulatory compliance.

Financial Reporting Risk Management

The Company has put in place a set of accounting policies in connection with the financial reporting risk management, including accounting manual, budget management policies, treasury management policies, expense management policies, and employee reimbursement policies. The Company has various procedures and IT systems in place to implement its accounting policies, and the finance department reviews its management accounts based on such procedures. For example, the Company implements budget plan through the IT system and monitor various operating expenses in real time. The system makes timely warning of the risk of cost overruns. The Company also provides regular training to finance department employees to ensure that they understand financial management and accounting policies and implement them during daily operations.

Information System Risk Management

The Company has implemented various internal procedures and controls to ensure that data is protected and that leakage and loss of any information is avoided. The operations team and data security team are responsible for monitoring the operation of the information system in real time. They regularly perform data recovery tests and use cyber attack simulations to improve the data protection capability.

Human Resources Risk Management, Anti-Corruption and Whistleblowing Policy

The Company has put in place an employee handbook and a code of conduct which have been distributed to all employees. The handbook contains internal rules and guidelines regarding anti-corruption, conflicts of interests, confidentiality and intellectual property protection, work ethics, and fraud prevention mechanisms. The Company provides employees with regular training as well as guidance on the requirements contained in the employee handbook. The Company has put in place an anti-corruption policy to safeguard against any corruption within the Company. The policy explains potential bribery and corruption conduct and anti-bribery and corruption measures. The Company has also put in place whistleblowing policy and measures for employees and those who deal with the Company to raise concerns, on an anonymous basis, about any non-compliance incidents and acts, including bribery and corruption.

Regulatory Compliance Risk Management

The Company is subject to evolving regulatory requirements across multiple jurisdictions, including requirements to obtain and renew certain licenses, permits, approvals and certificates for the business operations in various jurisdictions. In order to manage ongoing compliance with the laws and regulations applicable to the Group's business effectively, the Company has implemented several internal control measures. In particular, the Company designated personnel to regularly monitor changes in laws, regulations and policies by the relevant government authorities in the jurisdictions the Group operates, to ensure obtaining requisite licenses to operate the Group's business and has the up-to-date understanding with the applicable requirements. In addition, the Company requires its legal department to review the status of its licenses and permits on a regular basis. The Company continually improves its internal policies on regulatory compliance according to changes in laws, regulations and industry standards, and updates internal protocols for legal documents. The chief financial officer of the Company shall continually review the implementation of regulatory compliance risk management policies and measures to ensure the policies and implementation of the relevant policies are effective and sufficient.

Internal Audit

The Company maintains an internal audit department which is responsible for reviewing the effectiveness of internal controls and reporting to the Audit Committee and senior management on any issues identified. The internal audit department members hold regular meetings with management to discuss any internal control issues the Company faces and the corresponding measures to solve such issues. The internal audit department reports to the Audit Committee to ensure that any major issues identified are channeled to the committee on a timely basis. The Audit Committee then discusses the issues with, and reports to, the Board, if necessary.

Corporate Governance Report

Inside Information

The Company has put in place appropriate internal control procedures and to avoid improper handling of inside information which may constitute insider trading or breach of any other statutory duty. At any time, access to inside information is limited to the relevant personnel (i.e. the Directors, senior management and relevant employees of the Company) and as the situation requires until it is disclosed or released in accordance with applicable laws and regulations. Directors, senior management and relevant employees of the Company who are in possession of potential inside information and/or inside information are required to take reasonable steps to ensure that adequate safeguards are in place to ensure the strict confidentiality of inside information and that recipients understand their responsibility to keep the information confidential.

Effectiveness of Risk Management and Internal Control

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. The Board conducts a review of the effectiveness of the risk management and internal control systems of the Group annually. For the Reporting Period, the review covered all material risks and controls, including financial, operational, ESG and compliance controls and risk management functions. In particular, the Board considered the resources, staff qualifications and experience, training programs and budget of the Company's accounting, financial reporting, internal audit and financial functions to be effective and adequate. The Board considers that the current risk management and internal control measures effectively and adequately cover the existing businesses of the Group, and will continue to be optimized in line with the business development of the Group. The risk management and internal control systems are reviewed annually.

AUDITORS' RESPONSIBILITY AND REMUNERATION

Our Company appointed PricewaterhouseCoopers as the external auditor for the 2023 financial year. A statement by PricewaterhouseCoopers about their reporting responsibilities for the financial statements is included in the Independent Auditor's Report at pages 142 to 148.

Details of the fees paid and payable in respect of the audit and non-audit services provided by PricewaterhouseCoopers and their affiliated firms for the 2023 financial year are set out in the table below:

Services rendered for our Company	**Total fees paid and payable** *RMB'000*
Audit services related to the Group	7,300
Non-audit services *(Note)*	601
Audit services related to statutory audit for certain of Hong Kong subsidiaries	540
Total	8,441

Note: Non-audit services mainly include ESG and tax advisory services.

COMPANY SECRETARY

Ms. Ho has over 25 years of experience in corporate governance services. She obtained a master's degree in corporate governance from the Hong Kong Polytechnic University. Ms. Ho is a fellow of both the Hong Kong Chartered Governance Institute (the "**HKCGI**") and The Chartered Governance Institute. She is also a holder of the practitioner's endorsement of HKCGI and a member of The Hong Kong Institute of Directors.

During the Reporting Period, Ms. Ho has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

DIVIDEND POLICY

According to our Articles of Association and applicable laws and regulations, the decision on whether to pay dividends will be made at the discretion of our Directors and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant. We do not have a pre-determined dividend payout ratio. We will evaluate our dividend policy in light of our financial condition and the prevailing economic environment.

Subject to the Cayman Companies Act and the Articles of Association, through a general meeting, we may declare dividends in any currency, but no dividend may be declared unless out of either profit or share premium account and no dividend shall exceed the amount recommended by our Board. Any declaration of dividends will be at the absolute discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. Our Board may also from time to time pay interim dividends as our Board believes to be justified by the profits of our Company, as well as special dividends on shares of any class of such amounts and on such dates as it deems fit. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits available for distribution justify the payment. We cannot guarantee in what form dividends will be paid in the future. As advised by our legal advisor on Cayman Islands law, Maples and Calder (Hong Kong) LLP, under the Companies Act (As Revised) of the Cayman Islands, a position of accumulated losses does not necessarily restrict us to declare and pay dividends to our Shareholders as dividends may be declared and paid out of our share premium account notwithstanding our profitability.

As we are a holding company, our ability to declare and pay dividends will also depend on the availability of dividends received from our subsidiaries, including our PRC companies. PRC laws require that dividends be paid only out of the net profit calculated according to the PRC accounting principles. PRC laws also require foreign invested enterprises to set aside part of their net profit as statutory reserves, which are not available for distribution as cash dividends. Distributions from our subsidiaries may also be restricted if they incur debt or losses or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

The Board have reviewed the Company's dividend policy and considered it to be effective.

Corporate Governance Report

GENERAL MEETING

During the Reporting Period, an annual general meeting was convened by the Company. The attendance of individual Directors at Board meetings and the general meeting is set out in the following table:

Directors	Attended/Eligible to attend
Mr. Lam Hoi Yuen *(Chairman of the Board and Co-Chief Executive Officer)* *(redesignated with effect from December 20, 2023)*	1/1
Mr. He Song *(Co-Chief Executive Officer)*	1/1
Mr. HU Gang	1/1
Mr. Leung Ming Shu	1/1
Mr. Wang Ye	1/1
Mr. Tang Shun Lam	1/1
Mr. Zhao Hongqiang	1/1
Ms. Mi Wenjuan	1/1
Mr. NI Zhengdong *(resigned with effect from December 19, 2023)*	1/1
Mr. CHEN Xiaohua *(resigned with effect from December 19, 2023)*	1/1

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

The annual general meeting of the Company provides opportunity for the Shareholders to communicate directly with the Directors. The Chairman of the Board and the chairmen of the Board Committees will attend the AGMs to answer Shareholders' questions. The Auditor will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the Shareholders and maintains a website of the Company at gogoxholdings.com, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

The Company has established several channels to communicate with the Shareholders as follows:

(i) Corporate communications such as annual reports, interim reports and circulars are in printed form and are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at gogoxholdings.com;

(ii) Periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;

(iii) Corporate information is made available on the Company's website;

(iv) AGMs and extraordinary general meetings provide a forum for the Shareholders to make comments and exchange views with the Directors and senior management; and

(v) The Hong Kong branch share registrar of the Company serves the Shareholders in respect of Share registration, dividend payment and related matters.

During the Reporting Period, the Company has reviewed the implementation and effectiveness of the Shareholders' communication policy. The Board is of the view that the Shareholders' communication policy of the Company has facilitated sufficient shareholders' communication and considered the policy is effective and adequate.

SHAREHOLDERS' RIGHTS

To safeguard Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

Convening of extraordinary general meeting and putting forward proposals

Shareholders may put forward proposals for consideration at a general meeting of the Company according to the Articles of Association.

The Board may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, Shares representing not less than one-tenth of the voting rights, on a one vote per Share basis, of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and the resolutions to be added to the meeting agenda, and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

As regards the Shareholders to propose a person other than a Director for election as a Director, the procedures for Shareholders are available on the website of the Company.

ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the headquarters of the Company at Room 212, Building C, Kaide Building Complex, No.7 Rongyuan Road, Huayuan Industrial Park, Binhai Hi-tech Zone, Tianjin, the PRC (email address: ir@gogox.com).

CHANGE IN CONSTITUTIONAL DOCUMENTS

During the year ended December 31, 2023, there was no change in the memorandum and articles of association of the Company.

Environmental, Social and Governance Report

ABOUT THE REPORT

Report Description

This is the Environmental, Social and Governance ("**ESG**") report of GOGOX HOLDINGS LTD. (hereinafter "**the Company**", "**our Company**", "**we**", or "**GOGOX**") (SEHK:02246) (the "**ESG Report**"). We aim to disclose in the ESG Report the concepts and practices on sustainable development of the Group in a transparent manner and enhance the mutual understanding and communication of various stakeholders of the Company.

Reporting Boundary

Unless otherwise stated, the ESG Report covers the period from January 1, 2023 to December 31, 2023, (the "**Reporting Period**"), which is the same as the period covered by the annual report of the Group, including the Company and its subsidiaries.

Basis of Preparation

The ESG Report is prepared in accordance with Appendix C2 *Environmental, Social and Governance Reporting Guide* (the "**ESG Reporting Guide**") to the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited* (the "**Listing Rules**") by Hong Kong Exchanges and Clearing Limited ("**HKEx**"). We stick to the "comply or explain" provisions stated in the ESG Reporting Guide, and follow the principles of materiality, quantitative, balance and consistency, and strive to fully represent our current management status and performance results in terms of environmental, social and governance for the year.

"Materiality": The ESG Report has been prepared to identify key stakeholders and their concerns about ESG issues, and to make targeted disclosures in Chapter 4 *Responsible Governance* section based on the relative materiality of their concerns.

"Quantitative": The ESG Report presents the KPIs at the environmental and social levels in quantitative terms, and the measurement criteria, methodologies, assumptions and/or calculation tools for the KPIs in the ESG Report, as well as the sources of conversion factors used, are described in the corresponding places.

"Balance": The ESG Report follows the balance principle and objectively presents the issuer's performance during the disclosure period.

"Consistency": Unless otherwise indicated, the data disclosed in the ESG Report are statistically consistent with previous years.

Feedback on the ESG Report

We attach great importance to the views of our stakeholders and the ESG Report is available in English and Chinese for readers' reference. The electronic version of the report is available on the Company's website (gogoxholdings.com) or on the website of the Hong Kong Stock Exchange (https://www.hkexnews.hk). If you have any comments and suggestions on the ESG management of the Company, please contact us via email, we look forward to your valuable comments.

E-mail: kgsale@daojia-inc.com
Tel: 021-38306261

Environmental, Social and Governance Report

BOARD STATEMENT

GOGOX practices the sustainable development concepts, and has developed an ESG governance system and deeply integrated the concept of sustainable development into its corporate strategy with implementation. The Company has established a three-tier ESG management structure with the Board in charge, the ESG Sub-Committee in lead and the ESG Working Group in execution, assessing and supervising the Company's environmental, social and governance operations, and taking into account the material issues identified and reviewing reports covering the progress of annual environmental, social and governance management and practices in strict accordance with the governance procedures in an all-round way.

The ESG Sub-Committee reports to the Board. For corporate governance and environmental and social responsibility management, the ESG Sub-committee is responsible for assessing the performance and the risks and opportunities faced and formulating and reviewing the vision, goal and strategy. It regularly reports the ESG-related matters to the Board. Our Board, as the highest responsible and decision-making body, regularly listens to and reviews reports on the ESG matters from the ESG Sub-committee and is fully responsible for supervising and managing ESG-related issues of the Company, and holds regular meetings every year to discuss ESG management strategies and important issues. The Company assesses the importance of ESG issues, and makes recommendations on the development of ESG management policies and strategies to ensure that the Company has appropriate and effective ESG risk management and internal control systems in place.

The ESG Sub-committee of GOGOX holds four meetings annually to review and discuss ESG-related matters, and regularly reports the results to the Board. The Board also conducts ESG training to learn the latest policy and regulatory requirements and listens to reports that include ESG data performance and goals. In addition, the Board of GOGOX annually evaluates ESG risks, reviews the existing strategies and checks the completion of goals. We will implement and monitor the Company's ESG strategy on an ongoing basis to comply with the recommendations and requirements in applicable laws, regulations and guidance.

During the reporting period, the Company has established environmental objectives related to its business operations, and regularly reviews and conducts reviews on the progress and performance of ESG objectives, as detailed in the "Environmental Key Performance Tables" section and reviewed and discussed by the Board.

The above ESG-related matters are disclosed in detail in the ESG Report, which was reviewed and approved by the Board in March 2024.

The Board
March 2024

RESPONSIBLE GOVERNANCE

GOGOX is committed to promoting corporate social responsibility and sustainable development to achieve the integration of corporate and social values and integrate these principles into all major aspects of our business operations. We see CSR as part of our core development philosophy, with a vision to drive sustainable development in the industry, and actively explore the path of sustainable development and sustainable value creation.

1. ESG Management

The ESG management system of GOGOX provides a solid foundation for ESG plan development, regular assessment and management of related risks. By building the ESG governance system, and regular assessment and management of non-financial risks such as environmental, social and governance, we maintain effective communication and good relationship with multiple stakeholders including regulatory authorities, investors, customers and the public, and continuously improve corporate governance to achieve steady operation and sustainable development of our business.

CASE: GOGOX WON THE AWARD FOR "BEST LISTED COMPANY AT ESG ADVANCEMENT"

On December 15, 2023, GOGOX was awarded the "Best Listed Company at ESG Advancement" in the first "Hong Kong Annual ESG Award List" initiated by Hong Kong Ta Kung Wen Wei Media Group, in collaboration with China Certification & Inspection Group, HKU Institute for China Business, and the HSBC Financial Research Institute at Peking University, demonstrating the Company's commitment to the practice of green and low-carbon development philosophy, as well as the promotion of green transformation in the industry. In the future, the Company will continue to improve its operational efficiency and ecological construction, provide high-quality services, and build a "driver-friendly" service platform to achieve high-quality development and maintain steady growth.

GOGOX won the award of the "Best Listed Company at ESG Advancement"

Environmental, Social and Governance Report

The Board of GOGOX is jointly responsible for establishing, adopting and reviewing the Group's ESG vision, policies and objectives, and assessing, identifying and addressing ESG-related risks at least once a year. The business department of GOGOX is currently responsible for managing ESG issues (e.g. promoting the use of new energy vehicles). GOGOX established the ESG Sub-Committee in 2022, led by the chief executive officer ("CEO") to ensure that operations are in line with the ESG commitments of GOGOX. The ESG Sub-Committee is responsible for supervising and assessing significant ESG issues, such as climate-related risks and opportunities, and will report its findings to the Board, which will then review them and develop key ESG strategies. The ESG Sub-Committee holds regular meetings and reports to the Board. GOGOX implements and monitors ESG strategy on an ongoing basis to comply with the recommendations and requirements in applicable laws, regulations, and guidance.

In accordance with the ESG management guidelines of the Hong Kong Exchanges and Clearing Limited, GOGOX has established a three-tier ESG governance structure for implementation, forming a top-down oversight mechanism to effectively promote the implementation of the Company's key tasks under various environmental, social and governance issues, achieve service level improvement and steady operation of the Company. We contribute to the continuous promotion of the development of intracity freight industry in a faster and more stable direction.

The three-tier ESG governance structure of GOGOX:

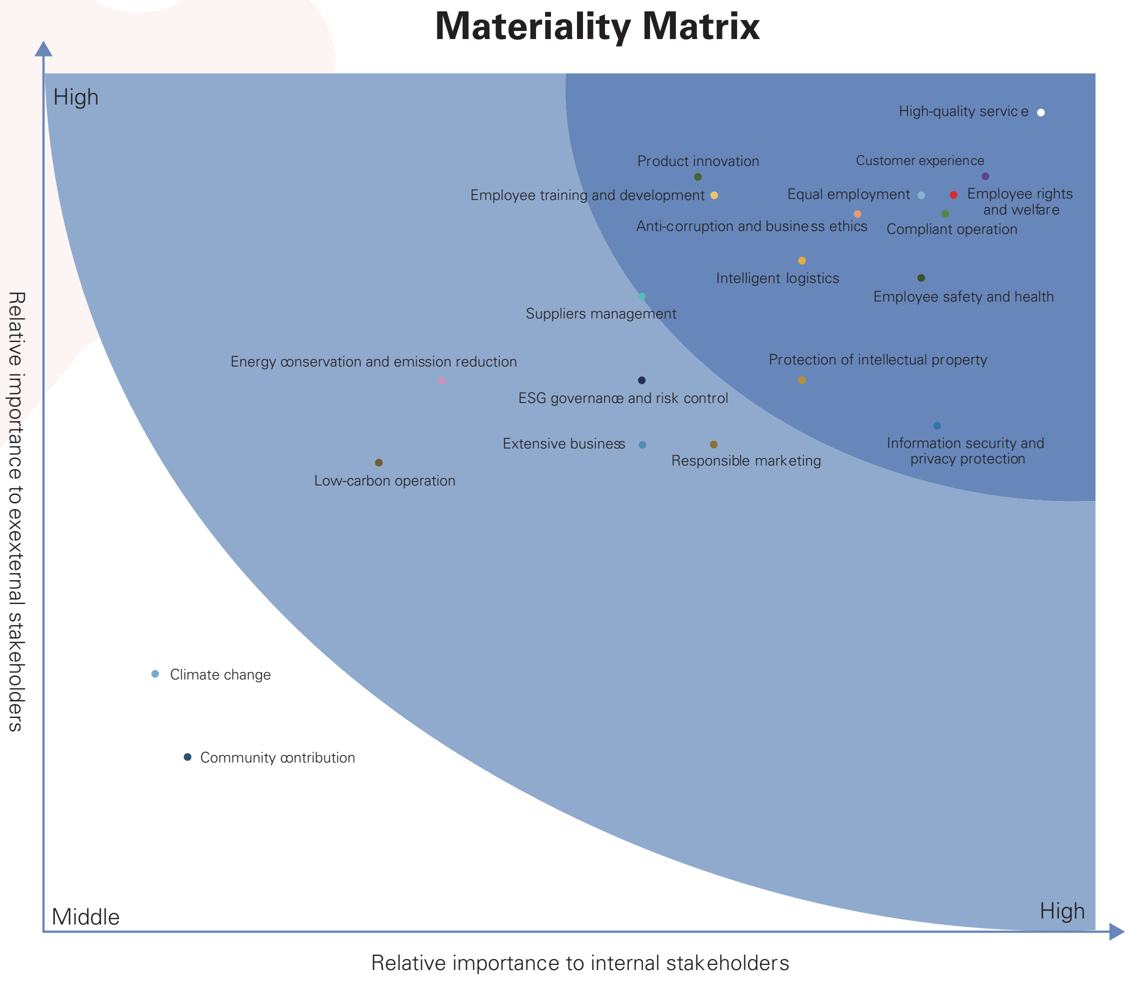
The Board	Evaluate, monitor and approve significant ESG-related matters
The ESG Sub-Committee	Coordinate the management of ESG-related issues and provide sustainability advice to the Board
ESG Working Group	Under the guidance of the ESG Committee, be responsible for ESG-related communication, measure implementation and information disclosure.

2. Stakeholders Communication and Material Issues Analysis

GOGOX values the impact of our business on our stakeholders and pays attention to their opinions. We continue to communicate efficiently and closely with each stakeholder, maintaining regular contact with our stakeholders, including shareholders, employees, suppliers, customers and consumers, government and regulatory authorities, industry organizations, professional bodies, media and communities. Based on the demands of our stakeholders, we are constantly improving our ESG efforts. The following table shows the channels of communication with specific stakeholders.

① Issue identification	Based on the content of excellent reports in the same industry, and in combination with the disclosure requirements of the guidelines, we carried out material issue research, and finally identified 20 ESG issues closely related to our Company's business.
② Conduct research	The material issue questionnaire was set up and distributed online. Investors, customers, employees, suppliers, and other internal and external stakeholders were invited to participate in the evaluation, and questionnaires were finally collected.
③ Result analysis	Based on the analysis of the results of the questionnaire, we ranked the issues from the two dimensions of "importance to the internal stakeholders" and "importance to external stakeholders" to obtain the following ESG Materiality matrix.

To further focus on the ESG priorities of GOGOX and to respond to the relevant demands of stakeholders timely, we have continuously maintained communication with stakeholders, researched material issues, and collected feedback from multiple parties through the online distribution of questionnaires. We continue to attach significance to ESG issues which are important to the Company and stakeholders in the current business environment and make assessment results the focus of information disclosure in the ESG Report.


Materiality Matrix
High
High-quality service
Product innovation
Customer experience
Employee training and development
Equal employment
Employee rights and welfare
Anti-corruption and business ethics
Compliant operation
Intelligent logistics
Employee safety and health
Suppliers management
Energy conservation and emission reduction
Protection of intellectual property
ESG governance and risk control
Extensive business
Responsible marketing
Information security and privacy protection
Low-carbon operation
Climate change
Community contribution
Middle
High
Relative importance to exexternal stakeholders
Relative importance to internal stakeholders

GREEN OPERATION

The Company builds a green and low-carbon business model, obtains and rationally allocates shipping demand, reduces empty backhauls, increases vehicle utilization and promotes the use of NEVs in logistic services. In 2023, in its domestic and international business, GOGOX is committed to improving the efficient order matching mechanism, realizing real-time intelligent deployment, reducing the waiting time of drivers, thereby reducing the empty load rate and unnecessary carbon emissions and fuel consumption; meanwhile, the Company focuses on increasing the proportion of NEVs in the current year, actively cooperate with OEMs of new energy logistics vehicles and mainstream financial companies, and establish the GOGOX Green Freight Alliance to extend its influence to partners and provide low-carbon logistics solutions to all parties. We will provide low-carbon logistics solutions to promote the sustainable development of the freight industry and actively respond to the national "double carbon" goal. In the daily office, the Company upholds the concept of green development, constantly improves and upgrades environmental management measures, reduces solid and other waste emissions, continuously improves the efficiency of resource utilization, and actively controls the impact of the company's operations on surrounding ecological environment. GOGOX has taken the initiative to respond to the opportunities and challenges brought by climate change, combined with its own business characteristics, and actively taken countermeasures.

1. Green Logistics

New Energy Vehicles (NEVs)

GOGOX is a leader in promoting sustainable development of the intracity freight logistics industry and society in general. In Chinese mainland, we have been pioneering the use of legally compliant NEVs for intracity freight logistics services. Government at all levels in mainland China has introduced policies to promote the use of new energy vehicles in intracity freight logistics, and compared with internal combustion engine vehicles, new energy vehicles have fewer restrictions on the passage of urban areas and enjoy subsidies and other preferential policies. We cooperate with manufacturers and dealers of freight vehicles in Chinese mainland, providing discounts for careless drivers who choose to join our platform, which can increase the share of NEVs available on the platform and contribute to environmental sustainability. In 2023, NEVs contributed up to 60% of the Company's total business vehicles in Chinese Mainland, and the percentage of orders completed by NEVs through our platform in mainland China has increased from 38% in 2022 to 43% in 2023.

In the process of expanding its overseas logistics business, GOGOX always adheres to the philosophy of green development and environmental protection, committed to promoting the transformation of the freight logistics industry from traditional transportation to green and new energy freight all over the world. In Singapore and Korea, GOGOX is actively involved in local green transportation activities and collaborates with governments, enterprises, and organizations. We provide emission-free deliveries with NEVs for certain enterprise customers to fulfill their vision of sustainable expansion. GOGOX will continue its in-depth cooperation with IKEA in 2024 in the field of environmental protection and provide customers with emission-free deliveries using NEVs to support cities to move towards a more sustainable future.

Environmental, Social and Governance Report

CASE: JMWAVE AND GOGOX KOREA ESTABLISHED A STRATEGIC PARTNERSHIP

On March 27, 2023, JMWave, a climate mobility technology company, announced a strategic partnership with GOGOX Korea, the Korean branch of GOGOX, Asia's leading intracity freight logistics platform, to create an eco-friendly logistics ecosystem. Under the partnership, the two companies will jointly lead ESG management to reduce carbon emissions by replacing diesel freight trucks registered with GOGOX Korea with electric vehicles.

GOGOX Korea strategic partnership with JMWave

GOGOX continues to work on supply-side structural reform, contributing to global green development, which gains recognition from society. In 2023, GOGOX continues to promote green development of the intra-city freight industry and to further increase the percentage of orders completed by NEVs on its platform, which will help reduce the consumption of gasoline and reduce carbon emissions. In addition, GOGOX has initiated cooperation with a dealer group of OEMs of new energy logistics vehicles to vigorously promote new energy logistics vehicles.

Smart Order Dispatching System 2.0

GOGOX has established a smart dispatching system that uses algorithms to predict the time and location of orders, which promptly solves problems such as order scheduling and idling and greatly reduces driver's waiting and idling time and operating ratios. In 2023, we adopted an algorithm-based system for automatic order dispatching and scheduling, and upgraded the Smart Order Dispatching System to version 2.0, successfully optimizing issues including supply-side rectification and order amount allocation. The system can intelligently dispatch drivers based on market conditions, with priority given to drivers facing various difficulties. This ensures the balance between supply and demand and, at the same time, improves freight stability, reduces empty load rate and energy consumption, and ensures driver efficiency. For example, the system can allocate order to the most nearby driver according to the home address of the driver. Thanks to our enhanced technologies, the empty load rate (calculated by dividing empty load mileage by the driving mileage per month) decreased from 25% in 2018 to 20% in 2021 and further decreased to 17% in 2023, and carbon emissions dropped to 10%, which ultimately contributed to energy saving and carbon emissions reduction. In 2024, GOGOX will continue to improve its technologies to decrease the empty load rate and further reduce carbon emissions.

The Green Logistics Industry Alliance

GOGOX Green Logistics Industry Alliance was established in 2021. The Green Logistics Industry Alliance consists of multiple companies: one part is the OEMs and dealers of new energy commercial vehicles and financial companies, and the other part is the drivers and the transportation capacity provided. By establishing the alliance, GOGOX will realize the co-construction of the two parts and reach the purpose of new energy popularity, thus further promoting the use of NEVs and digitization of the logistics industry. The alliance connects vehicles to people to transaction services to form a freight ecology, committed to serving to connect all people, and promoting and popularizing green freight logistics. In 2023, through in-depth cooperation with the OEMs of new energy logistics vehicles and mainstream financial companies, GOGOX launched financial products exclusively for the Company and increased sales of new energy logistics vehicles, which further stabilized the Company's freight ecosystem. The Company actively promotes the concept of green office in daily operations, and through a number of measures to enhance employees' awareness of saving water and energy, reducing office supply waste, and creating a green and low-carbon office mode to reduce environmental impact.

Energy Saving and Emission Reduction

In order to realize green development and strengthen environmental and resource management, the Company has formulated documents such as Electricity Management Measures of GOGOX Office and Air Conditioning Management Measures of GOGOX Office to regulate and guide the work of energy saving and consumption reduction in accordance with the Environmental Protection Law of the People's Republic of China, Energy Conservation Law of the People's Republic of China and other relevant laws and regulations in the operating area, and continuously explore ways to improve resource utilization and reduce carbon emissions.

In terms of energy saving and consumption reduction, GOGOX supervises electricity-using equipment and arranges inspections to promote employees to take the initiative to turn off air conditioners, lights and other office equipment when leaving the workplace and meeting rooms; and takes the initiative to turn off electricity-using facilities in unoccupied office areas by strengthening daily inspections to turn off lights and air conditioners, and closely monitoring electricity usage. We strengthen the standby management of office electrical equipment. Most of the office electrical equipment has standby power consumption, so employees can consciously take measures such as cutting off power and turning the equipment into sleep mode according to work needs in non-use hours, so as to reduce unnecessary power consumption and increase the service life of the equipment. The Company conducts green office training for employees, asks them to take the initiative to turn off power appliances when they leave the office, and suggests adjusting to appropriate brightness when using computers and tablets. At the same time, GOGOX attaches great importance to the conservation, recycling and reuse of resources. The Company encourages its procurement team to purchase office supplies made of recyclable materials. In addition, the Company has invested in water-saving equipment in office areas, such as water-saving pipes and sensor taps, to promote the reduction of unnecessary water consumption, and has upgraded the overall work area with energy-saving and environmentally friendly LED lights.

In terms of reducing emissions, GOGOX conducts emission monitoring to track the level of air pollutants (e.g., carbon monoxide) and carbon dioxide in the building by daily inspection. It is also equipped with an intelligent ventilation system that can automatically adjust the ventilation according to the level of air pollutants and CO2 in the office area. We also promote our employees to work online with online office tools to enable online office, electronic approval and paperless office to save paper and physical consumables. As an online logistics platform, GOGOX is not applicable to the use of packaging materials.

Environmental, Social and Governance Report

Waste Management

GOGOX continuously strengthens the management of all kinds of solid waste generated in its operation and strictly complies with relevant national laws and regulations in storage, transportation, and disposal, to prevent the risk of environmental pollution and improve the efficiency of utilization of waste. GOGOX recycles and reuses end-of-life electronic equipment of the data center so that electronic waste can be recycled and reused to the maximum extent.

In terms of waste management, we use toner, toner cartridges and other equipment sparingly, recommend black and white, double-sided model when printing, and advocate a secondary use of paper. In terms of garbage classification, we attach great importance to hazardous waste. We collect hazardous waste (such as toner cartridges, ink cartridges, and used batteries) generated by office buildings uniformly, and then entrust third-party companies with waste disposal service qualifications to carry out harmless disposal of items that meet the standards for end-of-life destruction. At the same time, the Company actively promotes garbage classification in the office building according to the requirements of the Regulations on the Management of Domestic Waste in Beijing. GOGOX sets up classified garbage bins and popularizes the knowledge of garbage classification among employees to encourage them to implement the policies of garbage classification and advocate a green lifestyle.

CASE: GOGOX'S USED CLOTHES DONATION ACTIVITIES

In daily operations, GOGOX adheres to the concept of green office and encourages employees to reduce carbon emissions in their daily business activities. In October 2023, the Company led employees to actively carry out donation activities for idle items, donating under-utilized items to children in mountainous areas who are in greater need of them. While offering love, the Company has improved the utilization rate of items and reduced carbon emissions through recycling and reuse of items.

GOGOX Idle Items Donation Program

Water Management

In terms of improving the efficiency of water consumption, GOGOX has formulated the Management Code for Water and Electricity in Office Workplace to guide all employees to establish awareness of water conservation, caring for water facilities and equipment, and ensuring that the water taps are turned off in time to avoid wastage. We also advocate caring for water supply facilities and reporting the damage to water supply facilities to the Administration Department so that we can arrange for timely repair to ensure normal water supply. We use water-saving products for sanitary ware in office buildings, install induction taps in bathrooms, and strengthen the daily inspection of water supply facilities to eliminate the phenomenon of running and dripping. We also install direct drinking water systems in the office building, instead of barreled water, to improve water efficiency. In 2023, GOGOX has made great progress in water conservation, with water consumption decreased by 52% from last year, and a total of 2,594.92 tonnes of water saved, which can meet the daily domestic water demand of 15,898 Beijing residents[1].

Note:

1. According to the data from the National Bureau of Statistics in 2022, the per capita daily water consumption in Beijing is 163.22 L.

2. Response to Climate Change

In recent years, climate change has been an issue of great global concern. A global carbon-neutral blueprint is gradually being laid out to achieve the goals of the Paris Agreement. China has put forward the great goal of peaking CO2 emissions by 2030 and striving to achieve carbon neutrality by 2060, demonstrating unprecedented determination in the new journey to response to climate change. GOGOX actively identifies and assesses climate change risks and takes measures to respond to climate change in its daily operations, based on its own business characteristics.

To respond to the national goals of "Carbon Peaking and Carbon Neutrality", we develop carbon emission reduction targets and pay attention to the relevant laws, regulations and policies issued by the governments overseas, strengthen communication with various regulatory authorities, and provide timely analysis and feedback to adjust the Company's operating strategies. In terms of green freight, GOGOX refines energy management and gradually expands the proportion of NEVs used; and also reduces drivers' waiting time and empty load rate through smart order dispatching system, thereby minimizing its environmental impact. In addition, we establish and maintain the Green Logistics Industry Alliances. We promote and popularize the concept of green transportation and green packaging and create a low-carbon and environmentally friendly green logistics industry chain through industry collaboration to respond to the concerns of investors, consumers, suppliers and local communities about climate change. The Company actively pays attention to the impact of climate change, as well as new policies and regulations on climate change at home and abroad, and regularly communicates with regulators to review and monitor the Company's ESG strategies, policies and practices. No new climate change risks have been identified by GOGOX in the current year.

Environmental, Social and Governance Report

3. Environmental Data Performance Tables

GOGOX has set environmental goals in the context of the Company's current situation and its overall development strategy. We continue to leverage our technological capabilities and industry influence to improve our climate resilience and sustainable competitiveness. The goals for the environmental dimension are as follows, the steps taken to achieve these goals are detailed in the "Green Logistics" and "Green Office" sections.

➢ **GHG Emissions and Energy Consumption Targets**

- Office electricity consumption density of 2028 is no higher than that in 2023
- GHG emissions density of 2028 is no higher than that in 2023

➢ **Water Consumption Targets**

- Office water consumption density of 2028 is no higher than that in 2023
- The Company continuously saves water and operating expenses.

➢ **Waste Reduction Target**

- The amount of hazardous and non-hazardous waste in 2028 are kept at low level

Key Performance Indicators: Energy and Resources Consumption[1]

Indicator	2023
Total energy consumption (MWh)[2]	**519.15**
Energy consumption intensity (MWh/million RMB)	**0.69**
Direct energy consumption (MWh)	**0.00**
Gasoline (MWh)[3]	**0.00**
Indirect energy consumption (MWh)	**519.15**
Electric power (MWh)	**519.15**
Water consumption (Tonnes)[4]	**2370.23**
Water consumption density (Tonnes/million RMB)	**3.15**

Notes:

1. Unless otherwise stated, the environmental data presented in this section covers only the Group headquarters, the office premises of affiliated companies and the head warehouse.

2. The energy consumption data is calculated based on the consumption of electricity and fuel and the relevant conversion factors in the General Principles for the Calculation of Comprehensive Energy Consumption (GB/T 2589–2020), which is the national standard of the People's Republic of China.

3. Unable to accurately calculate gasoline consumption data for 2023.

4. The main reasons for the decrease in water consumption are: (1) Decrease in the number of employees and office space. (2) We promoted awareness of water conservation and posted energy-saving and environmental protection posters, which was positively responded and cooperated by employees. Thus, the unnecessary waste of water resources was effectively reduced.

5. The main water sources used by the Group are municipal tap water and outsourced bottled drinking water, and there are no issues relating to sourcing water that is fit for purpose.

6. In 2022, as a result of the pandemic, the office electricity consumption decreased due to the increase of work-from-home hours. The office electricity consumption increased upon the recover of on-site work, hence the carbon emission and energy consumption targets of 2023 were not reached.

Key Performance Indicators: Emissions[1]

Indicator	2023
Total greenhouse gas emissions (Scope 1 and Scope 2) (Tonnes of carbon dioxide equivalent)[2]	**340.71**
Greenhouse gas emission intensity (Tonnes of CO2 equivalent/million RMB)	**0.45**
Direct emission (Scope 1) (Tonnes of carbon dioxide equivalent)	**0.00**
Gasoline	**0.00**
Indirect emission (Scope 2) (Tonnes of carbon dioxide equivalent)	**340.71**
Purchased electricity	**340.71**
Non-hazardous waste (Tonnes)[3]	**7.63**
Non-hazardous waste density (Tonnes /million RMB)	**0.010**
Hazardous waste (Tonnes)[4]	**0.00424**
Hazardous waste density (Tonnes/million RMB)	**0.0000056**

Notes:

1. Unless otherwise stated, the environmental data presented in this section covers only the Group headquarters, the office premises of affiliated companies and the head warehouse.

2. The list of greenhouse gas includes carbon dioxide, methane and nitrous oxide, mainly from the use of purchased electricity, gasoline and diesel. Greenhouse gas emissions are calculated in accordance with the Emission Factors of China's Regional Grid Baseline for 2021 Emission Reduction Projects published by the Ministry of Ecology and Environment of the People's Republic of China and the 2006 IPCC Guidelines for National Greenhouse Gas Inventory published by the Intergovernmental Panel on Climate Change (IPCC), and are presented as carbon dioxide equivalent.

3. Non-hazardous waste shall be disposed of by garbage removal units, mainly waste paper, waste office stationery and food waste generated in the office area.

4. Hazardous waste, including waste toner cartridges, ink cartridges and fluorescent tubes, is all disposed of by qualified third-party recyclers.

HIGH-QUALITY LOGISTICS PLATFORM

1. Smart Logistics

With the rapid development of Internet of Things, big data, cloud computing, automation and other emerging technologies, the logistics industry is gradually changing from human-intensive to technology-intensive, technology-driven to reduce costs and increase efficiency. We leverage data and technology to build efficient supply chains, lower costs for shippers, increase earnings for drivers, and minimize environmental impact. Relying on our own online intracity freight logistics platform, GOGOX provides transparent, flexible, and efficient solutions, and sets transaction practices that promote transparency, trust and efficiency, which better satisfy the ever-evolving logistics demands from new economies, such as e-commerce merchants and new retail concepts.

Effective Logistics System

GOGOX uses advanced technology and artificial intelligence-driven algorithms to create an elastic logistics solution that can quickly and effectively respond to dynamic user needs. We use proprietary technology to manage interaction in the dynamic real world and provide a better user experience. In the whole process of logistics system from order placement to order completion, GOGOX has six core technologies: demand prediction, smart order dispatching, automated order pricing, optimized route recommendation, digitalized driver assessment, and risk management.

Relying on our advanced matching system and routing technologies, we build a more reliable and efficient logistics system to support our growing user base and superior user experience. Meanwhile, it helps us optimize our service fees, shipping fares paid by shippers, driver's earnings and ultimately our financial performance.

- **Quick response:** Leveraging cutting-edge technologies, we are able to match drivers with shippers intelligently and efficiently in a median of ten seconds after shippers place orders, creating an optimal user experience. The accumulation of massive market data reinforces the development of our technological system, allowing us to achieve incremental gains in efficiency and quality of service as we grow.

- **Smart matching:** We use intelligent matching algorithms to track demand and order amount in real-time to predict the number of drivers with the capacity or intent to accept orders during a certain period in a day. If we detect insufficient driver capacity in certain regions or periods of time, our platform may offer drivers certain incentives to manage capacity.

CASE: GOGOX'S DEVELOPMENT AND DESIGN OF AUTONOMOUS DELIVERY ROBOTS WITH SERVICES ENHANCED BY BIG DATA TECHNOLOGIES

This year, GOGOX worked with start-up Rice Robotic to explore the deployment of autonomous delivery robots in large estates, Grade A office buildings and science parks for "last mile" delivery. Big data technology was used to optimize service process and delivery efficiency. Equipped with a built-in system to maintain a constant temperature, the robots can carry documents, food and other items with a maximum carrying capacity of $60cm^3$. When fully charged, they can work continuously for 8 hours, saving an estimated 20-30% of the daily delivery time. The robots have a built-in sensor and can automatically move and position themselves in the building once the map has been entered. There is now a complete service process: orders taken and delivered by drivers–goods placed in robots–automatic delivery by robots–collection by users with an identification code, that greatly improves delivery efficiency. Data such as robot's location and status are synchronized in the cloud and shared between staff from both companies. A dedicated customer service processing system is in place for specific issues such as delivery failures. This technology is still in the testing phase and we will learn more about the actual situation and usage rate.

GOGOX Partnering with Start-up Rice Robotic

Trust and Logistics Safety

The safety of shippers and drivers is a top priority for GOGOX. We conduct our business in strict compliance with the *Highway Law of the People's Republic of China*, *Road Traffic Safety Law of the People's Republic of China*, *Regulations of the People's Republic of China on Road Transport*, the *Road Traffic Ordinance of Hong Kong*, the *Road Traffic Act of Singapore, the Carriage by Road Act of India (2007)*, the *Law on Road Traffic of Vietnam (2008)*, the *Trucking Transport Business Act of Korea*, and other relevant laws, regulations and policies of the countries in which we operate both domestically and internationally. We are committed to creating a safe environment during and after each logistics delivery in each market we operate in. GOGOX enhances our level of trust and safety with comprehensive security mechanisms, a real-time tracking system, in-app panic buttons and well-trained customer support teams.

Environmental, Social and Governance Report

GOGOX protects each freight with comprehensive safety features such as one-button emergency calls to the police and real-time tracking function. There is a "Drivers' School" section in the drivers' app that pushes safety knowledge to drivers from time to time, such as tips on safe driving in bad weather or on mountain roads, to improve their safety awareness. We adopt policies to restrict maximum driving hours, such as sending push notifications to remind drivers to take a break after a certain period of continuous driving. GOGOX maintains adequate insurance coverage for goods and logistics delivered through its platform. We also establish a procedure to respond to emergent public safety incidents. In addition, GOGOX prohibits all car-following behavior to ensure the safety of freight and people.

The contraband safety inspection is a necessary tool to ensure the safety of GOGOX, customers, drivers and the country. GOGOX clearly sets out a list of embargoed goods, requiring drivers to check goods before transportation and strictly follow laws and platform rules when finding contraband, immediately and clearly inform customers and cancel orders immediately based on the actual situation. Moreover, GOGOX blocks the words related to dangerous chemicals on the platform to prevent such orders and reduce the occurrence of contraband transportation, which maintains national security and protects customers' rights.

2. Capacity Management and Services

Capacity Management

We attach importance to drivers' qualification management and set strict requirements for drivers' admission and assessment. GOGOX verifies a driver's documentation including, among others, personal identification, driver's licenses and vehicle registration license before the driver could register with our platform. We also require drivers to maintain all mandatory insurance. In mainland China, we also conduct a background check for driver's criminal history. After a driver has successfully registered on our platform, we usually conduct follow-up reviews on drivers to ensure their continuing qualification to use our platform. In Hong Kong, we conduct periodic reviews on the status of drivers' license and insurance coverage to ensure their continuous qualification to provide services on our platform.

In terms of driver trainings and assessment, we provide our registered drivers with several types of training. All newly registered drivers are required to undergo a series of training programs, including standard of services, policies, and safety standards. In Hong Kong, to ensure registered drivers fully understand and follow our policies, we push notifications on mobile applications to remind drivers to comply with laws, regulations and our policies and provide additional training to those drivers who breach our policies. GOGOX is committed to improving the quality of services provided by registered drivers and developing platform rules to better manage driver behavior. Our system is able to evaluate the performance of our registered drivers automatically, based on numerous factors, including the performance evaluation provided by shippers, order pickup rate, order completion rate and service quality. Drivers with a higher evaluation rating may be dispatched or recommended for orders with higher financial rewards. Further, we engage human resource agencies and fleet operators to provide drivers to fulfill orders on our platform. These professional entities manage drivers directly and contribute to enhanced service quality.

Fleet Management

GOGOX attaches great importance to the qualification management of vehicles and drivers. We require suppliers to have a certain level of experience in the transportation industry and a strong ability to withstand transportation risks and quality assurance, to take full responsibility for the safety of the goods, and to bear all losses incurred during transportation (such as fines for overloading and exceeding the limits of relevant laws and regulations, and compensation for missing goods, damage to goods and loss of goods). We have strict admission requirements for fleet operators to become partners:

(1) Vehicles must comply with the platform's registration rules and have comprehensive commercial insurance, including third-party liability insurance of more than RMB 500,000;

(2) Fleet operators are required to take out public liability insurance for each vehicle in accordance with national insurance regulations and pay a deposit of not less than RMB 10,000;

(3) Fleet operators' drivers must be contracted drivers. They must be no older than 55 and have at least 6 months' driving experience;

(4) Drivers must follow the platform management rules and use and operate the system as required. Each order must have a 100% track record and any violations will be dealt with in accordance with the platform rules;

(5) Drivers must be trained by the platform. They are prohibited from bypassing the platform and accepting orders directly from customers or picking orders, and must provide customers with guaranteed services in terms of quality, quantity and efficiency.

GOGOX cooperates with fleet operators in a mutually beneficial and win-win way, continuously deepening the direction and content of cooperation with existing vehicles and drivers to jointly develop. In addition, we are actively seeking new partners to add more quality vehicle suppliers and drivers to the GOGOX fleet system and expand the scope of cooperation.

Services for Driver

We conduct our business by our motto "Customers First, Drivers Oriented", insisting on the tenet of "we serve drivers well, and drivers serve users well". Undertaking corporate social responsibility, we also empower drivers with technologies and offer them opportunities to increase earnings flexibly. GOGOX continuously establish relevant measures to strengthen protection of drivers' rights and interests in different aspects. The contribution made by GOGOX in implementing the protection of the rights and interests of workers in the new industry and promoting the health of the short-haul trucking industry has been recognized by society.

Environmental, Social and Governance Report

This year, nearly 2,000 drivers participated in various GOGOX activities and more than 20 backbones were reserved for the labor union. As part of the activities, 3 driver consultation meetings were held to facilitate the expression of opinions and demands from the driver group. The Company establishes a platform for democratic consultation, coordinates resources from various sources, and collects suggestions from drivers. We also used the labor union as a channel for the grassroots voice of the freight drivers. On the labor union's recommendation, platform driver representative Weng Zhanfei attended the legislative session of the Standing Committee of the Shenzhen Municipal People's Congress, speaking on behalf of all drivers and contributing to the primary-level of governance. Furthermore, GOGOX actively organized various activities for drivers on the basis of driver's occupational characteristics, giving them a greater sense of fulfilment in their participation. For example, we pushed "Safe Summer Driving Tips" on the drivers' app, as well as hazard and disposal tips as required by the Ministry of Transport. In addition to providing free rest areas, hot meals, tea breaks, we also prepared commonly used medicines for our drivers in the "Home of Drivers" and "Home of Member" in response to the recent high temperatures. We distributed the benefits of the "summer care" activities of the General Labor Unions of Longgang District and Sanlian Community to drivers and conveyed the Party and labor unions' care and concern for them. In addition, GOGOX actively responded to the Transport Bureau of Shenzhen Municipality's first-level emergency response for typhoon and flood prevention. On September 1, during the landfall of Typhoon Saola, our platform was shut down for the safety of the drivers.

- **Drivers' Service Committee:** We have established a drivers' service committee, to formulate our platform rules for protecting the rights and interests of drivers and improving driver service standards. The committee has four working groups–Revenue Enhancement Group, Proposal Group, Rules Optimization Group and Employment Environment Group. In 2023, each working group worked on the protection of drivers' rights and interests from multiple aspects, collected drivers' feedback through multiple channels, and made targeted adjustments to optimize internal rules so that drivers can truly participate in the management and operation of the platform.

- **Freight Labor Union:** By the end of 2023, GOGOX had established separate labor unions in Tianjin, Zhengzhou, Shenzhen and Wuhan, and participated in joint labor unions in Fuzhou and other cities. In the future, GOGOX will continue to explore the new working mode of "Internet + labor union services" that suits the characteristics of the driver group. We will wholeheartedly support drivers in solving various emergencies and difficulties and achieving long-term win-win development by building a "driver-friendly" freight platform.

CASE: THE SHENZHEN LABOR UNION OF GOGOX WON THE OUTSTANDING LABOR UNION REFORM PROJECT OF THE YEAR

On February 16, 2023, the first plenary session of the first general meeting of the Shenzhen labor union of GOGOX was held. The first labor union committee, including platform employees and drivers, was elected through a multi-candidate election, marking another milestone in the implementation of the business philosophy of "We serve drivers well, and drivers serve users well" at the strategic level. The labor union has established a collective consultation mechanism by clarifying the Chairman's role, setting up the Home for Drivers and collecting suggestions via online and offline channels. This has maximized the enthusiasm and initiative of drivers to participate in democratic consultation, fully protected the rights and interests of workers in the new industry and promoted the high-quality development of the industry. At the end of the year, the "Multi-form and Multi-level Communication and Consultation Mechanism for A Platform Enterprise in the New Industry" promoted by the labor union was awarded the Outstanding Labor Union Reform Project in Longgang District for the year of 2023. As the only labor union of a new industry, our labor union shared its experience at the award ceremony.

The Establishment of GOGOX's Shenzhen Labor Union

GOGOX Awarded with Outstanding Labor Union Reform Project in Longgang District For FY2023

1) Premium Driver Program

In Chinese mainland, to improve drivers' service quality and loyalty, we launched a premium driver program in 2020. Drivers who joined our platform through human resource agencies and fleet operators are automatically designated as premium drivers. We also promote owner-operators to premium drivers based on their order completion rate, average time spent providing services via our platform per day, and the average rating given by shippers. We dispatch orders to the premium drivers on a priority basis, which provides them with a more stable income stream. This in turn encourages them to improve their service quality and enhance their loyalty to our platform.

2) *Occupational Safety of Driver*

GOGOX attaches importance to the occupational health and safety of drivers. In the past year, GOGOX participated in the development of the occupational injury protection plan of the Ministry of Human Resources and Social Security for the freight industry, conducted a pilot of occupational injury protection in several provinces and several platforms, and provided the drivers who provide logistics services through GOGOX platform with personal injury insurance. Focusing on the industry characteristics and occupational features of the freight logistics industry, GOGOX strongly protects the occupational health and safety of drivers.

In addition, as we expand our business overseas, we place equal emphasis on protecting the safety of local drivers. For example, in the past year, GOGOX's business team in Singapore has joined the local Advisory Committee on Platform Workers as a corporate representative in the writing of a report on recommendations to strengthen platform worker protection, including looking into strengthening financial protection for platform workers in case of work injury, to assist with the government making changes to legislation in future.

CASE: GOGOX'S BUSINESS TEAM IN SINGAPORE JOINED THE LOCAL ADVISORY COMMITTEE ON PLATFORM WORKERS AND RESPONDED TO GOVERNMENT INQUIRIES

From 2021 to 2023, as a member of the Advisory Committee on Platform Workers, GOGOX had consistently responded to government inquiries and provided feedback to help improve the welfare of thousands of platform workers in Singapore. GOGOX is committed to providing better and sustainable welfare for platform workers through a comprehensive regulatory framework, and plans to sign a MOU in January 2024, becoming the third platform to agree to work with government labor union bodies and associations. These efforts can help GOGOX become a platform business where drivers' voices can be heard, and through discussion with drivers, GOGOX can better protect local platform workers in the following three areas:

a. ensuring adequate economic protection of workers in work-related injuries;

b. improving workers' housing and retirement benefits;

c. strengthening workers' representation.

CASE: TRAFFIC SAFETY CAMPAIGN ORGANIZED BY GOGOX

This year, on the twelfth National Traffic Safety Day, GOGOX invited Officer Zhou Liping from the Beijing Asian Games Village Traffic Team to carry out the "122" National Traffic Safety Promotion Activity. At the scene, Officer Zhou conducted training on road safety for GOGOX drivers. The Company also prepared useful gifts for the drivers, such as vests, mugs, phone stands and gloves. The activity not only raised the drivers' awareness of traffic safety, but also expressed the Company's care for them. In the future, GOGOX will continue to work together with relevant government departments to strengthen the awareness of the platform drivers on traffic safety, enhance the level of safety precautions of the platform, and carry through the traffic safety task.

GOGOX Traffic Safety Campaign

Environmental, Social and Governance Report

CASE: AXA AND GOGOX ANNOUNCED A STRATEGIC PARTNERSHIP TO CREATE A NEW MODEL THAT INTEGRATES TECHNOLOGY PLATFORM AND INSURANCE COMPANY

On July 31, 2023, AXA Hong Kong and Macau ("AXA") announced that it has entered into a strategic partnership with GOGOX, a leading logistics technology platform in Asia. With AXA's expertise and product solutions in general insurance and GOGOX's platform scale and innovative science and network technology, the two companies have created a new model that integrates a technology platform and an insurance company, providing comprehensive and tailored coverage for GOGOX's users, including its drivers, individual and business users. GOGOX has already provided 3,000 drivers with relevant insurance plans. The Company will continue to work closely with AXA in the future and will continue to explore innovative solutions to enhance the overall customer experience and provide users with safer and more reliable logistics services as well as innovative and appropriate insurance services.

GOGOX Strategic Partnership with AXA

3) *Driver Welfare*

- **Home of Drivers:** We have established Home of Drivers in over 30 cities in mainland China, which are dedicated facilities for drivers to take a rest, receive training and socialize.

- **The general Party branch of GOGOX:** On February 1, 2023, as a representative of freight drivers, party members of GOGOX attended the Party building seminar for freight drivers in Changsha. At the seminar, the current situation and real needs of the freight drivers were shared. This reflected the exemplary role of GOGOX in developing a quality freight service industry by expanding and strengthening the grassroots Party building while promoting the employment of workers in the new industry and flexible employment. The establishment of the general Party branch is a new milestone in the party building and ideological and political work of GOGOX. It means that GOGOX, as a service platform for the workers and an integrated platform for the grassroots of the Party, has become an important link in the national construction of the Party organization of Internet platforms.

CASE: FOCUSING ON DAILY CARE–GOGOX LAUNCHED THE "HEART-WARMING PROGRAM" IN MULTIPLE CITIES

The Heart-warming Program of GOGOX is a public welfare project and the initial intention of the Company is to show care for drivers. With the program, more industrious freight drivers on road can feel the warmth and care of the platform. From 2022 to 2023, the program was implemented successively in Beijing, Shenzhen, Changsha and other cities, and the Company, in cooperation with Huiyuan Juice, Meiling, Autohome, Rarewater and other brands, sent out caring packs to elderly drivers, with a total of 1,200 cases of beverages, 150 units of smart home appliances, and nearly 200 copies of daily necessities such as pillows and mugs.

GOGOX "Heart-Warming Program"

CASE: PROMOTING IDEOLOGICAL PROGRESS–GOGOX ESTABLISHED THE FIRST RED HOUSE FOR FREIGHT DRIVERS

This year, GOGOX set up the first Red House for Freight Drivers in Changsha, expressing the Party organization's care for grassroots. It is a convenience station with refrigerators, microwave ovens, water dispensers, charging zones and other considerate facilities to meet the daily needs of the drivers. It also serves as a center for drivers who are Party members to communicate with each other, enjoy care and rest.


GOGOX Red House for Freight Drivers

CASE: CARING FOR DRIVERS' HEALTH–GOGOX OFFERED FREE HEALTH EXAMINATIONS

On May 20, 2023, GOGOX joined hands with the General Labor Union of Chaoyang District to offer platform drivers free health examinations. Due to the nature of their work, drivers usually eat and rest irregularly, and they are more likely to suffer from stomach and spinal diseases, as well as certain occupational diseases. Therefore, the health examination is tailored to the work characteristics of drivers. Through health examinations, the Company hopes to encourage drivers to pay more attention to their physical health, improve their health awareness, take regular health examinations and develop good life habits.

GOGOX Offering Free Health Examination for Platform Drivers

3. Service Quality

GOGOX continues to optimize the quality of service to improve customer satisfaction with us. In the GOGOX platform, the daily service for enterprises and consumers is directly provided by our drivers, so the service quality of drivers is the key to user satisfaction. GOGOX adheres to the service policy of "Customers first, drivers oriented, we serve drivers well, and drivers serve users well", focusing on the quality of service for customers and drivers.

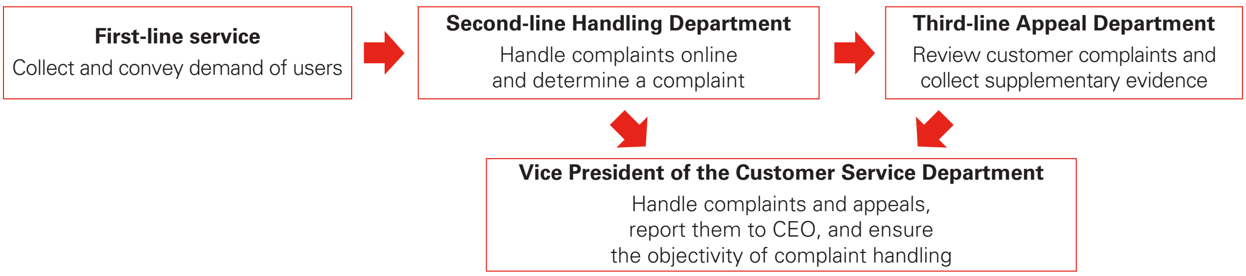
Customer Service Team Building

During the year, GOGOX restructured its Customer Service Department from a department under a business line to a department reporting to the CEO, which further improved the quality of customer service. At present, the Customer Service Center is in charge of collecting feedback from the main business divisions of the platform services and enterprise services, including handling all kinds of issues such as inquiries, suggestions and complaints from shippers, drivers, and other types of partners in the course of using GOGOX's service. In order to cultivate customer service talents and continuously improve the quality of customer service, GOGOX regularly conducts training for the customer service department. In addition, GOGOX also regularly organizes middle and back-office technicians to learn and receive training at the front-office customer service, so that they can participate in responding to complaints timely when the complaints involve technical issues, solving customer complaint problems and improving the efficiency of customer complaint resolution.

Moreover, the Company requires the Customer Service Department to review complaints weekly, constantly adjust the evaluation criteria, increase the proportion of quality inspection in the performance assessment and include the outstanding record of customer complaint handling as a bonus item in the final result, in order to further improve the professional ability of the customer service talents. By continuously optimizing the complaint handling process and service quality, GOGOX successfully increased user complaint satisfaction (complaint handling satisfaction/total evaluation after complaint) by 9% in the current year, which greatly avoided further severity of customer complaints.

Customer Complaint Handling

To strengthen communication with users, GOGOX has opened up five different channels for receiving complaints, including a portal on App, hotline and online message system, allowing customers and drivers to give timely feedback on the problems and fully understanding users' opinions. GOGOX established a closed-loop program for handling customer complaint issues, with the following specific processes:



In 2023, GOGOX added an appeal service by the third-line department based on the complaint handling model in 2022. The 2022 model only included call-answering services by first-line department and the online handling services by second-line department. The new model in 2023 helped to handle more complaints online while solving the problem of inaccessible phone lines during peak volume periods, and further improved the efficiency of customer complaint handling. In order to improve the quality of driver service and user experience, the definition of "complaint" has been expanded in the current year, the total number of customer complaints received in 2023 was 79,087. The timely collaboration with corresponding departments in customer service has improved the efficiency of complaint handling, and the customer complaint closure rate in 2023 reached 99.97% in mainland China, and 100% in overseas regions. In addition, in the user satisfaction survey conducted during the Reporting Period, the overall satisfaction of users for products and services reached a score of "NPS score +11", which means that the overseas customers surveyed hold a "highly recommended" attitude towards the products and services offered by GOGOX.

Furthermore, the Company has formulated a comprehensive "Emergency Response System" to prevent complaints from simmering. This system defines the sensitive information and establishes a panel to deal with repeated complaints, cases involving large sums of money, or those posing threats to personal safety. Through cross-departmental collaboration, we will address the root cause of disputes and propose subsequent long-term solutions. The GOGOX business does not apply to the recall of products due to health and security reasons, nor does it apply to the description of product quality assurance or recall procedures. In 2023, there were no negative incidents related to service quality and consumer rights protection for GOGOX.

Standardize and Optimize Customer Service Mechanism

Ensuring that all customer service processes and service standards are audited and confirmed by Legal Affairs, Internal Audit and Internal Control Departments, GOGOX improves and standardizes the customer service mechanism by managing and analyzing customer complaint data, assessing and controlling customer satisfaction rate and complaint rate, finding and implementing long-term solutions according to clarify the complaint problems. strengthening the responsibility of customer complaint processing and follow-up so that users' voices and demands can be quickly accepted and fed back, to give users a good complaint experience and provide users with better logistics services in the future.

Standardization and optimization measures:

Customer Complaint Data Compliance	1)	All customer complaint data is recorded in the system under the premise of compliance.
	2)	Hiring a third-party data department for statistical analysis and challenges.
Customer Service and Assessment Mechanism	1)	Authorize the first line to carry out rapid resolution of customer complaints, the second line to conduct online processing, and the third line to review customer complaints and supplement additional evidence.
	2)	The assessment of the relevant departments all involves indicators such as user satisfaction, complaint rate and so on.
	3)	Organize and classify all customer complaint problems and require horizontal business departments to propose long-term solutions.

The Company has ensured full protection of customer rights and interests, and improved the accuracy and completion of customer complaint handling by continuously refining the process and payout rules for handling such complaints. After the customer service provides the complaint solution, the evaluation is promptly shared with the complainant. If the customer remains unsatisfied, he/she has the option to resubmit the complaint. Upon receiving feedback, an ombudsman will review the case within 24 hours, consider additional evidence and access customer service recordings. If it's determined that the initial program is inappropriate, the ombudsman will reach out to the customer to offer an updated solution.

COMPLIANCE MANAGEMENT

1. Integrity Building

We strictly abide by the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Banning Commercial Bribery*, the *Corporate Tax Act of Korea*, the *Foreign Investment Promotion Act of Korea*, and other relevant domestic and overseas laws and regulations, as well as the policies of each business location, and implement the anti-corruption regulations of GOGOX, including but not limited to the *GOGOX Anti-Corruption Monitoring Management Regulations*, the *GOGOX Conflict of Interest Management Measures* and the *GOGOX Employee Handbook*, all of which have been issued at the Company level. We adhere to the attitude of "zero tolerance for corruption" and practice the core values of the Company.

Every year, GOGOX conducts anti-corruption training for different business lines of the Company. GOGOX conducts anti-corruption training at least once a year. In 2023, we provided anti-corruption training to the Board, with 100% of the Board members attending. The Company also conducts anti-corruption training for recruiting staff, explaining the Company's rules and "high-tension" behaviors, and clearly informing the Company's internal inspectors and penalties for violation. In addition, GOGOX regularly conducts integrity awareness training for employees and verifies the effectiveness of the training through examinations. We also conduct integrity training for suppliers. We pay attention to internal and external reports and complaints, publish the reporting E-mail (kg-jiancha@daojia-inc.com) and telephone number (010 5142 9100) to the public, and receive reports and complaints from the reporting portal on the driver's App. These reports are summarized to the Internal Audit and Supervision Department for subsequent investigation and processing. In 2023, there were no reports and complaints of embezzlement and no concluded litigation cases of embezzlement against GOGOX or its employees.

2. Supply Chain Management

In accordance with the *Civil Code of the People's Republic of China*, the *Bidding Law of the People's Republic of China*, and other laws and regulations, as well as those internally established provisions such as the *GOGOX Procurement Management Regulation*, the *Supplier Management Regulations*, and the *Daily Procurement Rules*, GOGOX evaluates and manages the quality of products and services and the business reputation of partner suppliers, regulates the Company's procurement behavior, maintains good cooperative relationships and improves business quality. The Company is committed to building a responsible supply chain, ensuring high-quality delivery of products and services, working with upstream and downstream partners to establish close cooperative relationships, and continuously working with supplier partners to build a win-win cooperative ecosystem.

Environmental, Social and Governance Report

Supplier Management System and Process

GOGOX continues to improve the whole process of the supply chain management system and establish a staged life cycle management system. We clarify the requirements for qualified suppliers, standardize the process from supplier registration to management, actively maintain supplier relationships, and make progress together with suppliers.

- **Access stage:** Considering the actual situation, the Procurement Department and the Requesting Department select suppliers to be invited from the supplier pool and the market on merit. We examine factors such as delivery, price, operational and technical capability, environment, safety, and social responsibility of all parties, and conduct access evaluation to ensure maximum procedural compliance, fairness, and transparency. For single-source projects, full and reasonable justification must be provided and approved.

- **Selection stage:** The selected supplier must sign a confidentiality agreement with us, and no party shall disclose or divulge or provide any confidential information which was obtained based on the cooperation to any third party in any way under any circumstances, to protect the Company's data security and employee information security. Meanwhile, for projects that can be e-tendered after internal evaluation, we will select online suppliers based on the *Measures for Electronic Bidding* to promote the digitization of the industry and reduce carbon emissions.

- **Evaluation stage:** In accordance with the relevant provisions of supplier management, GOGOX conducts regular evaluations of its suppliers' performance in accordance with the supplier evaluation procedures and implements classification and grading management of suppliers based on the evaluation results. We implement differential procurement policies and payment policies for suppliers of different levels and provide true and objective feedback on the cooperation and performance of suppliers. The performance rating will be used as a reference for the renewal and shortlisting of suppliers.

Suppliers with "excellent" ratings for two years can be included in the *Annual Excellent Partner List* after being announced and reported to the CEO. In principle, suppliers included in this list can be given incentives including priority shortlisting, priority quota, priority contract renewal, priority settlement, etc. in that year.

For suppliers' bad behaviors (bad performance, leaking information, adulteration and forgery, illegal bidding), we will dispose of them accordingly. For suppliers who seriously violate business ethics, they will be entered into the supplier blacklist and permanently excluded from the database, and zero tolerance will be implemented.

In addition, GOGOX is committed to ensuring that our business ecology does not harm the environment, climate, interests of employees, so we actively incorporate the corresponding principles into our supplier management. At the supplier selection and shortlisting stage, we include ESG in the supplier assessment criteria, alongside factors such as suppliers' quotations, service quality and supply capabilities. In terms of supplier selection and access, GOGOX follows a merit-based invitation, examines the supplier's ESG performance, checks the supplier's environmental management system certification, and pays attention to the supplier's negative public opinion. In addition, we are committed to regulating the behavior of suppliers in the fields of environment, society, and labor rights, referring to environmental management assessment procedures to evaluate the performance of suppliers and make differential procurement and payment strategies based on the assessment results to ensure the development of the responsible supply chain and close cooperative relationships.

Integrity Procurement Management

As the important partners of the Company, suppliers affect the Company's operating costs and product quality. The Company follows the principles of fairness, justice, openness, integrity, and business ethics, advocates sunshine procurement, integrity, and fairness, simplicity, and efficiency, resolutely resists prevaricating, fraud and bribery in the procurement process, attracts more high-quality suppliers to the Company's supplier pool, and promotes win-win cooperation with suppliers.

In the aspect of procurement, GOGOX formulates the code of conduct of GOGOX procurement personnel following the *Anti-Unfair Competition Law of the People's Republic of China*, the *Measures for the Administration of Government Procurement by No-Bid Procurement Methods* and *Measures for the Administration of Bidding for the Government Procurement of Goods and Services*, combined with the actual management of GOGOX. Meanwhile, the business activities of GOGOX in cooperation with suppliers also abide by the *Code of Integrity and Business Ethics* and sign the *Anti-Commercial Bribery Clause* with suppliers, which is also combined with the internal audit mechanism of GOGOX to ensure the integrity and fairness of procurement. During the year, all suppliers fully adhered to the supplier management system of GOGOX.

Supplier statistics

Supplier number	Unit	Number
Total suppliers	**Number of**	**509**
Chinese mainland	Number of	486
Hong Kong, Macao and Taiwan in China	Number of	18
Overseas regions	Number of	5

Notes: 1. This data refers to procurement suppliers, excluding cooperative suppliers, such as moving cooperation, fleet cooperation, vehicle cooperation, goods transportation, etc.

3. Brand Management

Intellectual Property Rights Protection

Intellectual property rights protection is an important guarantee for the success of innovation. GOGOX attaches great importance to the work related to intellectual property rights, and strictly abides by the *Civil Code of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Protection of Computer Software Regulations* and other laws and regulations of the place of operation to ensure that intellectual property rights have rules and regulations to follow, and to standardize the exploration, application, tracking, maintenance and management of various intellectual property rights within the Company.

GOGOX always attaches importance to the protection of its own intellectual property rights, while respecting the intellectual property achievements of others. We are aware of the risks involved in the protection of intellectual property rights, and have taken action to avoid infringing on the intellectual property rights of others and to protect our own intellectual property rights by increasing the protection of intellectual property rights, establishing and improving an early warning mechanism for intellectual property rights, and taking contractual binding precautions.

- **Increase the protection of intellectual property rights**

  Based on business needs, we actively carry out the application and protection of intellectual property rights, such as trademarks, patents and soft documents, and increase capital investment in this field to ensure that the actual acquisition of the above-mentioned intellectual property rights covers the basic needs of our business and avoid infringing on the legitimate rights and interests of other third parties.

- **Establishment and improvement of the intellectual property rights early-warning mechanism**

  We conduct a feasibility analysis of the technology before filing technology patent applications to avoid duplicate applications and reduce the risk of infringement. Before filing trademark applications in actual business, we will conduct screening and risk assessment through our official website and agents, and promptly make risk indications for possible infringement risks encountered during business development.

- **Take contract-binding precautions**

  In the management of intellectual property rights, the Company actively uses the legal effect of contracts to prevent risks. For example, in procurement contracts, suppliers are explicitly required to ensure that their products do not infringe on the intellectual property rights of others and the penalties for breach of contract; business cooperation contracts also specify the ownership of intellectual property rights of both parties and the terms of breach of contract; and cooperative development contracts specify the ownership of intellectual property rights of research and development results.

- **Multiple initiatives to avoid employee infringement**

  The Company devotes a great deal of effort to raising the awareness of intellectual property rights protection among employees. To this end, we regularly conduct training on the patent protection, discuss technology needs and new legal regulations, and jointly evaluate the feasibility of patent conception. The Company is dedicated to preventing infringement of third-party intellectual property rights by implementing rigorous management measures and identifying risks together with departments prone to infringement. Moreover, we clarify rules on the use, distribution, review and release of external publicity materials and software licensing, aiming to minimize the risk of infringement made by us.

When there is an incident of external infringement of our intellectual property rights, the Legal Department of the Company will immediately confirm the infringement issue with all relevant departments of the Company based on the information provided by the business and, on the premise of information alignment and factual verification to confirm the infringement, issue a legal letter in a timely manner and, if necessary, send a lawyer's letter to the infringing party requesting the other party to stop the infringement as soon as possible and compensate the Company for the corresponding losses (if any). As of December 31, 2023, GOGOX has been granted a total of 290 trademarks, 30 patents and 24 software copyrights, providing strong support for business needs and ensuring the use of intellectual property rights during business development.

Responsible Marketing

Based on compliance, GOGOX will continue to build a responsible person marketing model, and strictly abide by the laws and regulations[1] of the place of operation such as the *Advertising Law of the People's Republic of China*, the *Measures for the Administration of Internet Advertising*, the *Compliance Guidelines for Advertising Dissemination in Beijing*, the *Implementation Guide for Anonymous Internet Advertising*, and ensure the compliance and sustainability of advertising marketing. In the advertising business, GOGOX will carry out legal and compliance reviews, and will timely identify relevant risks and jointly evaluate solutions with the Business Department when reviewing the promotion content and partner agreement.

4. Data Security and Privacy Protection

Protecting user privacy and data security is the basis for the steady development of enterprise business. As an Internet enterprise, GOGOX provides services to users through Internet technology, and always puts information security in a critical position. We strictly abide by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Regulations to Protect Minors in Cyberspace*, the *Notice on Conducting the Recordation of Mobile Internet Applications, the Administrative Measures for Compliance Audit of Personal Information Protection (Draft for Comments)*, the *Regulations on the Safety Management of Face Recognition Technology Application (Trial)*, the *Personal Data (Privacy) Ordinance (Hong Kong)*,the *Personal Data Protection Act（Singapore）*, the *Act on the Protection and Use of Location Information (Korea）*, the *Digital Personal Data Protection Bill (India）* and other relevant laws and regulations at home and abroad. In addition, GOGOX has also developed the *GOGOX Employee Information Security Code*, and recognized a number of approved information security national standards such as the *GB/T35274–2023 Information Security Technology—Security Capability Requirements for Big Data Services and the GB/T32916–2023 Information Security Techniques—Guidelines for the Assessment of Information Security Controls in the current year to establish a complete in*formation security management system to ensure the Company's data security and protect the user's personal information.

Management Structure and System Development

In order to strengthen the security management of GOGOX and its associated main company, the Company has set up the Network and Information Security Working Committee, which is led by the CEO of the Company and consists of three security management groups: the Network and Information Security Management Group, the Personal Information Protection and Data Security Management Group, and the Internet Information Content Security Management Group. The corresponding senior management personnel shall be assigned to take charge of the safety of the team and implement the safety-related work.

1 GOGOX's product types do not involve the use of labels.

Environmental, Social and Governance Report

In order to ensure the security of data and user information, GOGOX has established a sound internal system: in terms of network security, *GOGOX Network and Information Security Management System* has been developed internally; In order to ensure the security of sensitive data of GOGOX, *Data Security Management Specification* and *Sensitive Data Processing Specification* are set up for data security; In order to protect the legitimate rights and interests of the Company's users and standardize the user's personal information processing activities, the *User Personal Information Protection System* has been formulated. In addition, according to the industry plan, GOGOX formulated the corresponding *Data Classification and Control Strategy* according to the *Data Classification and Classification Strategy,* adopted different control requirements according to different levels, and proposed data encryption and data desensitization specifications internally.

Establishment of Security Mechanism

GOGOX carries out the whole process of data security protection and guarantees users' privacy and security rights. GOGOX has developed the *Data Life Cycle Management* specification, which defines the management requirements within the whole cycle. The measures to ensure data security include minimal data acquisition at the data acquisition stage, step by step examination and approval of sensitive and large amounts of data, and encryption of transmitted data and channels. GOGOX only collects the necessary user information in the corresponding scene and will clearly prompt and apply to the user before collecting. All key positions responsible for the operation or access to data have signed confidentiality agreements, while security departments monitor sensitive behaviors of privileged personnel and application traffic data. To ensure the comprehensive data security control, GOGOX has established a data security monitoring and audit system, regularly carrying out cybersecurity and information security audit activities as well as information security risk assessments. For operations that are prone to potential security risks and data leakage, such as system updates and App updates, GOGOX adopts an update strategy of rolling update, pays attention to the nine data security management links, and monitors the operation of business systems in real time, so as to comprehensively safeguard the data security and functional availability before, during and after the updates.

As the Company does not yet have its own data center, we take the physical security and management measures of data center into consideration when renting a data center. Only the operation and maintenance personnel of this data center are granted with long-term access rights, and their privileges will be cleared immediately once they transfer positions or resign from the Company. Any other personnel who need to access the data center for business purposes can obtain short-term authorization after requesting and being approved by relevant supervisors. And such personnel should show their identification cards and register before entry and exit and be accompanied by the operation and maintenance personnel of the data center. The data center is internally divided into server room, power monitoring area, storage room, etc., and each area has an independent access control system, with fingerprints and other authentication for key areas, and iron cages for physical isolation in specific areas. Entrance control and separate visitor areas are set up in both the park and office areas, and visitors must wear identification and be accompanied by internal personnel.

Paying attention to the promotion and implementation of information security awareness, GOGOX organizes regular training on data security and privacy protection for its employees. In 2023, we organized our employees to participate in a total of four external training sessions, including the Data Security Technical Competence (DSTC) standard propagation meeting, the training session on cybersecurity protection awareness and capability enhancement by the High-tech Zone Net Information Office, the kick-off meeting for the Tianjin 2023 net protection, and the training session for network and data security work of Tianjin Communications Administration. Furthermore, we organized one internal training session, in which the Company's Security Department gave a lecture for personnel from the Product Department, Technology Department and Legal Department to conduct in-depth study on the relevant regulations and internal systems of the Company in respect of data security. In addition, in 2023, the Company carried out a training and questionnaire assessment on information security awareness for all staff. At the same time, it also carried out an email phishing exercise for all staff to strengthen their awareness of threat prevention, and conducted training on data security obligations and construction content for key personnel.

CASE:

Cybersecurity drill: In September 2023, the technology center of GOGOX participated in a seven-day cybersecurity attack and defense exercise action held by the Public Security Bureau of Tianjin Binhai New Area. During the drill, the Company had excellent performance in OA password, mailbox configuration, host security risk investigation, security event study and judgment, malicious IP blocking and other actions, and finally achieved successful defense with 0 point lost.

Security protection assessment: GOGOX conducts Level Protection Assessment of the order system, so as to thoroughly review the network and information security. This year, we have completed the rectification for the assessment on one system, which has passed the Class 3 Level Protection Assessment.

Data Security Accident Management and Emergency Work

We always put data security in first place. There is a *Clear Data Security Emergency Plan* in the *Network Security Emergency Plan* of GOGOX. When a data security event occurs, we should start the emergency response mechanism in time, take measures to prevent the expansion of the hazard and eliminate the security risks. According to the different information channels of data leakage, there is a data leakage event troubleshooting guide as a guide for the event location research and judgement when monitoring and locating data leakage events. After the troubleshooting, the incident shall be recorded in accordance with the *Information Security Incidents and Emergency Specifications* of GOGOX. If it is confirmed that the data leakage security incident has occurred, the emergency response shall continue to be carried out in accordance with the data security emergency plan in the *Network Security Emergency Plan*. In 2023, GOGOX had no privacy leakage and information security incidents.

In addition, the Company attaches great importance to the physical security construction in the server room. The fire detection system is realized using heat and smoke sensors, which are located in the ceiling and under the floor; when an event is triggered, an audible and visual alarm is provided. The data center equips with an integral gas extinguishing system and manual extinguishers. Additionally, we organize training and drills for fire detection and response. In order to support the 7*24 hour operation of the business, the data center adopts the dual utility power supply and redundant power system, with the same power supply capacity of the main and backup power supply and system. If the power supply fails, the equipment will be powered by battery packs and diesel generators with redundancy mechanisms to ensure the continuous operation of the data center for a period of time. At the same time, precision air conditioners are installed in the data center to ensure a constant temperature and humidity environment. The temperature and humidity are electronically monitored, so that countermeasures can be taken immediately in the event of an alarm.

TALENT DEVELOPMENT

Talent is the fundamental driving force for the development of enterprises, and GOGOX insists on "people-oriented" and pursues the common growth of employees and the Company. We fully respect and strictly protect the rights and interests of employees, and are committed to creating a fair and just workplace atmosphere, a safe and healthy working environment and a diverse and inclusive corporate culture for all employees. At the same time, we help our employees to grow comprehensively, provide diversified training support, build a broad platform for their talents and creativity and reward each employee's hard work and dedication through a competitive compensation and a comprehensive welfare system.

1. Talent Hiring and Care

Talent Hiring

GOGOX makes staff recruitment plans every year according to the development needs of our business and changes in the talent market to strengthen our workforce. GOGOX complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Minors* and other laws and regulations, as well as the *Employment Ordinance* (Hong Kong) and the *Employment of Foreign Manpower Act* (Singapore) in overseas regions. The Company has also formulated the *Recruitment Management System and Detailed Implementation Rules for GOGOX*, the *Employee Handbook,* the *Performance Management Measures* and other provisions. GOGOX respects and protects the rights and interests of our employees. We provide employees with benefits such as five insurance and one pension, statutory rest periods and travel subsidies, and protects the legal rights and interests of every employee equally.

The Company adjusts and plans its recruitment management system based on specific business and market demands on an annual basis. This year, we have further refined our recruitment criteria in terms of process. We access whether the job applicants align with the Company's needs based on a compressive judgment which combines an evaluation of their professional abilities with consideration of their values. Meanwhile, our recruitment channels are integrated with internal and external channels. Internal channels primarily refer to employee referral while external channels rely on online recruiting portals, headhunters and other media to attract employees. GOGOX endeavors to improve its employer image and build a favorable corporate platform. It is committed to transforming from an internet enterprise advocating conventional aggressive culture to a greener and pleasant platform.

We adhere to the principle of equal employment, guarantee the diversification of talents, strictly prohibit any form of discrimination, and insist on treating employees of different nationalities, ethnicities, genders, religious beliefs, and cultural backgrounds equally. Our internal policies stipulate anti-discrimination and differential treatment, restrictions on working hours, protection of the rights and interests of female employees, safeguard of a fair and reasonable compensation system, and promotion of employment for the disabled. The Company fully respects every employee and advocates equality of personality and refuses any form of insulting discrimination. At the same time, the recruitment of talent in GOGOX prohibits the employment of child labor and forced labor and sets up a strict audit in the recruitment and onboarding process. If child labor violations are found, the Company will immediately take serious action against those responsible according to the severity of the situation and report the situation to the labor security administrative department. During the Reporting Period, there were no incidents of child or forced labor at GOGOX. GOGOX respects and protects the rights and interests of our employees.

Key Performance Indicators: Employment and Employee Turnover Rate

Indicator		2023
Number of employees by gender (person)	Male	**475**
	Female	**356**
Number of employees by age group (person)	<30 years old	**394**
	30-50 (inclusive) years old	**421**
	>50 (exclusive) years old	**16**
Number of employees by employment type (person)	Full-time employee	**818**
	Part-time employee	**13**
Number of employees by employee level (person)	Senior Management	**31**
	Middle Management	**147**
	Grassroots employees	**653**
Number of employees by region (person)	Mainland China	**513**
	Hong Kong, Macau and Taiwan, China	**151**
	Overseas	**167**
Employee turnover rate by gender (%)[1]	Male	**20.3%**
	Female	**15.4%**
Employee turnover rate by age (%)	<30 years old	**22.0%**
	30-50 (inclusive) years old	**14.3%**
	>50 (exclusive) years old	**29.0%**
Employee turnover rate by region (%)	Mainland China	**19.4%**
	Hong Kong, Macau and Taiwan, China	**18.0%**
	Overseas	**14.5%**

Note: 1. Total employee turnover rate = number of employees who left during the Reporting Period / (number of employees at the beginning of the Reporting Period + number of employees at the end of the Reporting Period/2) *100%

Employee Internal Communication

Focusing on internal communication among employees, GOGOX actively improves the Company's internal communication policies and channels to listen to the voices of employees. The Company formulates the policies of internal communication, reporting, complaints and reviews in the *Employee Handbook,* Chapter 10 to encourage employees to honestly feedback and communicate with the Company or departments about their problems. The Company and department supervisors at all levels should attach great importance to the problems reflected by employees in their daily work. The supervisors spare no efforts to solve the problems within their competence through active investigation and close communication with the employees in a timely manner. The Company always insists on solving problems through communication, but it is strictly prohibited employees and departments from fabricating stories, causing unnecessary troubles, maliciously spreading rumors or exaggerating situations, which may damage the reputation of the Company or others. At the same time, the Company strictly abides by the confidentiality obligations of employees, and is strictly prohibited employees from inquiring about, spreading personal privacy or infringing on the rights of others. To ensure that employees can provide timely and effective feedback and exchange of issues, the Company also provides a variety of internal communication channels, such as the mailbox of GOGOX's Internal Audit and Supervision Department (kg-jiancha@daojia-inc.com), and the feedback channels of HRBP's DingTalk of the Internal Audit and Supervision Department and other departments.

Employee Care

GOGOX focuses on employee care and creates a happy workplace for employees by organizing rich employee activities to inspire them to work. In the past year, GOGOX has planned relevant activities for employees during important holidays and provided a variety of benefits, such as free greenery, snack specials, oral care and customized company-related products (i.e., heat-retaining table mats and mobile phone holders). In order to enrich the spare time of employees, the Company holds various activities for employees, such as the internal themed market "Fulai" and the photography contest "Spring Photo Festival". In addition, GOGOX attaches great importance to the care of female employees. The Company has set up a mother and baby room in the work area and carries out special activities on Women's Day (March 8) every year. The Company puts all humanistic care into practice to reward employees' efforts, enhance their happiness and sense of belonging, and strengthen team cohesion.

CASE: INTERNAL THEME BAZAAR EMPLOYEE CARE ACTIVITY

GOGOX holds a quarterly "Fulai" themed activity for our employees, and on February 24, 2023, the first quarter "Fulai" market was successfully held. The market offered a variety of stalls, including free cake tasting, skin care experience, and professional oral care, with preferential prices for employees. This activity is designed to improve team interaction, communication among colleagues, and boost team cohesion.

"Fulai Market"

Environmental, Social and Governance Report

CASE: CUSTOMIZED COMPANY-RELATED PRODUCTS

This year, GOGOX customized a variety of practical gifts for the office, such as heat-retaining table mats for winter, hand warmers, and pillows for napping, which were distributed free of charge through regular company activities. These gifts were designed to show appreciation to employees, while also encouraging them to actively participate in company activities.

Customized Company-Related Products

2. Employee Training and Development

GOGOX upholds the employment concept of "independent training, internal promotion" and provides employees with a clear development channel and a broad career platform. Combined with the Company's demand for talent ladder construction, GOGOX promotes the selection of outstanding personnel from within the Company and gives bold promotions. The Company has set up two routes for staff promotion: professional promotion and management promotion, ensuring that employees have 2–4 opportunities to apply for promotion each year. At the same time, the Company has established a transparent communication channel for employee promotion, and the Human Resources Department organizes the review of the job description to ensure that the whole process is fair, open and justice, and will provide timely feedback to employees on the review results and personal development proposal reports after the review. GOGOX is committed to "making the best use of people's talents ". In order to make the development of employees' abilities more focused and clearer, and to achieve an effective match between employees' abilities and their positions, the Company tries to open up the transfer channel between departments as much as possible, so that employees can choose their growth path according to their own interests and abilities and get self-fulfillment in their careers.

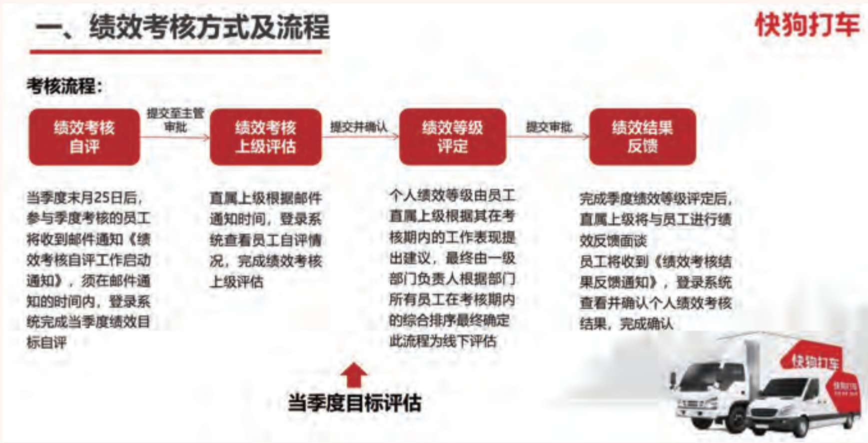
GOGOX pays attention to staff development and talent cultivation, provides rich training resources for employees, and strives to help each employee realize his or her potential. GOGOX adopts different training schemes for different employees, which are performance-oriented and focus on improving the practicability and pertinence of employee training. GOGOX is committed to helping employees make up for differences in practice and develop with the Company. In terms of professional skills training, the two-way training is adopted to empower non-professional employees with professional skills through cooperation between different departments. In order to improve employees' understanding of internal processes and reimbursement efficiency, GOGOX refined the financial reimbursement module in the orientation materials for new employees this year. In addition, in order to clarify the filling norms of OKR performance appraisal, the Company added OKR system operation training courseware to the orientation materials for new employees, so as to optimize the employee performance appraisal process. The Company has also enriched the training themes with life hot spots, such as multi-departmental co-operation in AI technology training, and organized corresponding activities for the life issues that employees are concerned about, such as parental education and child relationship. We meet the needs of employees to improve their abilities in specific practices, and help employees and enterprise grow together.

Type of Trainees	**Training content**
New employees	• Online onboarding training, including company values and culture • Optimization of financial reimbursement efficiency and OKR system operation
Professionals	• General Competence Training • Skills training combining hot spots with life • Business skills training
Management cadres	• External communication and internal training

Environmental, Social and Governance Report

CASE: OKR SYSTEM TRAINING

GOGOX uses the OKR system for employees to self-assess their performance goals on a quarterly basis. The employee's performance level will be evaluated upon supervisor's assessment. After the offline performance assessment, direct supervisors will provide face-to-face feedback, offering constructive suggestions for the employee's performance during the quarter and listening to work-related feedback.



OKR Performance Appraisal Process of GOGOX

CASE: EMPLOYEE PARENTING EDUCATION

This year, GOGOX conducted a series of employee parenting training sessions centered around hot topics such as AI technology and parenting education. By combining hot topics with life, employees can take the opportunity to enhance communication with colleagues from different departments while strengthening the parent-child relationships and learning about AI hot topics.

Related Training Posters

Key Performance Indicators: Employee Training

Participant data for FY2023		**Percentage (%)**
Number of trainees by gender	Male	47.0%
	Female	53.0%
Number of trainees by employee level	Senior Management	6.5%
	Middle Management	37.4%
	Grassroots Employees	56.1%

Training hours data for FY2023		**Duration (Hour)**
Average training hours by gender	Average training time for male	38.79
	Average training time for female	36.56
Average training hours by employee level	Average training time for senior management	46.25
	Average training time for middle management	39.88
	Average training time for grassroots employees	35.10

Note: 1. Average training hours of employees = total hours of training participated by employees in that category / number of employees participating in the category of training

3. Employee Health and Safety

GOGOX attaches great importance to the physical and mental health and safety of its employees and creates a safe and comfortable working environment for them. The Company has established a health and safety management system for employees in compliance with the laws and regulations such as the *Work Safety Law of the People's Republic of China*, *Labor Law of the People's Republic of China*, *Fire Protection Law of the People's Republic of China*, *Occupational Safety and Health Ordinance (Hong Kong)*, *Work Injury Compensation Act (Singapore), Workplace Safety and Health Act (Singapore)* and the Administration for Industry and Commerce Regulations.

GOGOX actively fulfills its employer responsibilities and provides a variety of thoughtful care and services to protect the physical and mental health of its employees. In addition to the basic protection of five insurance and one pension, GOGOX has purchased supplementary commercial insurance for employees. The Company organizes regular physical examinations for all employees every year (except during the pandemic) and invites relevant experts to conduct health knowledge lectures from time to time so that employees can find, pay attention to, and manage their health problems in a timely manner. At the same time, in order to help employees regulate their emotions, relieve stress and strengthen communication, the Company also organizes outdoor activities for employees from time to time to help them establish a sunny mindset and take practical actions to protect their health.

Environmental, Social and Governance Report

CASE: EMPLOYEE HEALTH CARE ACTIVITIES

Since April 21, 2023, GOGOX organizes outdoor long-distance running activities for all employees every two weeks. The Company encourages employees to participate actively and take this opportunity to relax, lose fat, and release stress. This not only allows employees to enjoy sports and fitness, but also promotes internal communication with colleagues and enhances team cohesion.

"Fat-Losing" Activity

GOGOX insists on the principle of "safety first" and always pays attention to the occupational health and work safety of our employees. We have established a safety program and an internal code of conduct that specifies a number of safety measures to protect the health and safety of our employees in the workplace. We have an occupational safety management system to identify risks and have adopted a code of conduct to implement fire and operational safety guidelines and enable employees to comply with the requirements for reporting accidents. The Company has improved the fire safety training system and added fire safety training to employee orientation training. The Company, together with the firehouse branch and the Property Security Department, regularly conducts fire safety inspections and emergency drills in the office to reduce the safety risk of the work area and improve employees' ability of fire hazard detection, firefighting and self-rescue and escape and evacuation, so as to reduce the possibility of injury accidents and enhance their safety awareness. During the Reporting Period, we did not have any major workplace accidents or encounter any significant non-compliance issues in relation to applicable safety laws and regulations.

CASE: SAFETY FIRE DRILL AND TRAINING FOR EMPLOYEES

On the morning of July 20, 2023, GOGOX invited the Asian Games Village Brigade of Chaoyang District Fire Rescue Detachment to carry out a fire drill and training activity for our employees. The head of each city branch across the country led the main staff to participate in the training activity remotely via video conference. At the same time, the Deputy Chief also held a discussion with the relevant departments to clarify and implement the responsibilities of fire safety in the post, in order to gather the control force within the enterprise and create a good situation of supervision and management.

Fire Safety Drill

Employee health and safety situation

Indicator		Number
Number of deaths due to work (persons)	2021	0
	2022	0
	2023	0
Death rate due to work (%)	2021	0
	2022	0
	2023	0
Number of working days lost due to work injury (days)	2023	187

Notes:

1. The number of working days lost due to employee death and work injury is subject to the identification of work injury by the local social insurance administrative department.
2. Number of working days lost due to work injury shall exclude weekends and national holidays, and only working days shall be included.
3. Number of working days lost due to work injury derived from the accidental fall and injury of two outsourced employees.

SOCIAL CARE

GOGOX is committed to contributing to society. Combined with our industry characteristics, we provide logistics and transportation-based or related services to places in need as much as possible. In the past year, GOGOX has been actively engaged in social activities and public welfare undertakings, giving back to the society with practical actions in terms of charitable donations, public welfare donations, community and educational support, actively practicing the social responsibility of corporate citizenship, sticking to the original intention and giving back to the society, as well as contributing to social development by carrying out diversified public welfare and charitable projects. In addition, the Company has always insisted on unifying commercial value and social value in overseas regions. While improving its core business, GOGOX actively participates in the public welfare of overseas communities, especially through cooperation with local enterprises and organizations to realize the care for the socially underprivileged. During the Reporting Period, GOGOX invested a total of RMB 150,000 in various public welfare investment activities. And at the same time, the total number of volunteers involved in various types of public welfare activities of the Company overseas reached 30, with the total time spent amounting to 10 hours.

CASE: SUPPORT TO EARTHQUAKE RELIEF

On February 6, 2023, a 7.8 magnitude earthquake struck southern Türkiye. To help people in the affected areas of Türkiye, GOGOX responded to the Turkish Consulate in Hong Kong to collect disaster relief materials, set up street stations to collect materials donated by citizens, and provided support and subsidies for local logistics. To support the local earthquake relief efforts, GOGOX's Hong Kong team volunteered to organize drivers to collect and deliver the collected materials throughout Hong Kong.

GOGOX Sets up Stations in Hong Kong to Collect Donations for Türkiye

Environmental, Social and Governance Report

CASE: HONG KONG AI COMMUNITY STUDY CENTER FOUNDED BY GOGOX

Taking the opportunity of the great changes brought by AI technology to life, in April 2023, GOGOX cooperated with Preface, a technology training company, to establish a free AI technology study center in Hong Kong. The center, with our technical staff acting as lecturers, is open to the whole society, cooperative drivers, their children, low-income families, and community students. The contents mainly contain the importance of AI and machine learning, the concept of artificial neural networks, and the application of AI in daily life, aiming to bridge the digital divide. The courses are currently free, while the Company has indicated that it will also offer some paid AI courses for professionals, and part of the tuition fees collected therefrom will be used for the basic courses of the independent AI community study center. In addition, GOGOX, this year, signed an MOU with HKBU and reached a cooperative relationship in the field of AI research.

Publicity Photo for AI Courses

An Excerpt from Press Release of the AI Community Study Center Lecture

CASE: SENDING CARE FOR THE EMPTY NESTER IN KOREA

In early 2023, GOGOX's Korean team launched the activity called "Caring for the Empty Nester". The volunteer team prepared and distributed food to the elderly in Korea's winter temperatures of -8°C to express care and sympathy.

Employees Involved in the Activity

CASE: BEACH CLEANING ACTIVITY

To demonstrate the Company's commitment to sustainable and green development, GOGOX organized beach and park cleaning activities in various countries and regions, including Hong Kong SAR, Singapore, Vietnam and India. Employees from all regions actively volunteered to participate, showing strong enthusiasm in the event.

Employees Participating in the Activity

Independent Auditor's Report

To the Shareholders of GOGOX Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of GOGOX Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 149 to 251, comprise:

- the consolidated balance sheet as at 31 December 2023;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition in relation to logistics services provided to enterprise customers and service income from logistics services platform

- Impairment assessment of the goodwill

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition in relation to logistics services provided to enterprise customers and service income from logistics services platform	
Refer to Note 4(c) and Note 5 to the consolidated financial statements. The Group is principally engaged in the provision of logistics services to enterprise customers and platform services which use technology to connect the transacting users and logistics and delivery service providers in Chinese mainland, Hong Kong, Singapore, Republic of Korea, and other Eastern and Southern Asian countries.	The main procedures performed in relation to the revenue recognition: • We evaluated the appropriateness of the revenue recognition policies as adopted by the Group; • We understood, evaluated and tested the key internal controls in relation to the recognition of revenue;

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter

Revenue recognition in relation to logistics services provided to enterprise customers and service income from logistics services platform (Continued)

During the year ended 31 December 2023, revenue from logistics services provided to enterprise customers and service income from logistics services platforms amounted to approximately RMB462 million and RMB217 million respectively, the aggregate of which represented approximately 90% of total revenue of the Group.

We focused on this area as significant efforts were spent on auditing revenue due to the magnitude of the revenue amounts recognised, and the significance of data being captured and processed by the relevant information technology systems (collectively the "IT Systems") in relation to revenue recognised from logistics services provided to enterprise customers in Chinese mainland and service income from logistics services platforms in all locations.

- We tested revenue transactions, on a sample basis, by examining the key terms and attributes of the underlying contracts, checking the delivery notes and cash receipts to supporting evidence, and recalculated the revenue amount recognised.

In addition to the above procedures, the following procedures have been performed in relation to revenue recognition of logistics services provided to enterprise customers in Chinese mainland and service income from logistics services platforms in all locations:

- We understood, evaluated and tested the general control environment of the IT Systems;

- We tested the application controls of the IT Systems used in initiation, processing and recording of transactions relevant to financial reporting;

- We tested the mathematical accuracy and the completeness of the system generated reports that summarised the key inputs for the calculation of revenue by using computer-assisted audit techniques; recalculated the revenue amounts and agreed to the consolidated financial statements.

Based on the procedures performed, we found revenue recognised by the Group was supportable by the evidence obtained.

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of the goodwill	
Refer to Note 4(a), Note 17 Note 34.7 and Note 34.8 to the consolidated financial statements. As at 31 December 2023, the Group had net goodwill balance amounting to RMB206,894,000 arising from the acquisition of GoGoVan in previous years and impairment charge amounting to RMB843,500,000 was recognised in current year. In accordance with IAS 36 "Impairment of Assets", the Group is required to test goodwill for impairment annually, or more frequently if impairment indicator exists. Management performed the impairment assessment with support from external valuer and determined its recoverable amount, which was measured at the higher of fair value less costs of disposal ("FVLCOD") and value in use ("VIU"). The assessment involved significant management judgements and estimates in the determination of valuation model and the application of assumptions in the model. The key assumptions applied include compound annual growth rate of revenue, compound annual growth rate of operating cost and expenses, long term growth rate and discount rate used in the forecast period. As a result of the impairment assessments, the Group recognised impairment for goodwill for the (i) Chinese mainland operations and (ii) Hong Kong and overseas operations amounting to RMB517,450,000 and RMB326,050,000 respectively for the year ended 31 December 2023.	The main procedures performed in relation to the impairment assessment of goodwill include the following: • We understood and evaluated the key internal controls in relation to the identification of impairment indicators and management's estimation of recoverable amount of the CGUs containing goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors; • We assessed the competence, capabilities and objectivity of the external valuer engaged by the Group; • We compared the figures included in prior year forecasts with current year actual results to consider the accuracy of historical forecasts and understood the explanation for deviation of the actual results compared with prior year forecast to evaluate the effectiveness of the management's estimation process; • We evaluated the appropriateness of the valuation methodology adopted by management with the assistance of our internal valuation specialist; • We tested the mathematical accuracy of the underlying calculations included in the valuation model;

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of the goodwill (Continued)	
After the impairment losses recognised during the year, the Group had goodwill of RMB203,452,000 and RMB3,442,000 for the Chinese mainland operations and Hong Kong and overseas operations respectively as at 31 December 2023.	• We, with the assistance of our internal valuation specialist, challenged the reasonableness of key assumptions used in the valuation model by referencing to external industry data and the Group's historical financial information; and
We focused on this area as the balance of goodwill was significant to the consolidated financial statements and management's impairment assessment involved significant judgments and estimates.	• We evaluated management's sensitivity analysis on key assumptions adopted as to assess potential impacts on the recoverable amount.
	Based on the procedures performed, we found that management's impairment assessment of goodwill was supportable by evidence obtained.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in GOGOX Holdings Limited 2023 Annual Report (the "annual report") other than the consolidated financial statements and our auditor's report thereon. We have obtained some of the other information including Management Discussion and Analysis, Corporate Information, Company Proflie, Directors and Senior Management, Corporate Governance Report, Report of Directors and Environmental and Social and Governance Report prior to the date of this auditor's report. The remaining other information, Financial Highlights and Summary, Chairman's Statement and the Other Information to be included in the annual report, is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Chun Yu.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2024

Consolidated Statement of Comprehensive Income

	Notes	Year ended 31 December 2023 RMB'000	2022 RMB'000
Revenue	5	**752,818**	773,248
Cost of revenue	8	**(494,923)**	(511,639)
Gross profit		**257,895**	261,609
Selling and marketing expenses	8	**(203,929)**	(320,820)
General and administrative expenses	8	**(269,291)**	(792,866)
Research and development expenses	8	**(38,319)**	(72,239)
Impairment losses on financial assets	3.1(b)	**(17,746)**	(4,248)
Impairment of goodwill	17	**(843,500)**	–
Other income	6	**9,667**	8,590
Other gains net	7	**2,795**	7,674
Operating loss		**(1,102,428)**	(912,300)
Finance income, net	11	**1,325**	2,440
Changes in fair value of financial liabilities at fair value through profit or loss	30	**–**	(308,063)
Share of net (loss)/profit of a joint venture accounted for using the equity method		**(2,036)**	8
Loss before income tax		**(1,103,139)**	(1,217,915)
Income tax credit	12	**2,543**	8,774
Loss for the year		**(1,100,596)**	(1,209,141)
Other comprehensive losses:			
Items that will not be reclassified to profit or loss			
Changes in fair value of convertible redeemable preferred shares due to own credit risk *(Note 30)*		**–**	(31,039)
Currency translation differences		**4,509**	(158,452)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**2,809**	33,434
Total other comprehensive income/(losses)		**7,318**	(156,057)
Total comprehensive loss for the year		**(1,093,278)**	(1,365,198)

Consolidated Statement of Comprehensive Income

		Year ended 31 December	
	Notes	**2023**	2022
		RMB'000	*RMB'000*
Loss for the year attributable to:			
Equity holders of the Company		**(1,099,615)**	(1,205,408)
Non-controlling interests		**(981)**	(3,733)
		(1,100,596)	(1,209,141)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		**(1,092,311)**	(1,361,327)
Non-controlling interests		**(967)**	(3,871)
		(1,093,278)	(1,365,198)
Loss per share attributable to the equity holders of the Company (expressed in RMB per share)			
Basic and diluted	13	**(1.76)**	(2.40)

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

Consolidated Balance Sheet

	Notes	As at 31 December 2023 RMB'000	 2022 RMB'000
Assets			
Non-current assets			
Right-of-use assets	15	**26,152**	21,046
Property, plant and equipment	16	**6,687**	6,938
Intangible assets	17	**37,203**	52,448
Goodwill	17	**206,894**	1,048,062
Investment in a joint venture		**–**	2,036
Prepayments, deposits and other receivables	20	**2,941**	7,113
		279,877	1,137,643
Current assets			
Accounts receivables	19	**83,758**	96,709
Prepayments, deposits and other receivables	20	**26,854**	30,613
Financial assets at fair value through profit or loss	21	**206,765**	258,342
Restricted cash	22	**62,539**	70,839
Term deposits	22	**877**	–
Cash and cash equivalents	22	**206,308**	330,734
		587,101	787,237
Total assets		**866,978**	1,924,880
Equity			
Share capital	23	**11**	10
Other reserves	24	**7,863,596**	7,730,903
Accumulated losses		**(7,382,201)**	(6,246,066)
Equity attributable to equity holders of the Company		**481,406**	1,484,847
Non-controlling interests		**(1,731)**	(764)
Total equity		**479,675**	1,484,083

Consolidated Balance Sheet

	Notes	As at 31 December 2023 RMB'000	 2022 RMB'000
Liabilities			
Non-current liabilities			
Lease liabilities	15	**12,413**	13,028
Deferred tax liabilities	29	**8,040**	11,402
Employee benefit obligations		**652**	–
		21,105	24,430
Current liabilities			
Accounts payables	26	**48,377**	51,832
Accruals and other payables	27	**258,932**	322,147
Contract liabilities	28	**19,342**	7,710
Current tax liabilities		**18,591**	17,791
Other tax liabilities		**6,456**	9,238
Lease liabilities	15	**14,500**	7,649
		366,198	416,367
Total liabilities		**387,303**	440,797
Total equity and liabilities		**866,978**	1,924,880

The consolidated financial statements on pages 149 to 251 were approved for issue by the Board of Directors on 28 March 2024 and were signed on its behalf.

HE Song
Director

Lam Hoi Yuen
Director

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

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company					
	Share capital *RMB'000* *(Note 23)*	Other reserves *RMB'000* *(Note 24)*	Accumulated losses *RMB'000*	Sub-total *RMB'000*	Non–controlling interests *RMB'000*	Total *RMB'000*
Balance as at 1 January 2022	6	2,513,753	(4,589,568)	(2,075,809)	–	(2,075,809)
Loss for the year	–	–	(1,205,408)	(1,205,408)	(3,733)	(1,209,141)
Other comprehensive loss:						
Changes in fair value of convertible redeemable preferred shares due to own credit risk *(Note 30)*	–	(31,039)	–	(31,039)	–	(31,039)
Currency translation differences	–	(124,880)	–	(124,880)	(138)	(125,018)
Total comprehensive loss for the year	–	(155,919)	(1,205,408)	(1,361,327)	(3,871)	(1,365,198)
Transactions with equity holders:						
Exercise of share options	–	147	–	147	–	147
Equity-settled share-based compensation *(Note 24)*	–	626,514	–	626,514	–	626,514
Contribution from non-controlling shareholders of subsidiaries	–	–	–	–	3,107	3,107
Conversion of convertible redeemable preferred shares to ordinary shares *(Note 23)*	3	3,739,016	–	3,739,019	–	3,739,019
Deemed distribution to shareholders *(Note 24)*	–	495,066	(495,066)	–	–	–
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 23)*	1	556,302	–	556,303	–	556,303
Total transactions with equity holders	4	5,373,069	(451,090)	4,921,983	3,107	4,925,090
Balance as at 31 December 2022	10	7,730,903	(6,246,066)	1,484,847	(764)	1,484,083

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company					
	Share capital	Other reserves	Accumulated losses	Sub-total	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 23)	*(Note 24)*				
Balance as at 1 January 2023	10	7,730,903	(6,246,066)	1,484,847	(764)	1,484,083
Loss for the year	–	–	(1,099,615)	(1,099,615)	(981)	(1,100,596)
Other comprehensive loss:						
Currency translation differences	–	7,304	–	7,304	14	7,318
Total comprehensive loss for the year	–	7,304	(1,099,615)	(1,092,311)	(967)	(1,093,278)
Transactions with equity holders:						
Exercise of share options	1	2,081	–	2,082	–	2,082
Equity-settled share-based compensation *(Note 24)*	–	86,771	–	86,771	–	86,771
Deemed distribution to shareholders *(Note 24)*	–	36,520	(36,520)	–	–	–
Remeasurements of employee benefit obligations	–	17	–	17	–	17
Total transactions with equity holders	1	125,389	(36,520)	88,870	–	88,870
Balance as at 31 December 2023	11	7,863,596	(7,382,201)	481,406	(1,731)	479,675

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

Consolidated Statement of Cash Flows

	Notes	Year ended 31 December 2023 RMB'000	2022 RMB'000
Cash flows from operating activities	32(a)	**(170,154)**	(297,651)
Income tax paid, net		**(55)**	(83)
Net cash used in operating activities		**(170,209)**	(297,734)
Cash flows from investing activities			
Purchase of property, plant and equipment	16	**(3,345)**	(6,229)
Purchase of intangible assets	17	**–**	(447)
Purchase of financial assets at fair value through profit or loss		**(111,000)**	(486,235)
Proceeds from disposal of property, plant and equipment		**25**	1,063
Proceeds from disposal of financial assets at fair value through profit or loss		**170,232**	239,523
Interest received		**2,553**	3,239
Placement of term deposits with initial terms of over three months		**(877)**	–
Net cash generated from/(used in) investing activities		**57,588**	(249,086)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares relating to initial public offering		**–**	572,528
Proceeds from exercise of share options		**2,082**	147
Repayment of principal portions of lease liabilities	32(b)	**(13,518)**	(12,633)
Repayment of interest portions of lease liabilities	32(b)	**(1,514)**	(799)
Capital contribution from non-controlling interests		**–**	3,107
Listing expenses paid		**–**	(10,258)
Net cash (used in)/generated from financing activities		**(12,950)**	552,092
Net (decrease)/increase in cash and cash equivalents		**(125,571)**	5,272
Cash and cash equivalents at beginning of the year		**330,734**	312,997
Exchange differences on cash and cash equivalents		**1,145**	12,465
Cash and cash equivalents at the end of the year	22	**206,308**	330,734

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

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

GOGOX HOLDINGS LIMITED (the "**Company**") was incorporated in the Cayman Islands on 8 June 2017 as an exempted company with limited liability. The registered office is 4th Floor, Harbour Place, 103 South Church Street, George Town, P.O. Box 10240, Grand Cayman KY1-1002, 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.

The Group operates its business in the Chinese mainland primarily through contractual arrangements (the "Contractual Arrangements"). The Group entered into Contractual Arrangements with Tianjin 58 Daojia Freight Services Company Limited* ("Tianjin 58 Freight"), which enable the Group to exercise power over Tianjin 58 Freight and its key operating subsidiaries, Zhenjiang 58 Daojia Supply Chain Management Service Company Limited* ("Zhenjiang 58 Supply Chain"), Hainan 58 Daojia Supply Chain Management Service Company Limited* ("Hainan 58 Supply Chain"), 58 Daojia Freight Services Company Limited* ("Hainan 58 Freight"), Tianjin Kuaigou Freight Service Co., Ltd.* ("Tianjin Kuaigou Freight") and Kuaigo Dache (Tianjin) Information Service Co., Ltd.* ("Kuaigo Dache (Tianjin) Information Service") (together"VIEs") and, receive variable returns from its involvement in the VIEs and have the ability to affect those returns through its power over the VIEs. Therefore, the Group controls the VIEs and regards the VIEs as a controlled structured entity ("Structured Entities").

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the Structured Entities. Uncertainties presented by the Chinese mainland legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the Structured Entities. The directors of the Company, based on the advice from its legal counsel, consider that the Contractual Arrangements among Tianjin WFOE, Hainan WFOE, the VIEs and its equity holders are in compliance with the relevant Chinese mainland laws and regulations and are legally binding and enforceable. All these operating companies are treated as controlled Structured Entities of the Group and their financial statements have also been consolidated by the Group. See details in Note 18.

* English names are translated for identification purpose only.

2 BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICIES

2.1 Basis of preparation

Compliance with IFRS Accounting Standards ("IFRSs") and Hong Kong Companies Ordinance ("HKCO")

The consolidated financial statements of the Group have been prepared in accordance with IFRSs issued by International Accounting Standards Board ("IASB") and the disclosure requirements of HKCO Cap. 622.

2 BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, which are measured at fair value.

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

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, which are measured at fair value. All effective standards, amendments to standards and interpretations, which are mandatory for the financial year beginning 1 January 2023, are consistently applied to the Group throughout the reporting periods.

Amendments to standards and accounting guidances adopted by the Group

		Effective for accounting periods beginning on or after
IFRS 17	Insurance contracts and the related amendments	1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	1 January 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to IFRS 4	Extension of the temporary exemption from applying IFRS 9	1 January 2023
Amendments to IAS 8	Definition of accounting estimates	1 January 2023

The adoption of amendments to standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

New amendments to standards and accounting guidelines not yet adopted

Certain new amendments to standards and accounting guidelines have been published that are not mandatory for financial year beginning on 1 January 2024 and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
Amendments to IAS 1	Classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 1	Non-current liabilities with covenants	1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements	1 January 2024
Amendments to IFRS 16	Lease liability in a sale and leaseback	1 January 2024
Amendments to IAS 21	Lack of exchangeability	1 January 2025
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 has already commenced an assessment of the impact of these new or revised standards and interpretations, and amendments, certain of which are relevant to the Group's operations. According to the preliminary assessment made by the directors, no significant impact on the financial performance and financial position of the Group is expected when they become effective.

2.2 Changes in accounting policies

In June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which will be effective from 1 May 2025 (the "Transition Date"). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme ("MPF Benefits") of an entity would no longer be eligible to offset against its obligations on long service payment ("LSP") for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 January 2023, the Group applied practical expedient in IAS 19 paragraph 93(b) (the "practical expedient") to account for the offsetable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

2 BASIS OF PREPARATION AND CHANGE IN ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies (Continued)

The Group, referenced to a local guidance "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong", has therefore changed its accounting policy and ceased to apply the practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with IAS 19 paragraph 93(a). This change in accounting policy upon the cessation in applying the practical expedient has resulted in a catch-up adjustment for past service costs and a corresponding increase in the Group's LSP obligations in the year of enactment of the Amendment Ordinance (i.e. year ended 31 December 2022). The adjustment is recognised as past service costs in profit or loss for the year ended 31 December 2022 as the Amendment Ordinance is not contemplated in the original LSP legislation.

This change in accounting policy has been applied retrospectively by restating the balances as at 31 December 2022 and the results for the year then ended. And the effect of changes in accounting policy is immaterial and no restatement is proposed by the management.

The above mentioned change in accounting policy does not have any impact to the consolidated balance sheet as at 1 January 2023.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise the potential adverse effects on the financial performance of the Group. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group operates in Asian countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US$, Hong Kong Dollars ("HK$") Renminbi ("RMB") and Singapore dollars ("SGD"). Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of the Group's subsidiaries. The Group currently does not hedge transactions undertaken in foreign currencies but manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

As at 31 December 2023 and 2022, the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities presented in RMB are as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Assets		
US$	**414**	1,713
HK$	**1**	2
RMB	**368**	358
SGD	**–**	690
	783	2,763

Management considers that the Group is not exposed to any significant foreign exchange rate risk as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the respective functional currencies of the Group's entities. No sensitivity analysis is thus presented.

(ii) Interest rate risk

The Group's interest rate risk primarily arises from restricted cash, cash and cash equivalents, term deposits, financial assets at fair value through profit or loss. Restricted cash and cash and cash equivalents carried at floating rates expose the Group to cash flow interest rate risk whereas financial assets at fair value through profit or loss and term deposit carried at fixed rate exposes the Group to fair value interest rate risk.

As at 31 December 2023 and 2022, management considered that any reasonable changes in interest rate would not result in a significant impact on the Group's results and financial position, no sensitivity analysis is thus presented.

The Group regularly monitors its interest rate risk to ensure is no undue exposure to significant interest rate movements.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

(i) Risk management

Credit risk arises from financial assets at fair value through profit or loss, accounts receivables, deposits and other receivables, restricted cash, cash and cash equivalents and term deposits. The carrying amount of each class of these financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

For financial assets at fair value through profit or loss, the credit ratings of fair value through profit or loss are monitored for credit deterioration.

For cash and cash equivalents, restricted cash and term deposits, the Group only transacts with state-owned or reputable financial institutions and licensed payment platforms. There has been no recent history of default in relation to these financial institutions and licensed payment platforms.

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

For deposits and other receivables, management makes periodic assessment on the recoverability of deposits and other receivables based on historical settlement records and past experiences. In view of the history of cooperation with debtors and the sound collection history of receivables due from them, management believes that the credit risk inherent in the Group's outstanding deposits and other receivables balances due from them is low.

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets

The Group has following types of financial assets that are subject to the expected credit loss model:

- Accounts receivables
- Deposits and other receivables
- Restricted cash
- Cash and cash equivalents
- Term deposits

Accounts receivables

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all accounts receivables. To measure the expected credit losses, accounts receivables were grouped based on similar credit risk characteristics and collectively assessed to likelihood of recovery, taking into account the industries that the customer are operating in, their aging category and past collection history.

The expected loss rates were determined based on the historical default rates and were adjusted to reflect forward-looking information in the macroeconomic environment that may affect the ability of counterparties to settle the receivables. The Group has identified the Business Climate Index to be the most relevant factors, and adjusts the historical loss rates based on expected changes in these factors.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Accounts receivables (Continued)

On that basis, the loss allowance as at 31 December 2023 and 2022 were determined as follows for accounts receivables:

At 31 December 2023

	0-30 days	31-60 days	61-90 days	More than 90 days	Total
Gross carrying amount *(RMB'000)*	**61,158**	**14,057**	**5,258**	**29,982**	**110,455**
Loss allowance *(RMB'000)*	**(1,516)**	**(1,333)**	**(596)**	**(23,252)**	**(26,697)**
Net carrying amount *(RMB'000)*	**59,642**	**12,724**	**4,662**	**6,730**	**83,758**
Expected loss rate	**2%**	**9%**	**11%**	**78%**	**24%**

At 31 December 2022

	0-30 days	31-60 days	61-90 days	More than 90 days	Total
Gross carrying amount *(RMB'000)*	58,890	22,168	9,255	22,085	112,398
Loss allowance *(RMB'000)*	(624)	(734)	(341)	(13,990)	(15,689)
Net carrying amount *(RMB'000)*	58,266	21,434	8,914	8,095	96,709
Expected loss rate	1%	3%	4%	63%	14%

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Accounts receivables (Continued)

The loss allowances for accounts receivables as at 31 December 2023 and 2022 reconcile to the opening loss allowances is as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
At the beginning of the year	**15,689**	18,173
Provision for impairment of accounts receivables	**12,296**	4,727
Write-off of provision for impairment	**(1,260)**	(7,205)
Currency translation differences	**(28)**	(6)
At the end of the year	**26,697**	15,689

Accounts receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery, include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and indicators of financial difficulties. Impairment losses on accounts receivables are charged to profit or loss, and subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets

For deposits and other receivables deposits, cash and cash equivalents, restricted cash and financial assets at fair value through profit or loss, it is measured as either 12-months expected credit losses or lifetime expected credit loss, depending on whether there has been significant increase in credit risk since initial recognition. Other financial assets that are not credit-impaired on initial recognition are classified in 'Stage 1' and the expected credit losses are measured as 12-months expected credit losses. If a significant increase in credit risk of other financial asset has occurred since initial recognition, the financial asset is moved to 'Stage 2' but is not yet deemed to be credit-impaired. The expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to 'Stage 3' and the expected credit loss is measured as lifetime expected credit loss.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Other financial assets (Continued)

Management makes periodic assessments on these financial assets based on historical settlement records and past experience. As at 31 December 2023 and 2022, the loss allowance of approximately RMB5,771,000 and RMB321,000 were recognised for other financial assets at amortised cost.

Net impairment losses on financial assets recognised in consolidated statement of comprehensive income

During the years ended 31 December 2023 and 2022, the following losses/(reversals) were recognised in profit or loss in relation to impaired financial assets:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Impairment losses on accounts receivables	**12,296**	4,727
Impairment losses/(reversal of impairment losses) on deposits and other receivables	**5,450**	(479)
Impairment losses on financial assets	**17,746**	4,248

Notes to the Consolidated Financial Statements

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group's liquidity risk and to maintain adequate liquid assets including cash and cash equivalents or to retain adequate financing arrangements to meet the Group's liquidity requirements.

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

	Less than 1 year *RMB'000*	**Between 1 and 2 years** *RMB'000*	**Between 2 and 5 years** *RMB'000*	**Total** *RMB'000*
As at 31 December 2023				
Accounts payables	**48,377**	**–**	**–**	**48,377**
Accruals and other payable (excluding non-financial liabilities)	**208,955**	**–**	**–**	**208,955**
Lease liabilities	**15,944**	**9,870**	**3,046**	**28,860**
	273,276	**9,870**	**3,046**	**286,192**

	Less than 1 year *RMB'000*	Between 1 and 2 years *RMB'000*	Between 2 and 5 years *RMB'000*	Total *RMB'000*
As at 31 December 2022				
Accounts payables	51,832	–	–	51,832
Accruals and other payable (excluding non-financial liabilities)	251,927	–	–	251,927
Lease liabilities	8,577	6,929	7,102	22,608
	312,336	6,929	7,102	326,367

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern and support the sustainable growth of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

The Group monitors capital (including share capital and share premium) by regularly reviewing the capital structure. As part of this review, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As at 31 December 2023 and 2022, the directors of the Company consider that the capital risk of the Group is minimal as the Group's capital structure is mainly financed by ordinary share and there is no material external interest-bearing debts during the years ended 31 December 2023 and 2022.

Management of the Group has prepared a cash flow projection covering a period of 12 months from 31 December 2023. The cash flow projection has taken into account the anticipated cash flow to be generated from the Group's different business lines (including considerations of reasonably possible changes in its operating performance) and other available financing.

Furthermore, GOGOX Insurtech Limited, a licensed corporation is subject to minimum paid-up capital and net assets requirements under the Insurance Ordinance.

3.3 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 statement. 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).

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

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

	Level 1 *RMB'000*	Level 2 *RMB'000*	Level 3 *RMB'000*	Total *RMB'000*
As at 31 December 2023				
Financial assets				
Financial assets at fair value through profit or loss *(Note 21)*	**–**	**206,765**	**–**	**206,765**
As at 31 December 2022				
Financial assets				
Financial assets at fair value through profit or loss *(Note 21)*	–	258,342	–	258,342

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the years ended 31 December 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 31 December 2023, the Group's financial assets at 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. See Note 21 for disclosures relevant to financial assets at financial assets at fair value through profit or loss.

(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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

(a) Impairment of non-financial assets

Goodwill is tested annually for impairment or more frequently if events or change in circumstances indicate that it might be impaired while non-financial assets included property, plant and equipment, intangible assets and other non-financial assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates.

Significant judgements and assumptions are required in the impairment assessment particularly in assessing: (i) whether an event has occurred that may indicate that the related assets may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and value-in-use; (iii) the selection of the most appropriate valuation techniques; and (iv) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the recoverable amount used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the projected performance and future cash flow projections, it may be necessary to take an impairment charge to the consolidated statement of comprehensive income.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(b) Consolidation of Structured Entities through Contractual Arrangements

As disclosed in Note 34.1(b), the Group exercises control over certain Structured Entities and has the right to recognise and receive substantially all the economic benefits from them through the Contractual Arrangements. Management considers that the Group controls these Structured Entities notwithstanding that it does not have direct or indirect legal ownership in equity of these entities as the Group has power over the financial and operating policies of these entities and receives substantially all the economic returns generated from the business activities of these entities through these Contractual Arrangements. Accordingly, all these Structured Entities are accounted for as controlled Structured Entities and their financial statement have also been consolidated by the Company throughout the reporting periods.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over the Structured Entities. Uncertainties presented by the Chinese mainland legal system could impede the Group's beneficiary rights of the results, assets and liabilities of the Structured Entities. Significant judgement is involved in determining whether the Group is able to control these entities through these Contractual Arrangements. Management, after taking into account of the advice from its external legal advisors, considered that the Contractual Arrangements entered by the Group are in compliance with the relevant Chinese mainland laws and regulations and are therefore legally binding and enforceable.

(c) Principal versus agent considerations

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

The Group determined it acts a principal in logistic services as the Group is primarily responsible for the logistic services and regards the transacting users who place the logistic and delivery orders via platforms or other means as customers.

Meanwhile, the Group determined it acts an agent in platform services as the Group facilitates matching logistic and delivery orders service providers with the logistic and delivery orders from the transacting users. The Group has charged service income to the logistic and delivery service providers for their use of platform. But the Group has no performance obligation to these transacting users and their access and use the platform is free of charge. Accordingly, the Group regards the logistic and delivery service providers as customers but not for transacting users in platform services.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(d) Income taxes

The Group is subject to income taxes in the Chinese mainland and other jurisdictions. Significant judgement is required in determining the provision for income taxes in each of these jurisdictions. There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provision in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

5 REVENUE AND SEGMENT INFORMATION

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.

The CODM assesses the performance of the operating segments mainly based on revenue of each operating segment. Thus, segment results would present revenues for each segment only, which is in line with the CODM's performance review. There was no material inter-segment revenue during the years ended 31 December 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.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

	Year ended 31 December					
	2023			2022		
	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*
Revenue:						
Logistics services provided to enterprise customers	**108,524**	**353,877**	**462,401**	127,977	344,339	472,316
Service income from logistics services platforms	**152,483**	**64,361**	**216,844**	192,476	51,617	244,093
Value-added services *(Note)*	**25,045**	**48,528**	**73,573**	27,411	29,428	56,839
	286,052	**466,766**	**752,818**	347,864	425,384	773,248
Timing of revenue recognition for revenue from contracts with customers:						
Over time	**118,944**	**362,482**	**481,426**	140,300	346,584	486,884
A point in time	**167,108**	**104,284**	**271,392**	207,564	78,800	286,364
Total	**286,052**	**466,766**	**752,818**	347,864	425,384	773,248

Note: The valued-added services also included provision of fuel card services with the gross merchandise volume of approximately RMB153,599,000 and RMB146,525,000 for the years ended December 31, 2023 and 2022, respectively.

The value-added services included rental income from vehicle rental business amounted to approximately RMB182,000 and RMB49,000 for the years ended December 31, 2023 and 2022, respectively.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Geographical information

The Group's operations are mainly located in the Chinese mainland, Hong Kong, Singapore and Korea. Information about the Group's revenue is analysed by location of the services provided.

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
The Chinese mainland	**286,052**	347,864
Hong Kong	**227,297**	210,976
Korea	**122,909**	107,993
Singapore	**69,911**	63,855
Other countries	**46,649**	42,560
	752,818	773,248

Information about the Group's non-current assets (excluding financial assets) which is presented based on geographical location of the assets, is as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
The Chinese mainland	**241,270**	763,315
Hong Kong	**26,566**	357,815
Singapore	**3,550**	712
Korea	**2,208**	1,681
Other countries	**3,381**	7,263
	276,975	1,130,786

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Information about major customers

No revenue from services provided to a single customer accounted for 10% or more of total revenue of the Group during the years ended 31 December 2023 and 2022.

(c) Accounting policies for revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods or services in the ordinary course of the Group's activities.

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified goods or services before that goods or services are transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified goods or services by another party. In this case, the Group does not control the specified goods or services provided by another party before that goods or services are transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Revenue is recognised when or as the control of the goods or services is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time.

Control of the goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfer over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services. Specific criteria where revenue is recognised are described below.

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Accounting policies for revenue recognition (Continued)

When either party to a contract has performed, the Group presents the contract in the consolidated balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is requited before payment of that consideration is due.

(a) Logistic services and platform services

The Group provides logistic and delivery solutions services for customers who place logistic and delivery orders to the Group via multiple channels including the Group's platforms and other means. The Group has determined that it acts as a principal in these services as the Group is primarily responsible for the logistic and delivery solutions service which meet the service specification promised to customers. The Group identifies and directs logistic and delivery service providers to complete the orders. Also, the Group has full discretion in establishing fee rates for the services to customers. Revenues resulting from logistic and delivery solutions services are recognised over the period when the service is rendered on a gross basis while the net amounts paid to the logistic and delivery service providers are recorded in cost of revenue.

Meanwhile, the Group also provides platform services that facilitate matching logistic and delivery service providers with the logistic and delivery orders from transacting users. The Group has determined that it acts as an agent in the platform services. Upon the completion of a logistic and delivery order, the Group recognised the service income charged to the logistic and delivery service provider, who is regarded as the customer of platform services. The amount to be remitted to the logistic and delivery service provider from the cash payments made by transacting users net of the service income charged to logistic and delivery service provider, are recorded as payables to the logistic and delivery service provider. In case the Group charges a fixed amount to the logistic and delivery service providers for their use of platform over a certain period of time, the Group recognises the fixed amount on a straight-line basis over the usage period.

Notes to the Consolidated Financial Statements

5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Accounting policies for revenue recognition (Continued)

(b) Value-added services

Value-added services comprise primarily revenue generated from provision of fuel cards services, cargo compensation facilitation services and rental income (see Note 34.20). The Group determines it acts an intermediary to bring both parties together but not the primary contracting parties of these transactions. The Group recognises revenues on a net basis at point in time when the respective services are rendered.

(c) Incentives

The Group provides various types of incentives to transacting users and logistic and delivery service providers, including discounted coupons, direct payment deduction and discounts on services. The major accounting policy for incentives is described as follows.

(i) Incentives to customers

The Group records such incentives as deduction of revenue, to the extent of the revenue collected from the customers.

(ii) Incentives to transacting users from platform services

If substantial services to transacting users are provided by the third parties, the incentives at the Group's discretion in order to increase the number of logistic and delivery orders on the platform are recorded as selling and marketing expenses.

(iii) Incentives to service providers of logistic and delivery services

In circumstance where the Group is responsible for the logistic and delivery solutions service, the incentive to logistic and delivery service provider is recognised as cost of revenue as it is part of the Group's fulfilment costs for completion of the performance obligation.

(d) Practical expedients and exemptions

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have a duration of 1 year or less.

6 OTHER INCOME

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Government subsidies *(Note i)*	**6,913**	8,590
Others *(Note ii)*	**2,754**	–
	9,667	8,590

Notes:

i) Government subsidies mainly consisted of financial subsidies with no conditions attached granted by the local governments. During the year ended 31 December 2023, the financial subsidies of RMB253,000 (2022: RMB3,392,000) in respect of the anti-epidemic fund granted by the Government of Hong Kong Special Administrative Region for which the conditions of the grants have been fully satisfied as at the end of the year. The balance also included various government grants received from PRC local government authority for promoting electronic trading platform, subsiding operating activities and initial public offering, amount to RMB5,387,000 (2022: RMB3,256,000).

ii) The amounts mainly consisted of provision of services to entities controlled by Daojia Limited (Note 33(a)).

Deferral and presentation of government grants

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

Government grants that compensate the Group for the cost of an asset are included in non-current liabilities as deferred income and are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

7 OTHER GAINS, NET

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Net foreign exchange losses	**(339)**	(1,420)
Fair value changes on financial assets at fair value through profit or loss	**4,006**	3,188
Others	**(872)**	5,906
	2,795	7,674

Notes to the Consolidated Financial Statements

8 EXPENSES BY NATURE

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Auditor's remuneration		
– Audit services	**7,300**	7,500
– Non-audit services	**601**	559
Depreciation and amortisation	**33,654**	33,851
Employee benefit expenses (including share-based compensation expenses) *(Note 9)*	**321,381**	872,678
Incentives to transacting users from platform services	**58,712**	108,547
Listing expenses	**–**	45,664
Payment processing costs	**7,387**	7,678
Professional service costs	**31,897**	28,687
Promotion and advertising	**22,340**	44,256
Recruitment costs	**2,998**	2,924
Service charges	**28,417**	34,386
Short term lease expenses	**2,073**	6,740
Subcontracting fee		
– logistics services providers	**418,286**	382,067
– others	**42,525**	82,431
Travelling expenses	**7,219**	7,846
Others	**21,672**	31,750
Total cost of revenue, selling and marketing expenses, research and development expenses and general and administrative expenses	**1,006,462**	1,697,564

9 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Salaries and bonuses	**191,081**	205,693
Welfare and other employee benefits	**43,529**	40,471
Share-based compensation expenses *(Note 25)*	**86,771**	626,514
	321,381	872,678

The subsidiaries in the Chinese mainland participate in employee social security plans established in the Chinese mainland, which cover pension, medical and other welfare benefits. The plans are organised and administered by the governmental authorities. Except for the contributions made to these social security plans, the Group has no other material commitments owing to the employees. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the companies within the Group as required by the above social security plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings imposed. These contributions are paid to the respective labour and social welfare authorities and are expensed as incurred.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000. Contributions to the plan vest immediately. The Group has no other material obligation for the payment of pension benefits beyond the contributions described above.

(a) Pensions-defined contribution plans

No forfeited contributions were available to reduce the contributions payable in future years at the end of each reporting periods.

As at 31 December 2023 and 2022, contributions of approximately RMB41,375,000 and RMB47,899,000 were payable, respectively.

Notes to the Consolidated Financial Statements

9 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the years ended 31 December 2023 and 2022 include 4 directors, whose emolument is reflected in the analysis presented in Note 10. The emoluments paid and payable to the remaining 1 individual during the years ended 31 December 2023 and 2022 are as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Salaries and bonuses	**1,017**	1,046
Welfare and other employee benefits	**108**	76
Share-based compensation expenses	**6,833**	32,952
	7,958	34,074

The emoluments fell within the following bands:

	Number of individuals	
	Year ended 31 December	
	2023	2022
HK$8,500,001 to 9,000,000	**1**	–
HK$39,500,001 to 40,000,000	**–**	1
	1	1

Employee benefit expenses were charged to the consolidated statement of comprehensive income as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cost of revenue	**14,079**	22,491
Selling and marketing expenses	**67,600**	100,455
General and administrative expenses	**204,152**	682,825
Research and development expenses	**35,550**	66,907
	321,381	872,678

10 BENEFITS AND INTERESTS OF DIRECTORS

The remuneration of every director and chief executive during the years ended 31 December 2023 and 2022 is set out below:

For the year ended 31 December 2023:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking						
Name	Fees	Salary	Bonus	Allowances and benefit in kinds	Employer's contribution to a retirement benefit scheme	Equity settled share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Mr. Chen Xiaohua *(note vi)*	261	–	–	–	–	5,365*	5,626
Mr. He Song	–	1,287	–	82	26	33,949	35,344
Mr. Lam Hoi Yuen	–	1,512	1,639	152	16	9,777	13,096
Mr. Hu Gang	–	1,124	–	82	26	4,660	5,892
Non-executive directors:							
Mr. Leung Ming Shu	–	–	–	–	–	–	–
Mr. Wang Ye	–	–	–	–	–	–	–
Mr. Shuai Yong *(note ii)*	–	–	–	–	–	–	–
Mr. Ye Wei *(note iii)*	–	–	–	–	–	–	–
Independent non-executive directors:							
Mr. Ni Zhendong *(note i and vii)*	261	–	–	–	–	–	261
Mr. Tang Shun Lam *(note i)*	270	–	–	–	–	–	270
Mr. Zhao Hongqiang *(note i)*	270	–	–	–	–	–	270
Ms. Mi Wenjuan *(note iv, viii)*	270	–	–	–	–	–	270
	1,332	3,923	1,639	316	68	53,751	61,029

* During the year ended 31 December 2023, no new share option was granted by the Group to Mr. Chen Xiaohua. From the share options granted in the prior years, during the year ended 31 December 2023, RMB31,029,000 was recorded as deemed distribution to shareholders as the relevant options reward for his services for the parent company and the follow subsidiaries of the Group; the remaining portion of RMB5,365,000 was changed as equity-settled share-based payment expenses in the profit or loss in the consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements

10 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

The remuneration of every director and chief executive during the years ended 31 December 2023 and 2022 is set out below: (Continued)

For the year ended 31 December 2022:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking						
Name	Fees	Salary	Bonus	Allowances and benefit in kinds	Employer's contribution to a retirement benefit scheme	Equity settled share-based compensation	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:							
Mr. Chen Xiaohua	–	138	–	–	–	25,380*	25,518
Mr. He Song	–	1,288	–	63	14	171,703	173,068
Mr. Lam Hoi Yuen	–	721	240	167	15	55,418	56,561
Mr. Hu Gang	–	926	–	63	14	47,640	48,643
Non-executive directors:							
Mr. Leung Ming Shu	–	–	–	–	–	–	–
Mr. Wang Ye	–	–	–	–	–	–	–
Mr. Shuai Yong *(note ii)*	–	–	–	–	–	–	–
Mr. Ye Wei *(note iii)*	–	–	–	–	–	–	–
Independent non-executive directors:							
Mr. Ni Zhendong *(note i)*	–	138	–	–	–	–	138
Mr. Tang Shun Lam *(note i)*	–	138	–	–	–	–	138
Mr. Zhao Hongqiang *(note i)*	–	138	–	–	–	–	138
Ms. Mi Wenjuan *(note iv)*	–	25	–	–	–	–	25
	–	3,512	240	293	43	300,141	304,229

* During the year ended 31 December 2022, the Group granted 19,848,470 of share options to Mr. Chen Xiaohua, part of which amounted RMB217,695,000 was recorded as deemed distribution to shareholders as the relevant options reward for his services for the parent company and the follow subsidiaries of the Group; the remaining portion of RMB25,380,000 was changed as equity-settled share-based payment expenses in the profit or loss in the consolidated statement of comprehensive income.

10 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

The remuneration of every director and chief executive during the years ended 31 December 2023 and 2022 is set out below: (Continued)

Notes:

(i) Appointed as non-executive directors since 24 June 2022.

(ii) Resigned as non-executive director since 9 September 2022.

(iii) Resigned as non-executive director since 15 November 2022.

(iv) Appointed as independent non-executive director since 26 November 2022.

(v) Resigned as independent non-executive director since 26 November 2022.

(vi) Resigned as executive director since 19 December 2023.

(vii) Resigned as independent non-executive director since 19 December 2023.

(viii) Resigned as independent non-executive director since 23 February 2024.

Mr. Lam Hoi Yuen has been appointed as the chairman by the Board since 20 December 2023.

(a) Directors' retirement or termination benefits

None of the directors received or will receive any retirement or termination benefits during the years (2022: Nil).

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

During the years ended 31 December 2023, the Company did not pay consideration to any third parties for making available directors' services (2022: Nil).

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

Other than the balances disclosed in Note 33, there are no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors.

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

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest whether directly or indirectly, subsisted at the end of the year or at any time during the year (2022: Nil).

Notes to the Consolidated Financial Statements

11 FINANCE INCOME, NET

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Finance income:		
Interest income	**3,015**	3,239
Finance costs:		
Interest expense on lease liabilities	**(1,514)**	(799)
Remeasurements of employee benefit obligations	**(24)**	–
Others	**(152)**	–
	(1,690)	(799)
Finance income, net	**1,325**	2,440

12 INCOME TAX CREDIT

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

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current income tax	**851**	(4,820)
Deferred income tax *(Note 29)*	**(3,394)**	(3,954)
	(2,543)	(8,774)

(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 the years ended 31 December 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 enterprises engaging in research and development activities were entitled to claim 175% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("Super Deduction"). The deduction percentage is changed to 200% from October 2022. For the year ended 31 December 2023, the Group decided to claim the Super Deduction for the Tianjin 58 Daojia Technology Co., Ltd. (2022: same.).

12 INCOME TAX CREDIT (CONTINUED)

(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%.

For the year ended 31 December 2023, Hong Kong profits tax of one of the Hong Kong incorporated subsidiaries of the Group is calculated in accordance with the two-tiered profits tax rates regime (2022: same.)

(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.

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

The income tax expenses for the year can be reconciled to the loss before tax per the consolidated statement of comprehensive income as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Loss before income tax	**(1,103,139)**	(1,217,915)
Tax calculated at domestic rates applicable in the jurisdiction concerned	**(241,310)**	(186,578)
Expenses not deductible for tax purposes	**202,660**	121,390
Income not subject to tax	**(271)**	(273)
Super deduction for research and development expenses	**(7,610)**	(8,203)
Other temporary differences not recognised	**(149)**	(12,430)
Utilisation of previously unrecognised tax losses	**(10)**	(261)
Tax losses not recognised	**44,258**	77,581
Over provision	**(111)**	–
Income tax credit	**(2,543)**	(8,774)

Notes to the Consolidated Financial Statements

12 INCOME TAX CREDIT (CONTINUED)

(c) Other countries (Continued)

For the years ended 31 December 2023 and 2022, the weighted average applicable tax rates were 21.9% and 15.3%, respectively. The change in weighted average applicable tax rate was mainly caused by a change in mix of profits earned or losses incurred by the Group entities.

(d) OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted or substantively enacted in several jurisdictions in which the Group operates, including South Korea and Vietnam and will come into effect on or after 1 January 2024. It is expected that Hong Kong will apply the Pillar Two model rules from 2025 onwards. Since the Pillar Two legislation was not effective at the reporting date, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the Global Anti-Base Erosion Proposal ('GloBE') effective tax rate for each jurisdiction and the 15% minimum rate. Due to significant areas of uncertainty, the quantitative impact of the enacted or substantively enacted Pillar Two legislation is not yet reasonably estimable.

The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. However, although the average effective tax rate is below 15%, the Group might not be exposed to paying Pillar Two income taxes due to the impact of specific adjustments envisaged in the Pillar Two legislation which give rise to different effective tax rates compared to those calculated in accordance with paragraph 86 of IAS 12.

Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. Therefore, even for those entities with an accounting effective tax rate above 15%, there may still be Pillar Two tax implications. The Group is currently engaged with tax specialists to assist them with applying the legislation.

13 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 year.

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Loss attributable to the equity holders of the Company used in calculating basic loss per share:	**(1,099,615)**	(1,205,408)
Weighted average number of ordinary shares outstanding (in thousands of shares)	**626,494**	503,293
Basic loss per share (in RMB)	**(1.76)**	(2.40)

(b) Diluted loss per share

During the years ended 31 December 2023 and 2022, the Company had dilutive potential ordinary shares including share options (Note 25) and convertible redeemable preferred shares (Note 30).

As the Group incurred losses for the years ended 31 December 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 the years ended 31 December 2023 and 2022 were same as the basic loss per share for the respective years.

14 DIVIDENDS

No dividends have been paid or declared by the Company and its subsidiaries during the years ended 31 December 2023 and 2022.

Notes to the Consolidated Financial Statements

15 LEASES

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated balance sheet

Right-of-use assets	**Leased premises and others** *RMB'000*
At 1 January 2022	
Cost	25,904
Accumulated depreciation	(17,437)
Net book amount	8,467
Year ended 31 December 2022	
Opening net book amount	8,467
Addition	24,605
Depreciation charge	(11,862)
Remeasurement *(Note)*	(866)
Exchange difference	702
Closing net book amount	21,046
At 31 December 2022	
Cost	45,343
Accumulated depreciation	(24,297)
Net book amount	21,046
Year ended 31 December 2023	
Opening net book amount	**21,046**
Addition	**26,667**
Depreciation charge	**(14,752)**
Remeasurement *(Note)*	**(6,955)**
Exchange difference	**146**
Closing net book amount	**26,152**
At 31 December 2023	
Cost	**62,913**
Accumulated depreciation	**(36,761)**
Net book amount	**26,152**

Note: The amount represents the remeasurement of carrying amount to reflect lease modification or early termination.

15 LEASES (CONTINUED)

(a) Amounts recognised in the consolidated balance sheet (Continued)

Lease liabilities	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current portion	**14,500**	7,649
Non-current portion	**12,413**	13,028
	26,913	20,677

The total cash outflow for leases during the years ended 31 December 2023 and 2022 was approximately RMB17,105,000 and RMB20,172,000, respectively.

(b) Amounts recognised in the consolidated statement of comprehensive income

The interest rate of each lease contracts is fixed at its contract date, and the weighted average interest rate of leases liabilities ranged from 0.33% to 10.10% throughout the years ended 31 December 2023 and 2022.

During the years ended 31 December 2023 and 2022, the consolidated statement of comprehensive income shows the following amounts relating to leases:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Depreciation of right-of-use assets		
Cost of sales	**580**	382
Selling and marketing expenses	**6,718**	5,347
General and administrative expenses	**5,983**	4,570
Research and development expenses	**1,471**	1,563
	14,752	11,862
Interest expense (included in finance cost)	**1,514**	799
Expenses relating to short term leases (included in cost of revenue)	**2,073**	6,740

15 LEASES (CONTINUED)

(c) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses and vehicles. Rental contracts are typically made for fixed periods of 13 months to 5 years but may have extension options as described in below.

They are stated at cost less accumulated depreciation and accumulated impairment losses.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable (if any). The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

See note 34.20 for the other accounting policies relevant to leases.

16 PROPERTY, PLANT AND EQUIPMENT

	Office furniture *RMB'000*	Vehicle *RMB'000*	Equipment *RMB'000*	Leasehold improvements *RMB'000*	Total *RMB'000*
As at 1 January 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 31 December 2022					
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 31 December 2022					
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
Year ended 31 December 2023					
Opening net book amount	**299**	**72**	**3,556**	**3,011**	**6,938**
Additions	**351**	**18**	**1,042**	**1,934**	**3,345**
Disposals	**(3)**	**–**	**(74)**	**(86)**	**(163)**
Depreciation	**(174)**	**(40)**	**(1,768)**	**(1,492)**	**(3,474)**
Exchange difference	**2**	**1**	**21**	**17**	**41**
Closing net book amount	**475**	**51**	**2,777**	**3,384**	**6,687**
As at 31 December 2023					
Cost	**1,606**	**195**	**14,706**	**9,219**	**25,726**
Accumulated depreciation	**(1,131)**	**(144)**	**(11,929)**	**(5,835)**	**(19,039)**
Net book amount	**475**	**51**	**2,777**	**3,384**	**6,687**

Notes to the Consolidated Financial Statements

16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Notes:

(i) Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Leasehold improvements	**Over the lease term or 3-5 years, whichever is shorter**
Office furniture	3-5 years
Vehicle	3-5 years
Equipment	3-5 years

See Note 34.6 for the other accounting policies relevant to property, plant and equipment.

(ii) Amounts recognised in the consolidated statement of comprehensive income

During the years ended 31 December 2023 and 2022, depreciation was charged to profit or loss as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cost of revenue	**157**	105
Selling and marketing expenses	**1,063**	1,675
General and administrative expenses	**1,880**	1,817
Research and development expenses	**374**	358
	3,474	3,955

17 GOODWILL AND INTANGIBLE ASSETS

		Other intangible assets					
	Goodwill	Brand name	Customer relationship	Computer software	License	Subtotal	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 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 31 December 2022							
Opening net book amount	1,020,338	53,954	13,049	1,343	–	68,346	1,088,684
Addition	–	–	–	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 31 December 2022							
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

Notes to the Consolidated Financial Statements

17 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

		Other intangible assets					
	Goodwill	Brand name	Customer relationship	Computer software	License	Subtotal	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023							
Opening net book amount	1,048,062	45,640	5,380	1,028	400	52,448	1,100,510
Amortisation	–	(9,801)	(5,394)	(159)	(74)	(15,428)	(15,428)
Impairment	(843,500)	–	–	–	–	–	(843,500)
Exchange differences	2,332	183	14	(19)	5	183	2,515
Closing net book amount	206,894	36,022	–	850	331	37,203	244,097
As at 31 December 2023							
Cost	1,050,394	98,239	48,660	2,823	436	150,158	1,200,552
Accumulated amortisation and impairment	(843,500)	(62,217)	(48,660)	(1,973)	(105)	(112,955)	(956,455)
Net book amount	206,894	36,022	–	850	331	37,203	244,097

(a) Amortisation methods and periods

The Group amortises these intangible assets with a limited useful life using the straight-line method over the following periods:

Computer software	3-10 years
Brand name	10 years
Customer relationship	6 years
License	6 years

When determining the length of useful lives of these intangible assets, management take into account the (i) estimated period during which such asset can bring economic benefits to the Group; and (ii) the useful life estimated by comparable companies in the market. The useful lives of computer software, service platform and license are estimated based on the expected period of usage and economic benefits brought by the computer software and service platform, and is usually consistent with the time intervals of technological obsolescence or the licensing agreement. The useful life of brand name is estimated based on the shorter of legal registered period and the period over which the brand name is expected to generate economic benefit from the commercialization of the branded services. The useful life of customer relationship is estimated based on expected cooperation period with the enterprise customers.

See note 34.7 for the other accounting policies relevant to intangible assets, and note 34.8 for the Group's policy regarding impairments.

17 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(b) Amounts recognised in the consolidated statement of comprehensive income

During the years ended 31 December 2023 and 2022, amortisation was charged to the profit or loss as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cost of revenue	**15,195**	17,635
General and administrative expenses	**233**	399
	15,428	18,034

(c) 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 preformed its annual 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 discount cash flow method, to determine the fair value of the CGUs.

Notes to the Consolidated Financial Statements

17 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(c) Impairment test for goodwill (Continued)

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Chinese mainland operations	**203,452**	720,902
Hong Kong and overseas operations	**3,442**	327,160
	206,894	1,048,062

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 discounted cashflow method was adopted in the valuation performed, which was considered to be the most appropriate valuation approach in this valuation as it takes the projection growth and firm-specific issues of the CGUs into consideration.

During the preparation of the consolidated financial statements for the year ended 31 December 2023, the management of the Company noted certain impairment indicators for goodwill. 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 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 assessed the recoverable amount of the CGU, 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. It is noted that the CGU's fair value less cost of disposal would be higher than value-in-use. Thus the recoverable amount is determined based on the fair value less cost of disposal model.

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.

17 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(c) Impairment test for goodwill (Continued)

(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 8.23% (31 December 2022: 35.63%), a compound annual growth rate of operating cost and expenses of 5.38% (31 December 2022: 23.52%) for five financial years budgets, a post-tax discount rate of 15.00% (31 December 2022: 15.50%) per annum and a long term growth rate of 2.20% (31 December 2022: 3.00%) per annum beyond the five years period taking into account of relevant economic factors. During the forecast period, cost of revenue as a percentage of revenue remained between 48.59% to 51.84% (31 December 2022: 53.28% to 58.60%).

(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 11.10% (31 December 2022: 28.43%), a compound annual growth rate of operating cost and expenses of 8.24% (31 December 2022: 22.18%) for five financial years budgets, a post-tax discount rate of 15.00% (31 December 2022: 15.50%) per annum and a long term growth rate of 2.20% (31 December 2022: 3.00%) per annum beyond the five years period taking into account of relevant economic factors. During the forecast period, cost of revenue as a percentage of revenue remained between 65.50% to 70.34% (31 December 2022: 72.00% to 75.00%).

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 RMB517,450,000 and RMB326,050,000 respectively.

Notes to the Consolidated Financial Statements

17 GOODWILL AND INTANGIBLE ASSETS *(CONTINUED)*

(c) Impairment test for goodwill *(Continued)*

(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
December 31, 2023		
Compound annual growth rate of revenue	**8.23%**	**11.10%**
Compound annual growth rate of operating cost and expenses	**5.38%**	**8.24%**
Long term growth rate	**2.20%**	**2.20%**
Post-tax discount rate	**15.00%**	**15.00%**
December 31, 2022		
Compound annual growth rate of revenue	**35.63%**	28.43%
Compound annual growth rate of operating cost and expenses	**23.52%**	22.18%
Long term growth rate	**3.00%**	3.00%
Post-tax discount rate	**15.50%**	15.50%

Management considers each operating segments, the Chinese mainland operations and Hong Kong and overseas operations, share similar characteristics, including business structure, market position, stage of development and business risk. Thus, it is reasonable to adopt consistent post-tax discount rate for both operating segments at the end of each financial reporting date.

17 GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

(d) Impact of possible changes in key assumptions for goodwill impairment

The Group has performed a sensitivity analysis for the recoverable amount of CGUs as at 31 December 2023. The below analysis shows how total provision for impairment of goodwill would be changed as a result of change in the significant assumptions, with all the variables taken in isolation:

Chinese mainland operations

A fall in compound annual growth rate of revenue by 1.51%, a rise in compound annual growth rate of operating cost and expenses by 0.31%, a fall in long term growth rate by 2.2%, or a rise in post-tax discount rate by 1.98%, all changes taken in isolation, would lead to approximately further 5% impairment to the remaining balance of goodwill allocated for Chinese mainland operations.

Hong Kong and overseas operations

A fall in compound annual growth rate of revenue by 3.67%, a rise in compound annual growth rate of operating cost and expenses by 0.04%, a fall in long term growth rate by 0.17%, or a rise in post-tax discount rate by 0.9%, all changes taken in isolation, would lead to full impairment of goodwill allocated for Hong Kong and overseas operations.

Notes to the Consolidated Financial Statements

18 SUBSIDIARIES

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

Name of entity	Place of incorporation and kind of legal entity	Principal activities	Particulars of registered/issued/paid-in capital	Attributable equity interest of the Group As at 31 December 2023	2022
Subsidiaries directly held:					
GoGoVan Holdings Limited	BVI, limited liability company	Investment holding	US$100	**100%**	100%
GGEx Holdings Limited	BVI, limited liability company	Investment holding	US$1,000	**100%**	100%
GoGo Energy Holdings Limited	BVI, limited liability company	Investment holding	US$100	**100%**	100%
GoGoX PRC Group Limited	Hong Kong, limited liability company	Investment holding	HK$1	**100%**	100%
Subsidiaries indirectly held:					
GOGOX Financial Holdings Limited	BVI, limited liability company	Investment holding	US$1	**100%**	100%
GoGoVan Australia Pty Limited	Australia, limited liability company	Investment holding	AUD100#	**100%**	100%
GoGoVan Limited	Hong Kong, limited liability company	Investment holding	HK$100	**100%**	100%
HK Enterprise Logistics Limited	Hong Kong, limited liability company	Dormant	HK$100	**100%**	100%
GoGo Tech Limited	Hong Kong, limited liability company	Provision of information technology and logistics services	HK$10,000	**100%**	100%
GGEx Limited	Hong Kong, limited liability company	Provision of repair and maintenance services for motor vehicles	HK$100	**100%**	100%
GoGo Energy Limited	Hong Kong, limited liability company	Provision of fuel card arrangement services	HK$10,000	**100%**	100%
GoGo Energy Singapore Pte. Ltd.	Singapore, limited liability company	Provision of fuel card arrangement services	SGD100	**100%**	100%
GXRL Limited	Hong Kong, limited liability company	Property holding	HK$100	**100%**	100%
GoGoVan India Private Limited	India, limited liability company	Provision of logistic and delivery solution services	INR39,031,750	**100%**	100%
GoGo Pay Limited	Hong Kong, limited liability company	Provisional payment processing services to immediate holding company	HK$100	**100%**	100%
Kuaigo Dache (Tianjin) Carbon Technology Co., Ltd*	Chinese mainland, limited liability company	Technical service, development and consultation activities	US$1,500,000	**100%**	100%
Tianjin 58 Daojia*	Chinese mainland, limited liability company	Dormant	US$35,000,000	**100%**	100%
Shanghai Youban Network Technology Co., Ltd.*	Chinese mainland, limited liability company	Dormant	US$100,000	**100%**	100%
Hainan 58 Daojia*	Chinese mainland, limited liability company	Dormant	US$35,000,000	**100%**	100%
GoGoVan Singapore Pte. Ltd.	Singapore, limited liability company	Provision of logistic and delivery solution services	SGD6,744,000	**100%**	100%

18 SUBSIDIARIES (CONTINUED)

Name of entity	Place of incorporation and kind of legal entity	Principal activities	Particulars of registered/issued/ paid-in capital	Attributable equity interest of the Group As at 31 December 2023	2022
Subsidiaries indirectly held: (Continued)					
GoGoVan Korea Co., Ltd.*	Korea, limited liability company	Provision of logistic and delivery solution services	As at 31 December 2022: KRW 14,918,330,000 As at 31 December 2023: KRW 16,733,200,000	**100%**	100%
GOGOX Vietnam Corporation	Vietnam, limited liability company	Provision of logistic and delivery solution services	VND23,000,000,000#	**51%**	51%
GOGOX Tech Vietam Co., Ltd	Vietnam, limited liability company	Computer programming activities	VND6,900,000,000#	**100%**	100%
GOGOX Insurtech Limited	Hong Kong, limited liability company	Provision of insurance brokerage and consultancy service	As at 31 December 2022: HK$ 3,050,000 As at 31 December 2023: HK$ 6,550,000	**100%**	100%
Structured Entities *(Note)*					
Tianjin 58 Freight*	Chinese mainland, limited liability company	Provision of logistic and delivery solution services	RMB1,000,000	**100%**	100%
Zhenjiang 58 Supply Chain*	Chinese mainland, limited liability company	Provision of logistic and delivery solution services	RMB21,000,000	**100%**	100%
Hainan 58 Supply Chain*	Chinese mainland, limited liability company	Provision of logistic and delivery solution services	RMB21,000,000	**100%**	100%
Hainan 58 Freight*	Chinese mainland, limited liability company	Provision of logistic and delivery solution services	RMB1,000,000	**100%**	100%
Tianjin Kuaigou Freight*	Chinese mainland, limited liability company	Provision of logistic and delivery solution services	RMB10,000,000	**100%**	100%
Kuaigo Dache (Tianjin) Information Service*	Chinese mainland, limited liability company	Technical service, development and consultation activities	RMB10,000,000	**100%**	100%

Note: The Company does not have direct or indirect legal ownership in equity of the Structured Entities. Nevertheless, under certain Contractual Arrangements entered into with the Structured Entities and their registered owners, the Company and its other legally owned subsidiaries have rights to exercise power over the Structured Entities, receive variable returns from its involvement in the Structured Entities, and have the ability to affect those returns through its power over these Structured Entities. As a result, they are presented as Structured Entities of the Company.

* English names are translated for identification purpose only.

Australian Dollars ("AUD"), Indian Rupee ("INR"), Taiwan Dollars ("NTD"), Vietnamese Dong ("VND")

Notes to the Consolidated Financial Statements

19 ACCOUNTS RECEIVABLES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Accounts receivables	**110,455**	112,398
Less: loss allowance	**(26,697)**	(15,689)
Accounts receivables, net	**83,758**	96,709

(i) Classification

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. Accounts receivables are generally due for settlement within one year and therefore are all classified as current.

(ii) Fair values of trade receivables

The carrying amounts of accounts receivables approximate their fair values and are denominated in the following currencies:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
RMB	**15,863**	25,721
HK$	**24,342**	26,554
SGD	**15,432**	13,434
KRW	**18,585**	20,423
Others	**9,536**	10,577
	83,758	96,709

(iii) Impairment and risk exposure

Accounts receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the accounts receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 34.12 for further information about the Group's accounting for accounts receivables and Note 3.1(b) for a description of the Group's impairment policies.

19 ACCOUNTS RECEIVABLES (CONTINUED)

(iv) Aging analysis

The Group generally 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 31 December	
	2023	2022
	RMB'000	*RMB'000*
0 to 30 days	**59,642**	58,266
31 to 60 days	**12,724**	21,434
61 to 90 days	**4,662**	8,914
Over 90 days	**6,730**	8,095
	83,758	96,709

20 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Non-current assets		
Rental and other deposits	**2,902**	6,857
Prepayments	**39**	256
	2,941	7,113
Current assets		
Prepayments	**6,353**	7,218
Value-added tax recoverables	**5,876**	5,422
Rental and other deposits	**11,374**	7,726
Loan to a joint venture company *(Note 33)*	**5,508**	6,920
Other receivables	**3,514**	3,648
	32,625	30,934
Less: loss allowance	**(5,771)**	(321)
	26,854	30,613

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) Classification of financial assets at fair value through profit or loss

The group classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Financial assets mandatorily measured at FVPL include the following:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current assets		
Wealth management products	**206,765**	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 (2022: 1.2% to 1.6% per annum) and redeemable on demand. Subsequently to the year end, the Group has redeemed all these investments.

See note 34.9 for the remaining relevant accounting policies.

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

(ii) Amounts recognised in profit or loss

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

	2023	2022
	RMB'000	*RMB'000*
At 1 January	**258,342**	–
Additions	**111,000**	486,235
Disposals	**(170,232)**	(239,523)
Fair value changes on financial assets at fair value through profit or loss *(Note 7)*	**4,006**	3,188
Currency translation differences	**3,649**	8,442
At 31 December	**206,765**	258,342

(iii) Risk exposure and fair value measurements

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 3.3.

22 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS

(a) Cash and cash equivalents

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cash at bank and in hand *(Note ii)*	**201,770**	324,827
Cash at licensed payment platforms *(Note i)*	**4,538**	5,907
Total cash and cash equivalents	**206,308**	330,734

Note (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.

Note (ii): The Group maintained client segregated accounts relates to cash held for insurance premiums received from policy holders which will ultimately be paid to insurers.

As at 31 December 2023 and 2022, cash and cash equivalents of approximately RMB117,753,000 and RMB302,204,000, respectively, were deposited with banks in the Chinese mainland.

The conversion of the RMB denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the Chinese mainland government.

Cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
RMB	**110,124**	300,833
US$	**72,599**	9,376
HK$	**8,249**	11,366
Others	**15,336**	9,159
	206,308	330,734

Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See note 34.13 for the Group's other accounting policies on cash and cash equivalents.

22 CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TERM DEPOSITS (CONTINUED)

(b) Restricted cash

Restricted cash are denominated in the following currencies:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
HK$	**952**	938
RMB	**61,031**	69,606
Others	**556**	295
	62,539	70,839

As at 31 December 2023 and 2022, approximately RMB952,000 and RMB938,000 were deposited at banks as guarantees in relation to the provision of fuel cards services.

As at 31 December 2023, approximately RMB61,031,000 was deposited into a designated account at the bank in relation to the deposits and prepayments from platform users (2022: RMB69,606,000).

As at 31 December 2023 and 2022, approximately RMB556,000 were deposited at banks as guarantees in relation to the provision of logistics services (2022: RMB295,000).

(c) Term deposits

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
VND term deposits	**877**	–

Term deposits with initial terms of over three months were neither past due nor impaired. As at 31 December 2023, the carrying amounts of the term deposits with initial terms of over three months approximated their fair values.

Notes to the Consolidated Financial Statements

23 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 1 January 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 31 December 2022 and 31 December 2023	20,000,000	–	–	20,000,000	50	–	–	–	–	–	20,000,000	50

23 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 1 January 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 31 December 2022 and 1 January 2023	**618,690**	**–**	**–**	**618,690**	**10**	**–**	**–**	**10**
Exercise of share option *(Note (iii))*	**9,006**	**–**	**–**	**9,006**	**1**	**–**	**–**	**1**
As at 31 December 2023	**627,696**	**–**	**–**	**627,696**	**11**	**–**	**–**	**11**

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

Notes:

(i) During the year ended 31 December 2022, 11,074,000 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 24 June 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 (equivalents to approximately RMB572.5 million). The nominal value of the share capital was approximately RMB1,000 and share premium arising from the issuance was approximately RMB556.3 million, after netting off share issuance costs of RMB16.2 million.

(iii) During the year ended 31 December 2023, 9,006,000 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$0.78, and resulted in approximately RMB1,000 increase in share capital and RMB178,444,000 increase in share premium.

Notes to the Consolidated Financial Statements

24 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
As at 1 January 2023	4,529,691	322,983	1,085,480	12,128	1,780,621	7,730,903
Equity-settled share-based compensation *(Note 9)*	–	–	86,771	–	–	86,771
Deemed distribution to shareholders	–	–	36,520	–	–	36,520
Exercise of share options	178,444	–	(176,363)	–	–	2,081
Remeasurements of employee benefit obligations	–	–	–	–	17	17
Currency translation differences	–	–	–	7,304	–	7,304
As at 31 December 2023	4,708,135	322,983	1,032,408	19,432	1,780,638	7,863,596
As at 1 January 2022	76,581	322,983	121,545	137,008	1,855,636	2,513,753
Changes in fair value of convertible redeemable preferred shares due to own credit risk *(Note 30)*	–	–	–	–	(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 23)*	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 *(Note 9)*	–	–	626,514	–	–	626,514
Deemed distribution to shareholders	–	–	495,066	–	–	495,066
Exercise of share options	157,792	–	(157,645)	–	–	147
Currency translation differences	–	–	–	(124,880)	–	(124,880)
As at 31 December 2022	4,529,691	322,983	1,085,480	12,128	1,780,621	7,730,903

Others

Other reserves mainly represent the difference between the share capital of the GoGoVan's subsidiaries and Structured Entities acquired (as mentioned in note 17(c)) over the nominal value of the share capital of the Company issued in exchange thereof prior to the listing of the Company.

25 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, the controlling shareholder of the Company. 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 distribution 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 12 January 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").

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 1 January 2022, 31 December 2022 and 31 December 2023	1,565,500	0.65
Vested and exercisable as at 31 December 2022 and 31 December 2023	1,565,500	0.65

25 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 31 December 2023	2022
10 February 2015	9 February 2025	US$0.03	4 years from commencement date	**154,000**	154,000
10 February 2015	9 February 2025	US$0.04	4-5 years from commencement date	**269,000**	269,000
30 April 2015	30 April 2025	US$0.04	4 years from commencement	**52,000**	52,000
5 October 2016	5 October 2026	US$0.92	4 years from commencement	**986,000**	986,000
1 October 2017	1 October 2027	US$0.92	4 years from commencement	**104,500**	104,500
1 October 2017	1 October 2027	US$1.31	4 years from commencement	**–**	–
				1,565,500	1,565,500
Weighted average remaining contractual life of options outstanding at end of the year				**2.33 years**	3.33 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:

	Year ended 31 December 2023	2022
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%

25 SHARE-BASED COMPENSATION (CONTINUED)

Share options (Continued)

2015 Share Incentive Plan of 58 Daojia (Continued)

(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 the years ended 31 December 2023 and 2022 were US$0.65 and US$0.65 per share, respectively.

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 1 January 2022, 31 December 2022 and 31 December 2023	494,085	1.04
Vested and exercisable as at 31 December 2022 and 31 December 2023	494,085	1.04

Notes to the Consolidated Financial Statements

25 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 31 December 2023	2022
1 October 2020	30 September 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 year				**6.75 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:

	Year ended 31 December 2023	2022
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%

(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 the year ended 31 December 2023 were US$1.28 (2022: Same).

25 SHARE-BASED COMPENSATION (CONTINUED)

Share options (Continued)

Share Incentive Plan of GoGoVan Cayman

On 24 March 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 12 January 2022, the options under the GoGoVan Plan were modified with the 2021 Share Incentive Plan.

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

	Number of share options	**Weighted average exercise price per share option** *US$*
Vested and exercisable as at 31 December 2021	2,831,051	0.0661
Outstanding as at 1 January 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
Outstanding as at 31 December 2022 and 31 December 2023	–	–

Notes to the Consolidated Financial Statements

25 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 31 December 2023	2022
24 March 2015	24 March 2025	US$0.0001	0 to 3 years from vesting commencement date	**N/A**	N/A
15 April 2015	24 March 2025	US$0.0001	2.71 years from vesting commencement date	**N/A**	N/A
25 January 2016	24 March 2025	US$0.0001	3 years from vesting commencement date	**N/A**	N/A
30 November 2016	24 March 2025	US$0.5000	0 to 3 years from vesting commencement date	**N/A**	N/A
25 April 2018	24 March 2025	US$0.0001	0 to 3 years from vesting commencement date	**N/A**	N/A
02 February 2020	24 March 2025	US$0.0001	2 years from vesting commencement date	**N/A**	N/A
04 June 2020	24 March 2025	US$0.0001	3 years from vesting commencement date	**N/A**	N/A
22 July 2020	24 March 2025	US$0.0001	3 years from vesting commencement date	**N/A**	N/A
12 April 2021	24 March 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 year				**N/A**	N/A

25 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:

	Year ended 31 December	
	2023	2022
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.

2021 Share Incentive Plan

On 18 August 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.

Notes to the Consolidated Financial Statements

25 SHARE-BASED COMPENSATION (CONTINUED)

Share options (Continued)

2021 Share Incentive Plan (Continued)

On 12 January 2022 and 24 May 2022, the Company granted an aggregate of 104,029,830 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.

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 1 January 2022	–	–
Grant during the period	104,965,917	0.2799
Forfeited during the period	(2,542,226)	0.3731
Exercised during the period	(11,074,673)	0.0019
Outstanding as at 31 December 2022	91,349,018	0.3110
Vested and exercisable as at 31 December 2022	68,214,031	0.2880
Outstanding as at 1 January 2023	**91,349,018**	**0.3110**
Grant during the period	**–**	**–**
Forfeited during the period	**(2,395,934)**	**0.3781**
Exercised during the period	**(9,006,171)**	**0.0342**
Outstanding as at 31 December 2023	**79,946,913**	**0.3405**
Vested and exercisable as at 31 December 2023	**76,229,489**	**0.2994**

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

25 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 December 31, 2023	As at December 31, 2022
12 January 2022	11 January 2032	From US$0.0015 to US$0.78	4 years from vesting commencement date	**63,513,889**	71,600,048
12 January 2022	January 2032	From $0.0001 to $0.5	3 years from vesting commencement date	**3,146,694**	5,736,433
12 January 2022	January 2032	From $nil to $0.38	4 years from vesting commencement date	**12,350,243**	13,076,450
24 May 2022	23 May 2032	US$0.38	4 years from vesting commencement date	**936,087**	936,087
Total				**79,946,913**	91,349,018
Weighted average remaining contractual life of options outstanding at end of period/year				**8.04 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:

	Year ended 31 December 2023	2022
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)*	**0.00%**	0.00%

(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 year ended 31 December 2023 and 2022 were US$1.97 and US$1.99 per share, respectively.

Notes to the Consolidated Financial Statements

25 SHARE-BASED COMPENSATION (CONTINUED)

Share options (Continued)

2021 Share Incentive Plan (Continued)

The share-based compensation expenses were charged to the consolidated statement of comprehensive income during the year ended 31 December 2023 and 2022 was approximately RMB86.8 and RMB626.5 million, respectively.

26 ACCOUNTS PAYABLES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Accounts payables	**48,377**	51,832

Accounts payables are unsecured and are usually paid within 30 days of recognition and dominated in the following currencies:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
RMB	**15,746**	20,911
HK$	**18,957**	18,899
KRW	**4,297**	4,471
SGD	**7,786**	6,213
Others	**1,591**	1,338
	48,377	51,832

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

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
0 to 30 days	**40,549**	41,982
31 to 60 days	**4,182**	4,378
61 to 90 days	**742**	1,333
Over 90 days	**2,904**	4,139
	48,377	51,832

27 ACCRUALS AND OTHER PAYABLES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current liabilities		
Deposits from platform users *(Note)*	**160,604**	193,302
Deposits from corporate customers	**16,610**	25,851
Accrued salaries and staff benefits	**49,977**	70,220
Accrued professional fee	**9,945**	7,105
Accrued promotion and marketing expense	**1,768**	3,955
Others	**20,028**	21,714
	258,932	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.

28 CONTRACT LIABILITIES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Receipt in advance from customers	**19,342**	7,710
Current portion	**19,342**	7,710

(i) Significant changes in contract liabilities

The change in contract liabilities arose from the advance payments made and consumed by the customers throughout the years ended 31 December 2023 and 2022.

(ii) Revenue recognised in relation to contract liabilities

The following table shows the amount of revenue recognised in the year related to carried forward contract liabilities:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**7,710**	8,147

28 CONTRACT LIABILITIES (CONTINUED)

(iii) Unsatisfied performance obligation

As permitted under IFRS15, the transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have an original expected duration of 1 year or less.

29 DEFERRED INCOME TAX

The analysis of deferred income tax liabilities as follow:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Deferred income tax liabilities	**(8,040)**	(11,402)

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

Deferred income tax liabilities

	Intangible assets arising from business combinations
	RMB'000
At 1 January 2022	(15,092)
Credited to consolidated statement of comprehensive income	3,954
Currency translation differences	(264)
At 31 December 2022 and 1 January 2023	**(11,402)**
Credited to consolidated statement of comprehensive income	**3,394**
Currency translation differences	**(32)**
At 31 December 2023	**(8,040)**

29 DEFERRED INCOME TAX (CONTINUED)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of RMB1,258 million and RMB1,096 million that can be carried forward against future taxable income as at 31 December 2023 and 2022. These tax losses have not been recognised due to uncertainty of future realisation. The tax losses details are as below:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Expiry in		
In the first year	**(178,304)**	(21,385)
In the second year	**(158,127)**	(178,304)
In the third year	**(43,016)**	(158,154)
In the fourth year	**(226,938)**	(43,069)
After the fourth year	**(651,438)**	(694,823)
	(1,257,823)	(1,095,735)

30 CONVERTIBLE REDEEMABLE PREFERRED SHARES AT FAIR VALUE THROUGH PROFIT OR LOSS

Since the date of incorporation, the Company has completed several rounds of financing by issuing convertible redeemable preferred shares to investors. In June 2022, the Company completed IPO on the Main Board of the Stock Exchange of Hong Kong Limited. Upon listing, all of the preferred shares were automatically converted into ordinary shares, and the related liabilities were derecognised.

The movements of the convertible redeemable preferred shares are set out as below:

	RMB'000
At 1 January 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 *(Note 24)*	31,039
Currency translation differences	175,470
Conversion of convertible redeemable preferred shares to ordinary shares	(3,739,019)
At 31 December 2022 and 31 December 2023	–

Notes to the Consolidated Financial Statements

31 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets	Financial assets at amortised cost *RMB'000*	Financial assets at fair value through profit or loss *RMB'000*	Total *RMB'000*
As at 31 December 2023			
Accounts receivables *(Note 19)*	83,758	–	83,758
Deposits and other receivables	17,527	–	17,527
Financial assets at fair value through profit or loss *(Note 21)*	–	206,765	206,765
Restricted cash *(Note 22)*	62,539	–	62,539
Term deposits *(Note 22)*	877	–	877
Cash and cash equivalents *(Note 22)*	206,308	–	206,308
	371,009	206,765	577,774
As at 31 December 2022			
Accounts receivables *(Note 19)*	96,709	–	96,709
Deposits and other receivables	24,830	–	24,830
Financial assets at fair value through profit or loss *(Note 21)*	–	258,342	258,342
Restricted cash *(Note 22)*	70,839	–	70,839
Cash and cash equivalents *(Note 22)*	330,734	–	330,734
	523,112	258,342	781,454
Financial liabilities			
As at 31 December 2023			
Accounts payables *(Note 26)*	48,377	–	48,377
Accruals and other payables	208,955	–	208,955
Lease liabilities *(Note 15)*	26,913	–	26,913
	284,245	–	284,245
As at 31 December 2022			
Accounts payables *(Note 26)*	51,832	–	51,832
Accruals and other payables	251,927	–	251,927
Lease liabilities *(Note 15)*	20,677	–	20,677
	324,436	–	324,436

32 CASH FLOW INFORMATION

(a) Net cash used in from operating activities

		Year ended 31 December	
	Note	**2023** *RMB'000*	2022 *RMB'000*
Loss before income tax		**(1,103,139)**	(1,217,915)
Adjustments for:			
Amortisation of intangible assets	17	**15,428**	18,034
Depreciation of property, plant and equipment	16	**3,474**	3,955
Depreciation of right-of-use assets	15	**14,752**	11,862
Finance income	11	**(3,015)**	(3,239)
Finance cost	11	**1,690**	799
Loss/(gain) on disposal of property, plant and equipment		**137**	(236)
Gain on remeasurement of right-of-use assets		**(108)**	(19)
Changes in fair value on CPRS	30	**–**	308,063
Changes in fair value of financial assets at fair value through profit or loss	7	**(4,006)**	(3,188)
Net impairment losses of financial assets	3.1(b)	**17,746**	4,248
Impairment of goodwill		**843,500**	–
Provision of long service payment		**645**	–
Share of net loss/(profit) of a joint venture accounted for using equity method		**2,036**	(8)
Equity-settled share-based compensation	24	**86,771**	626,514
Change in working capital:			
Changes in accounts receivables		**707**	(35,740)
Changes in other operating assets		**11,254**	27,557
Changes in accounts payables		**(3,481)**	8,006
Changes in other operating liabilities		**(54,545)**	(46,344)
Net cash used in operating activities		**(170,154)**	(297,651)

Notes to the Consolidated Financial Statements

32 CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

For the year ended 31 December 2023

	Amounts due to related parties *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
As at 1 January 2023	8,842	20,677	29,519
Financing cash flow	–	(15,032)	(15,032)
Non-cash transactions:			
Addition of right-of-use assets	–	26,667	26,667
Interest expenses	–	1,514	1,514
Remeasurement of right-of-use assets	–	(7,063)	(7,063)
Effect on exchange difference	–	150	150
As at 31 December 2023	8,842	26,913	35,755

For the year ended 31 December 2022

	Convertible redeemable preferred shares *RMB'000*	Amounts due to related parties *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
As at 1 January 2022	3,224,447	8,842	8,875	3,242,164
Financing cash flow	–	–	(13,432)	(13,432)
Non-cash transactions:				
Change in fair value through profit or loss *(Note 30)*	308,063	–	–	308,063
Change in fair value through other comprehensive income *(Note 30)*	31,039	–	–	31,039
Conversion of convertible redeemable preferred shares to ordinary shares *(Note 30)*	(3,739,019)	–	–	(3,739,019)
Addition of right-of-use assets	–	–	24,605	24,605
Interest expenses	–	–	799	799
Remeasurement of right-of-use assets	–	–	(885)	(885)
Effect on exchange difference	175,470	–	715	176,185
As at 31 December 2022	–	8,842	20,677	29,519

33 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 these consolidated financial statements:

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the years ended 31 December 2023 and 2022:

Name of related parties	**Relationship with the Group**
58. com Inc. ("58.com")	Controlled by 58.com
58 Daojia	Shareholder of the Group
*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

* As the reduction in proportion of shareholding, Alibaba Group has ceased to be a related party of the Group on 14 December 2023.

(a) Transactions with related parties

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Provision of services		
Provision of logistic services to entities controlled by Alibaba Group	**25,243**	6,018
Provision of value added services to an entity controlled by 58.com	**109**	5
Provision of services to Wuhu Kaixindaojia Technology Co., Ltd.	**84**	1,647
Provision of services to entities controlled by Daojia Limited	**2,513**	–
Purchase of services		
Purchase of services from entities controlled by Alibaba Group	**7,701**	10,990
Purchase of services from entities controlled by Daojia Limited	**184**	187
Purchase of services from entities controlled by 58.com	**7**	195
Purchase of services from Wuhu Kaixindaojia Technology Co., Ltd.	**356**	1,380

Notes to the Consolidated Financial Statements

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Leasehold Improvements		
Leasehold Improvements expenses to entities controlled by Daojia Limited	**–**	3,322
Lease		
Lease payments to entity controlled by Daojia Limited	**4,164**	4,705
Interest income		
Interest income from Wuhu Kaixindaojia Technology Co., Ltd.	**282**	9

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

(b) Balances with related parties

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Right-of-use assets		
Entities controlled by Daojia Limited	**10,421**	169
Accounts receivables from related parties		
Entities controlled by 58.com – trade	**2**	5
Entities controlled by Alibaba Group – trade	**–**	3,401
Wuhu Kaixindaojia Technology Co., Ltd.	**1,842**	1,710
	1,844	5,116

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Balances with related parties (Continued)

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Prepayments and other receivables		
Entities controlled by 58.com – trade	**75**	75
Entities controlled by Alibaba Group – trade	**–**	841
Wuhu Kaixindaojia Technology Co., Ltd.	**1,298**	1,496
	1,373	2,412
Loan to a joint venture company		
Wuhu Kaixindaojia Technology Co., Ltd. *(Note i)*	**5,508**	6,920
Less: loss allowance	**(5,508)**	(67)
	–	6,853
Other payables to related parties		
Daojia Limited – trade	**49**	57
Entities controlled by Alibaba Group – trade	**–**	3,194
Wuhu Kaixindaojia Technology Co., Ltd.	**1,220**	1,057
	1,269	4,308
Lease liability		
Entity controlled by Daojia Limited	**11,082**	170

Note:

(i) 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 31 January 2024 and denominated in RMB. The carrying values approximate their fair values.

(c) Key management personnel compensation

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Salaries and bonuses	**10,368**	6,531
Welfare and other employee benefits	**689**	445
Equity-settled share-based compensation	**53,751**	311,053
	64,808	318,029

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management personnel compensation (Continued)

The salaries and bonuses disclosed above include nil (2022: nil) of bonuses payable which were unpaid as at year end and are included in other payables. In addition, the welfare and other employee benefits disclosed above include RMB310,000 (2022: RMB13,000) which are unpaid as at year end and included in other payables. The share-based payments provided to key management personnel consist of options which are both equity-settled, see note 25.

34 SUMMARY OF OTHER ACCOUNTING POLICIES

34.1 Principles of consolidation

(a) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group (Note 34.2).

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

34 SUMMARY OF OTHER ACCOUNTING POLICIES

34.1 Principles of consolidation (Continued)

(b) Subsidiaries controlled through Contractual Arrangements

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

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

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

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.1 Principles of consolidation (Continued)

(c) Joint arrangements

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has a joint venture. Interests in a joint venture are accounted for using the equity method (see (d) below), after initially being recognised at cost in the consolidated balance sheet.

(d) Equity method

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 34.9.

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.2 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

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

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

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

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

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.3 Separate financial statement

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

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

34.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"), who is responsible for allocating resources and assessing performance of the operating segments and making strategic decisions.

34.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is United States Dollars ("US$"). The Group determined to present its consolidated financial statements in RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

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

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.5 Foreign currency translation (Continued)

(c) Group companies

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

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified to profit or loss.

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.6 Property, plant and equipment

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

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

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

34.7 Goodwill and intangible assets

(i) Goodwill

Goodwill is measured as described in Note 34.2. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses, if any. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (Note 17(c)).

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.7 Goodwill and intangible assets (Continued)

(ii) Brand name

Brand name acquired in a business combination are recognised at fair value on acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

(iii) Other intangible assets

Other intangible assets include service platform, customer relationship, computer software and license. They are initially recognised and measured at cost or fair value for intangible assets acquired through business combination. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

(iv) Research and development

Research expenditure and development expenditure that do not meet the following criteria are recognised as an expense as incurred:

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

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.8 Impairment of non-financial assets

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

34.9 Investments and other financial assets

(a) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI"), or through profit or loss), and

- those to be measured at amortised cost.

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

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

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

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.9 Investments and other financial assets (Continued)

(b) Recognition and derecognition

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

(c) Measurement

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

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

Debt instruments

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

- Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as and measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other gains/(losses), net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

- FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are classified as and measured at FVOCI. Movements in the carrying amount of these financial assets are taken through other comprehensive income, except for the recognition of impairment losses or reversals, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "other gains/(losses), net" in the consolidated statement of comprehensive income. Interest income from these financial assets is recognised using the effective interest rate method. Foreign exchange gains and losses are presented in "other gains/(losses), net" and impairment loss are presented as separate line item in the consolidated statement of comprehensive income.

Notes to the Consolidated Financial Statements

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.9 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments (Continued)

- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are classified as and measured at FVPL. A gain or loss on a debt investment measured at fair value through profit or loss which is not part of a hedging relationship is recognised in profit or loss and presented in "other gains/(losses), net" for the period in which it arises.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised since initial recognition.

34.10 Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. When the fair value of financial liabilities differs from the transaction price on initial recognition, the Group recognises the difference as follows unless the difference arisen from the transactions with equity holders or fall into the scope of IFRS 2 – Share-based Payment:

a. When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

b. In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.10 Financial liabilities (Continued)

(b) Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, financial liabilities at amortised cost are measured using the effective interest method unless the effect of discounting would be insignificant, in which case they are stated at cost.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of comprehensive income.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.11 Offsetting financial instruments

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

34.12 Accounts receivables

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

34.13 Cash and cash equivalents and restricted cash

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and licensed payment platforms that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash that is restricted from withdrawal, from use or from being pledged as security is reported separately on the consolidated balance sheet, and is not included in the total cash and cash equivalents in the consolidated statement of cash flows.

34.14 Accounts and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.15 Current and deferred income tax (Continued)

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

(a) Current income tax

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

(b) Deferred income tax

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

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

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

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.16 Employee benefits

(a) Short-term obligation

Liabilities for wages and salaries, including non-monetary benefits and annual leaves that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated balance sheet.

(b) Other long-term employee benefit obligations

The liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(c) Post-employment obligations

The Group operates various defined contribution pension plans. The defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The Group's contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plan prior to vesting fully in the contributions.

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.17 Equity-settled share-based payments

(a) Equity-settled share-based compensation relating to 58 Daojia and GoGoVan Cayman

Shared-based compensation to the Group's employees and consultants providing similar services as employee are granted under a share incentive plan of the holding companies, 58 Daojia and GoGoVan Cayman ("Investors' Incentive Plan"). Investors grant their share options to the Group's eligible employees and consultants. The Group has no obligation to settle the share-based payment transaction and measures the services received as an equity-settled share-based payment transaction. Investors' Incentive Plan is disclosed in Note 25.

In terms of the share options awarded to employees, the total amount to be expensed is determined by reference to the fair value of options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-marketing performance and service conditions are included in calculation of the number of share options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to equity.

In some circumstances, employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.17 Equity-settled share-based payments (Continued)

(b) Share-based awards relating to Daojia Limited

The joint venture of 58 Daojia, Daojia Limited, operates a share-based compensation plans which cover certain employees of the Group. The Group has no obligation to settle the share-based payment transaction but also applies the principles of IFRS 2 "Share-based Payment" to measure the service received as an equity-settled share-based payment transaction.

(c) Equity-settled share-based compensation relating to the Company

The Group operates a 2021 Share Incentive Plan (the "2021 Share Incentive Plan"), under which it either (i) receives services from directors, employee and consultants providing similar services as employee in exchange for equity instruments of the Company or (ii) grants share options to other individuals under 58 Daojia or Daojia Limited. The fair value of options granted to directors, employee and consultants providing similar services as employee under the 2021 Share Incentive Plan is recognised as expenses over the requisite service period, with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted on grant date:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

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

(d) Modification

The Group may modify the terms and conditions on which share incentive awards were granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognised for the services received over the remaining of the vesting period.

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.17 Equity-settled share-based payments (Continued)

(e) Other share-based payments

Cash-settled share-based payments transactions are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the financial instrument granted. The share-based payments is recognised as expenses in accordance with IFRS 2 "Share-based Payment" unless the goods or services qualify for recognition as assets.

34.18 Provisions

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

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

34.19 Interest income

Interest income is presented within "finance income, net" when it is earned from financial assets that are held for cash management purposes.

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

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.20 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, and payments for these leases are presented in the consolidated statement of cash flows from operating activities.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate specific to the lease, e.g. country, term, security and currency of the contract. In addition, the Group considers its recent debt issuances as well as publicly available data for instruments with similar characteristics when calculating the incremental borrowing rates.

Lease payments include fixed payments, less any lease incentives, variable lease payments that depend on an index or a rate known at the commencement date, and purchase options or extension option payments if the Group is reasonably certain to exercise these options. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and right-of-use asset and are recognised as an expense in the profit or loss in the period in which the event or condition that triggers those payments occurs.

A lease liability is remeasured upon a change in the lease term, changes in an index or rate used to determine the lease payments or reassessment of exercise of a purchase option. The corresponding adjustment is made to the related right-of-use asset. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated starting at the commencement date over the shorter period of useful life of the underlying asset and lease term. The lease liability is presented in the 'Lease liabilities' line and the right-of-use assets are presented in the 'Right-of-use assets' line in the consolidated balance sheet. In addition, the principal portion of the lease payments and the interest component are presented within financing activities in the consolidated statement of cash flows.

Lease payments are allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

34 SUMMARY OF OTHER ACCOUNTING POLICIES (CONTINUED)

34.20 Leases (Continued)

The Group as lessor

Rental income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term.

Entity-specific details about the group's leasing policy are provided in note 15(b).

34.21 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, excluding any costs of servicing equity other than ordinary shares.

– By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

– The after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

– The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements

35 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
ASSETS		
Non-current assets		
Interests in subsidiaries	**407,723**	1,621,513
	407,723	1,621,513
Current assets		
Prepayments, deposits and other receivables	**385**	7,724
Financial assets at fair value through profit or loss	**206,765**	258,342
Cash and bank balances	**71,611**	7,174
	278,761	273,240
Total assets	**686,484**	1,894,753
Current liabilities		
Accruals and other payables	**8,913**	7,870
Total liabilities	**8,913**	7,870
Equity attributable to owners of the Company		
Share capital	**11**	10
Reserves *(Note)*	**7,324,320**	7,174,607
Accumulated losses	**(6,646,760)**	(5,287,734)
Total equity	**677,571**	1,886,883
Total equity and liabilities	**686,484**	1,894,753

35 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note: Movement in reserves of the Company are as follows:

	Share premium *RMB'000*	Capital reserve *RMB'000*	Share-based compensation reserve *RMB'000*	Exchange reserve *RMB'000*	Others *RMB'000*	Total *RMB'000*
As at 1 January 2023	4,529,691	322,983	1,085,480	70,377	1,166,076	7,174,607
Exercise of share options	178,444	–	(176,363)	–	–	2,081
Equity-settled share-based compensation	–	–	86,771	–	–	86,771
Deemed to shareholder	–	–	36,520	–	–	36,520
Currency translation differences	–	–	–	24,341	–	24,341
As at 31 December 2023	4,708,135	322,983	1,032,408	94,718	1,166,076	7,324,320
As at 1 January 2022	76,581	322,983	–	32,625	1,241,091	1,673,280
Changes in fair value of convertible redeemable preferred shares due to own credit risk *(Note 30)*	–	–	–	–	(31,039)	(31,039)
Exercise of share options	157,792	–	(157,645)	–	–	147
Equity-settled share-based compensation	–	–	748,059	–	–	748,059
Conversion of convertible redeemable preferred shares to ordinary shares	3,739,016	–	–	–	–	3,739,016
Deemed to shareholder	–	–	495,066	–	–	495,066
Issuance of ordinary shares relating to initial public offering, netting of underwriting commission and other issuance costs	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)
Currency translation differences	–	–	–	37,752	–	37,752
As at 31 December 2022	4,529,691	322,983	1,085,480	70,377	1,166,076	7,174,607

Exchange reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in Note 34.5 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

36 CONTINGENT LIABILITIES

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

Definitions

"AGM"	annual general meeting of the Company
"AHKEF"	Alibaba Hong Kong Entrepreneurs Fund, L.P. is an investment fund established in the Cayman Islands with The Hong Kong Entrepreneurs Fund Limited as the sole limited partner. The Hong Kong Entrepreneurs Fund Limited is in turn an indirect subsidiary of Alibaba. AHKE Fund General Partner Limited is the sole General Partner of AHKEF
"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 depositary shares are listed on the New York Stock Exchange (NYSE: BABA)
"Articles of Association"	the articles of association of the Company, as amended from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the auditor committee of the Board
"Board"	the board of directors of our Company
"Cainiao"	Cainiao Smart Logistics Network (Hong Kong) Limited (菜鳥智能物流網絡(香港)有限公司), a company incorporated under the laws of Hong Kong on June 17, 2015 and an indirect non-wholly owned subsidiary of Alibaba
"China", or "PRC"	the People's Republic of China, except where the context requires otherwise and only for the purposes of this annual 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

Definitions

"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 set out in Appendix C1 to the Listing Rules
"Director(s)"	the director(s) of our Company
"ESG"	Environmental, Social and Governance
"ESG Committee"	the Environmental, Social and Governance Committee of the Board
"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)
"Hainan 58 Freight"	Hainan 58 Daojia Freight Services Co., Ltd. (海南五八到家貨運服務有限公司), a limited liability company established under the laws of the PRC on April 9, 2021 and a Consolidated Affiliated Entity
"Hainan 58 Supply Chain"	Hainan 58 Daojia Supply Chain Management Services Co., Ltd. (海南五八到家供應鏈管理服務有限公司), a limited liability company established under the laws of the PRC on April 21, 2020 and a Consolidated Affiliated Entity
"Hainan 58 Technology" or "Hainan WFOE"	Hainan 58 Daojia Technology Co., Ltd. (海南五八到家科技有限公司), a limited liability company established under the laws of the PRC on May 21, 2021, which was an indirectly wholly-owned subsidiary of the Company during the Reporting Period

Definitions

"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
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company or an associate of such person within the meaning ascribed to it under the Listing Rules
"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
"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 set out in Appendix C3 of the Listing Rules
"Mr. CHEN" or "Mr. CHEN Xiaohua"	Mr. CHEN Xiaohua (陳小華), former Chairman of the Board and an executive Director who resigned with effect from December 19, 2023
"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

Definitions

"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
"Remuneration Committee"	the remuneration committee of the Board
"Reporting Period"	year ended December 31, 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
"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 Kuaigou Freight"	Tianjin Kuaigou Freight Services Co., Ltd. (天津快狗貨運服務有限公司), a limited liability company established under the laws of the PRC on December 13, 2021 and a Consolidated Affiliated Entity
"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

Definitions

"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
"Zhenjiang 58 Supply Chain"	Zhenjiang 58 Daojia Supply Chain Management Services Co., Ltd. (鎮江五八到家供應鏈管理服務有限公司), a limited liability company established under the laws of the PRC on March 20, 2017 and a Consolidated Affiliated Entity
"58 Daojia"	58 Daojia Inc., a limited liability company incorporated in the BVI on January 26, 2015
"58.com"	58.com Inc., and limited liability company incorporated in the Cayman Islands and one of our Controlling Shareholders
"%"	per cent