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## GOGO HOLDINGS LIMITED

快狗打车控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2246)

# INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2022

## FINANCIAL HIGHLIGHTS

	Six months ended June 30,		Period-to-period change (%)
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	
Revenue	348,755	301,872	15.5
Gross profit	112,211	106,849	5.0
Loss before income tax	(1,051,057)	(244,739)	329.5
Loss for the period	(1,049,064)	(246,948)	324.8
Non-IFRS measure:			
Adjusted net loss for the period <sup>(1)</sup>	(118,179)	(88,084)	34.2
Adjusted EBITDA for the period <sup>(2)</sup>	(105,223)	(70,791)	48.6

*Notes:*

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

The board (the “**Board**”) of directors (the “**Directors**”) of GOGOX HOLDINGS LIMITED (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries and consolidated affiliated entities (the “**Group**”) for the six months ended June 30, 2022 together with the comparative figures for the corresponding period in 2021, as follows:

## UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

For the six months ended June 30, 2022

	<i>Note</i>	<b>Six months ended June 30,</b> <b>2022</b> <b>RMB’000</b> <b>(Unaudited)</b>	<b>2021</b> <b>RMB’000</b> <b>(Unaudited)</b>
<b>Continuing operations</b>			
Revenue	4	348,755	301,872
Cost of revenue	5	<u>(236,544)</u>	<u>(195,023)</u>
<b>Gross profit</b>		<b>112,211</b>	<b>106,849</b>
Selling and marketing expenses	5	(167,941)	(116,734)
General and administrative expenses	5	(646,463)	(67,470)
Research and development expenses	5	(47,510)	(18,349)
Reversal of impairment losses on financial assets		550	853
Other income		6,031	2,114
Other losses, net		<u>(869)</u>	<u>(1,347)</u>
<b>Operating loss</b>		<b>(743,991)</b>	<b>(94,084)</b>
Finance income/(costs), net	6	1,114	(565)
Changes in fair value of financial liabilities at fair value through profit or loss		(308,063)	(150,090)
Share of net profit of a joint venture accounted for using the equity method		<u>(117)</u>	<u>—</u>
<b>Loss before income tax</b>		<b>(1,051,057)</b>	<b>(244,739)</b>
Income tax credit/(expenses)	7	<u>1,993</u>	<u>(2,191)</u>
<b>Loss from continuing operations</b>		<b>(1,049,064)</b>	<b>(246,930)</b>
Loss from discontinued operation		<u>—</u>	<u>(18)</u>
<b>Loss for the period attributable to the equity holders of the company</b>		<b><u>(1,049,064)</u></b>	<b><u>(246,948)</u></b>

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended June 30, 2022

	<i>Note</i>	<b>Six months ended June 30,</b>	
		<b>2022</b>	2021
		<i>RMB'000</i>	<i>RMB'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Other comprehensive (losses)/income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of convertible redeemable preferred shares due to own credit risk		(31,039)	(6,968)
Changes in fair value of other financial liabilities due to own credit risk		—	(393)
Currency translation differences		(175,470)	2,208
<i>Items that may be subsequently reclassified to profit or loss</i>			
Currency translation differences		26,099	10,527
Currency translation differences on discontinued operation		—	(1,160)
		<u>          </u>	<u>          </u>
<b>Total other comprehensive (losses)/income</b>		<b>(180,410)</b>	<b>4,214</b>
		<u>          </u>	<u>          </u>
<b>Total comprehensive loss for the period attributable to the equity holders of the company</b>		<b>(1,229,474)</b>	<b>(242,734)</b>
		<u>          </u>	<u>          </u>
Loss for the period attributable to:			
Equity holders of the Company		(1,045,908)	(246,948)
Non-controlling interests		(3,156)	—
		<u>          </u>	<u>          </u>
		<b>(1,049,064)</b>	<b>(246,948)</b>
		<u>          </u>	<u>          </u>
Loss for the period attributable to the equity holders of the company arises from:			
Continuing operations		(1,045,908)	(246,930)
Discontinued operation		—	(18)
		<u>          </u>	<u>          </u>
		<b>(1,045,908)</b>	<b>(246,948)</b>
		<u>          </u>	<u>          </u>

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended June 30, 2022

	<i>Note</i>	<b>Six months ended June 30,</b> <b>2022</b> <b>RMB'000</b> <b>(Unaudited)</b>	<b>2021</b> <b>RMB'000</b> <b>(Unaudited)</b>
Total comprehensive loss for the period attributable to:			
Equity holders of the Company		(1,226,345)	(242,734)
Non-controlling interests		(3,129)	—
		<u>(1,229,474)</u>	<u>(242,734)</u>
Total comprehensive loss for the period attributable to the equity holders of the Company arises from:			
Continuing operations		(1,226,345)	(241,556)
Discontinued operation		—	(1,178)
		<u>(1,226,345)</u>	<u>(242,734)</u>
<b>Loss per share for loss from continuing operations attributable to the equity holders of the company (expressed in RMB per share)</b>			
Basic and diluted	8	<u>(2.69)</u>	<u>(0.59)</u>
<b>Loss per share attributable to the equity holders of the company (expressed in RMB per share)</b>			
Basic and diluted	8	<u>(2.69)</u>	<u>(0.59)</u>

# UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

As at June 30, 2022

	<i>Note</i>	As at <b>June 30, 2022</b> <i>RMB'000</i> <i>(Unaudited)</i>	As at December 31, 2021 <i>RMB'000</i> <i>(Audited)</i>
<b>Assets</b>			
<b>Non-current assets</b>			
Right-of-use assets		8,206	8,467
Property, plant and equipment		7,655	5,116
Intangible assets		61,885	68,346
Goodwill		1,034,108	1,020,338
Prepayments, deposits and other receivables		5,817	3,061
Investment in a joint venture		1,910	2,028
		<u>1,119,581</u>	<u>1,107,356</u>
<b>Current assets</b>			
Accounts receivables	10	74,791	65,232
Prepayments, deposits and other receivables		31,193	36,940
Restricted cash		95,663	101,477
Cash and cash equivalents		748,728	312,997
		<u>950,375</u>	<u>516,646</u>
<b>Total assets</b>		<u><u>2,069,956</u></u>	<u><u>1,624,002</u></u>
<b>Equity</b>			
<b>Equity attributable to equity holders of the company</b>			
Share capital		10	6
Other reserves		7,638,827	2,513,753
Accumulated losses		(6,069,033)	(4,589,568)
		<u>1,569,804</u>	<u>(2,075,809)</u>
<b>Non-controlling interests</b>		<u>(22)</u>	<u>—</u>
<b>Total equity/(deficit)</b>		<u><u>1,569,782</u></u>	<u><u>(2,075,809)</u></u>

# UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS (CONTINUED)

As at June 30, 2022

	<i>Note</i>	As at <b>June 30, 2022</b> <i>RMB'000</i> <i>(Unaudited)</i>	As at December 31, 2021 <i>RMB'000</i> <i>(Audited)</i>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Convertible redeemable preferred shares		—	3,224,447
Lease liabilities		3,222	907
Deferred tax liabilities		13,719	15,092
		<u>16,941</u>	<u>3,240,446</u>
<b>Current liabilities</b>			
Accounts payables	11	43,186	43,594
Accruals and other payables		397,771	370,183
Contract liabilities		7,451	8,147
Current tax liabilities		22,694	22,694
Other tax liabilities		7,060	6,779
Lease liabilities		5,071	7,968
		<u>483,233</u>	<u>459,365</u>
<b>Total liabilities</b>		<u>500,174</u>	<u>3,699,811</u>
<b>Total equity and liabilities</b>		<u>2,069,956</u>	<u>1,624,002</u>

# UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2022

	<b>Six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Cash flows from operating activities</b>		
Cash used in operations	(148,432)	(156,997)
Interest received	1,316	963
Interest paid	(202)	(1,528)
	<u>(147,318)</u>	<u>(157,562)</u>
<b>Net cash used in operating activities</b>		
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,974)	(528)
Proceeds from disposal of property, plant and equipment	14	712
Interest received from bank deposits	1,316	963
	<u>(3,644)</u>	<u>1,147</u>
<b>Net cash (used in)/generated from investing activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from issuance of convertible redeemable preferred shares	—	409,135
Proceeds from issuance of ordinary shares relating to initial public offering	573,533	—
Repayment of other borrowings	—	(104,652)
Advance from related parties	—	5,809
Repayment to related parties	—	(1,989)
Repayment of principal portions of lease liabilities	(5,134)	(3,173)
Repayment of interest portions of lease liabilities	(202)	(177)
Capital contribution from non-controlling interests	3,107	—
Listing expenses paid	(4,999)	—
	<u>566,305</u>	<u>304,953</u>
<b>Net cash generated from financing activities</b>		
<b>Net increase in cash and cash equivalents</b>	<b>415,343</b>	<b>148,538</b>
Cash and cash equivalents at beginning of the period	312,997	217,253
Exchange differences on cash and cash equivalents	20,388	775
	<u>748,728</u>	<u>366,566</u>
<b>Cash and cash equivalents at end of the period</b>		

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended June 30, 2022*

## 1 General information

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

The Company is an investment holding company. The Company, 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 the People’s Republic of China (the “**PRC**”), Hong Kong, Singapore, Republic of Korea (“**Korea**”), and other Eastern and Southern Asian Countries.

58 Daojia Inc. (“**58 Daojia**”) is the controlling shareholder of the Company and is an associated company of 58.com Inc. (“**58.com**”). The subsidiaries and consolidated affiliated entities of 58.com, excluding the Group, are collectively referred to as the “58 Group”.

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

## 2 Basis of preparation

This condensed consolidated interim financial information of the Group for the six months period ended June 30, 2022 (the “**Interim Financial Information**”) has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”).

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

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this Interim Financial Information, the significant judgements made by management in applying the Group’s accounting policies and key sources of estimation uncertainty are consistent with those used in the Accountants’ Report.



### 3 Change in accounting policy and disclosures

The accounting policies as adopted by the Group are consistent with those set out in the Accountant's report, except for the adoption of new/amended standards and also the changes in an accounting policy as described below.

#### *(a) New and amended standards adopted by the Group*

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

Amendments to IAS 16	Regarding property, plant and equipment: proceeds before intended use
Amendments to IFRS 3	Regarding reference to the conceptual framework
Amendments to IFRS 37	Regarding onerous contracts- cost of fulfilling a contract
Annual Improvements to IFRS Standards 2018–2020	Improvements to IFRSs

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

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

Certain new and amended standards have been issued but are not yet effective for the year beginning on January 1, 2022 and have not been early adopted by the Group during the period ended June 30, 2022.

		Effective for accounting periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
Amendments to IFRS 17	Insurance contracts and related Amendments	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

## 4 Segment reporting

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

The Group’s business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the CODM. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, mainly includes the directors of the Company that make strategic decisions. The Group evaluated its operating segments separately, and determined that it has reportable segments as i) PRC 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 result would present revenues for each segment only, which is in line with the CODM’s performance review. There were no material inter-segment revenue during six months ended June 30, 2022.

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

	Six months ended June 30, 2022 (Unaudited)			Six months ended June 30, 2021 (Unaudited)		
	PRC operations RMB’000	Hong Kong and overseas operations RMB’000	Total RMB’000	PRC operations RMB’000	Hong Kong and overseas operations RMB’000	Total RMB’000
<b>Continuing operations</b>						
Revenue:						
Logistics services provided to enterprise customers	64,262	150,713	214,975	55,032	118,092	173,124
Service income from logistics services platforms	88,227	22,189	110,416	94,145	22,680	116,825
Value-added services (Note)	11,185	12,179	23,364	3,335	8,588	11,923
	<u>163,674</u>	<u>185,081</u>	<u>348,755</u>	<u>152,512</u>	<u>149,360</u>	<u>301,872</u>
Timing of revenue recognition for revenue from contracts with customers:						
Over time	62,797	160,093	222,890	89,413	120,302	209,715
A point in time	100,877	24,988	125,865	63,099	29,058	92,157
Total	<u>163,674</u>	<u>185,081</u>	<u>348,755</u>	<u>152,512</u>	<u>149,360</u>	<u>301,872</u>

*Note:*

The value-added services included rental income from vehicle rental business amounted to approximately RMB15,000 and RMBnil for six months ended June 30, 2022 and 2021, respectively.

Valued-added services also included provision of fuel card services with the gross merchandise volume of approximately RMB61,561,000 and RMB42,838,000 for six months ended June 30, 2022 and 2021, respectively.

## 5 Expenses by nature

	<b>Six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Continuing operations</b>		
Auditor's remuneration		
— Audit services	<b>5,145</b>	157
— Non-audit services	<b>—</b>	<b>—</b>
Depreciation and amortisation	<b>16,063</b>	14,537
Employee benefit expenses (including share-based compensation)	<b>701,721</b>	105,494
Incentives to transacting users from platform services	<b>43,445</b>	47,249
Listing expenses	<b>41,023</b>	7,562
Management services fee charged by entities controlled by 58 Daojia	<b>—</b>	3,448
Office expenses	<b>4,950</b>	3,289
Payment of processing costs	<b>3,173</b>	3,713
Professional service costs	<b>12,438</b>	6,548
Promotion and advertising	<b>22,166</b>	16,479
Recruitment costs	<b>1,395</b>	995
Service charges	<b>8,395</b>	7,240
Short term lease expenses	<b>5,070</b>	2,401
Subcontracting fee		
— logistics services providers	<b>181,614</b>	154,731
— others	<b>33,001</b>	5,712
Travelling expenses	<b>3,284</b>	1,555
Others	<b>15,575</b>	16,466
	<hr/>	<hr/>
Total cost of revenue, selling and marketing expenses, research and development expenses and general and administrative expenses	<b>1,098,458</b>	397,576
	<hr/> <hr/>	<hr/> <hr/>

## 6 Finance income/(costs), net

	Six months ended June 30,	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Continuing operations</b>		
Finance income:		
Interest income from bank deposit	<u>1,316</u>	<u>963</u>
Finance costs:		
Interest expense on lease liabilities	(202)	(175)
Interest expense on other borrowing	<u>—</u>	<u>(1,353)</u>
Total finance cost	<u>(202)</u>	<u>(1,528)</u>
Finance income/(cost), net	<u><u>1,114</u></u>	<u><u>(565)</u></u>

## 7 Income tax (credit)/expenses

The income tax (credit)/expenses of the Group is analysed as follows:

	Six months ended June 30,	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<b>Continuing operations</b>		
Current income tax	—	4,183
Deferred income tax	<u>(1,993)</u>	<u>(1,992)</u>
	<u><u>(1,993)</u></u>	<u><u>2,191</u></u>

### (a) Enterprise income tax in mainland China (“EIT”)

The income tax provision of the Group in respect of its operations in mainland China 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 PRC income tax rate of all PRC subsidiaries during six months ended June 30, 2022 was 25% on their taxable profits.

According to the relevant laws and regulations promulgated by the State Council of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“**Super Deduction**”). The State Taxation Administration of the PRC announced in September 2018 that enterprises engaging in research and development activities would be entitled to claim 175% of their research and development expenses as Super Deduction.

**(b) Hong Kong**

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

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profit subject to Hong Kong profits tax during six months ended June 30, 2022 and June 30, 2021.

**(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.

## **8 Loss per share**

**(a) Basic loss per share**

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

	<b>Six months ended June 30,</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Unaudited)
Loss attributable to the equity holders of the Company used in calculating basic loss per share:		
— From continuing operations (in RMB'000)	<b>(1,045,908)</b>	(246,930)
— From discontinued operation (in RMB'000)	<b>—</b>	(18)
	<hr/>	<hr/>
Weighted average number of ordinary shares outstanding (in thousands of shares)	<b>389,131</b>	421,565
	<hr/>	<hr/>
Basic loss per share		
— From continuing operations (in RMB)	<b>(2.69)</b>	(0.59)
— From discontinued operation (in RMB)	<b>—</b>	—
	<hr/>	<hr/>
	<b>(2.69)</b>	(0.59)
	<hr/> <hr/>	<hr/> <hr/>

**(b) Diluted loss per share**

During six months ended June 30, 2022, the Company did not have any dilutive potential ordinary shares (six months ended June 30, 2021: the Company had dilutive potential ordinary shares included convertible redeemable preferred shares, warrants and convertible notes).

As the Group incurred losses for six months ended June 30, 2022 and 2021, the potential ordinary shares were not included in the calculation of dilutive losses per share, which would be anti-dilutive. Accordingly, dilutive losses per share for six months ended June 30, 2021 was same as the basic loss per share.

**9 Dividends**

No dividends have been paid or declared by the Company and its subsidiaries during six months ended June 30, 2022 and June 30, 2021.

**10 Accounts receivables**

	<b>As at</b>	As at
	<b>June 30,</b>	December 31,
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
	<b>(Unaudited)</b>	(Audited)
Accounts receivables	<b>92,515</b>	83,405
Less: loss allowance	<b>(17,724)</b>	(18,173)
	<hr/>	<hr/>
Accounts receivables, net	<b>74,791</b>	65,232
	<hr/> <hr/>	<hr/> <hr/>

The Group typically grants credit period range 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 <b>June 30,</b> <b>2022</b> <i>RMB'000</i> <i>(Unaudited)</i>	As at December 31, 2021 <i>RMB'000</i> <i>(Audited)</i>
0 to 30 days	<b>54,793</b>	45,055
31 to 60 days	<b>10,503</b>	12,902
61 to 90 days	<b>5,174</b>	3,887
Over 90 days	<b>4,321</b>	3,388
	<u><b>74,791</b></u>	<u>65,232</u>

## 11 Accounts payables

	As at <b>June 30,</b> <b>2022</b> <i>RMB'000</i> <i>(Unaudited)</i>	As at December 31, 2021 <i>RMB'000</i> <i>(Audited)</i>
Accounts payables	<b>43,186</b>	43,594

As at June 30, 2022 and December 31, 2021, the aging of accounts payables based on invoice date are as follows:

	As at <b>June 30,</b> <b>2022</b> <i>RMB'000</i> <i>(Unaudited)</i>	As at December 31, 2021 <i>RMB'000</i> <i>(Audited)</i>
0 to 30 days	<b>38,258</b>	40,500
31–60 days	<b>848</b>	1,100
61–90 days	<b>687</b>	37
Over 90 days	<b>3,393</b>	1,957
	<u><b>43,186</b></u>	<u>43,594</u>

# 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 340 cities across six countries and regions in Asia, namely mainland China, 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 (快狗打車) in mainland China and GOGO 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.

We are continually improving our vibrant ecosystem of millions of shippers and drivers. As of June 30, 2022, we had approximately 29.2 million registered shippers and 5.6 million registered drivers. In the first half of 2022, there were 11.8 million shipment orders fulfilled on our platform, generating a total gross transaction volume (“GTV”) of RMB1,113.3 million. For the six months ended June 30, 2022, our total revenue was RMB348.8 million, increased by 15.5% compared to the corresponding period of 2021.

### 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.

#### *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. Our convenient and efficient platform has attracted millions of shippers, including individuals with logistics needs in their daily life and SMEs with frequent logistics needs during their business operations. Shippers using our platform register on our mobile apps or websites as individual accounts to place orders for intra-city logistics services. Our intelligent matching algorithms will match such shipment orders with drivers based on several factors, including the specification of goods to be delivered, distance and requested vehicle type. Drivers using our platform provide services to satisfy shippers’ diverse needs, ranging from intra-city freight deliveries for bulk goods, same-hour or same-day courier services for lighter items, to household moving services. We help drivers improve their service quality by offering trainings and formulating service standards and procedures.

For the six months ended June 30, 2022, we facilitated approximately 10.8 million shipment orders through our platform services, representing a total GTV of approximately RMB894.6 million.



## ***Enterprise Services***

Our enterprise services provide scalable intra-city logistics solutions for complex needs. We provide planned and on-demand services for enterprise customers, ranging from SMEs to industry-leading, multinational companies. With our solutions, enterprises with recurring logistics needs can receive standardized services, avoid time-consuming price negotiations and gain better protection from freight damage. We leverage our large base of drivers and provide elastic logistics capacity to address shipment requests that are difficult to forecast.

As of June 30, 2022, we had cumulatively served more than 44,900 SMEs and large enterprises through our enterprise services. For the six months ended June 30, 2022, we completed approximately 0.9 million logistics deliveries for our enterprise customers, representing a GTV of approximately RMB218.7 million.

## ***Value-added Services***

We provide a growing range of value-added services for shippers, drivers and other participants in our ecosystem. For example, in mainland China, drivers can access information about locations of fuel stations and vehicle maintenance and repair centers through our mobile apps and book services of their choice at competitive prices. In overseas markets, our value-added services include, among others, fuel cards services in Hong Kong and Singapore and vehicle maintenance and repair services at our proprietary service center in Hong Kong. We believe that our value-added services will increase shippers' and drivers' loyalty to and engagement with our platform and diversify our revenue streams.

## **Social Responsibility and Corporate Governance**

We are committed to promoting corporate social responsibility and sustainable development as well as integrating these principles into all major aspects of our business operations. We are always considering corporate social responsibility as part of our core growth philosophy that will be pivotal to our ability to create sustainable value for our shareholders.

In mainland China, we are dedicated to promoting the use of new energy vehicles (“NEVs”) in logistics services which are not only environment-friendly but also legally compliant pursuant to recent regulatory requirements and have implemented internal policies in this regard. In Singapore and Korea, we provide emission-free deliveries with NEVs for certain enterprise customers to facilitate their vision of sustainable expansion. We have also implemented internal policies to reduce our environmental impact and carbon footprint.

“Customers First, Drivers Oriented” is our motto to operate our business. We aim to achieve growth in a sustainable manner while taking into account the interests of all stakeholders. We build up our competitive advantage to provide technical support, cost-effective and high-quality services to our customers. In addition, we have been striving and will continue to improve the earning flexibility and welfare of drivers.

We will continue to excel our corporate governance mechanism, enhance execution and strengthen risk management and internal control, in a bid to providing solid support for the sustainable and healthy development of our Company.

## Business Outlook

Going forward, the Company will continue to pursue its growth strategies as stated in the prospectus of the Company dated June 14, 2022 (the “**Prospectus**”), including but not limited to, expanding the service network through asset-light model, continuing to broaden the enterprise customer base, strengthening the Group’s technological capacities, growing driver base and increasing driver engagement, exploring diversified monetization opportunities and growing our ecosystem, pursuing strategic partnerships, acquisitions and investments to expand our global footprint. Subject to the market condition and our business performance, we also intend to supplement our service offerings in the future, by cooperating with automobile manufacturers, fleet operators and other cooperators to explore new business line in the provision of automobiles dealership services.

## FINANCIAL REVIEW

### Overview

For the six months ended June 30, 2022, the Company achieved total revenue of RMB348.8 million, increased by 15.5% compared to the corresponding period of last year. In the same reporting period, gross profit achieved a growth to RMB112.2 million, representing a 5.0% period-to-period increase. The adjusted net loss and adjusted EBITDA<sup>i</sup> were RMB118.2 million and RMB105.2 million, respectively. The basic and diluted loss per share were RMB269 cents and RMB59 cents, respectively.

In the first half of 2022, the Company’s net cash used in operating activities was RMB147.3 million. Capital expenditure was RMB5.0 million as at June 30, 2022.

### Revenue

In the first half of 2022, the Company’s revenue was RMB348.8 million. Despite the negative impact of the COVID-19, our revenue increased by 15.5% from RMB301.9 million for the six months ended June 30, 2021, mainly due to the organic growth of our enterprise services and value-added services.

i Adjusted net loss represents loss for the period before (i) share-based compensation expenses, (ii) changes in fair value of financial liabilities at fair value through profit and loss, and (iii) listing expenses. Adjusted EBITDA represents adjusted net loss for the period before (i) income tax (credit)/expenses, (ii) depreciation and amortization, and (iii) net finance (income)/costs. 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 period-to-period comparisons of, and assessing the profile of, our operating and financial performance, and making comparisons with other comparable companies with similar business operations.

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

	Six months ended June 30, 2022			Six months ended June 30, 2021			Period-to-period change		
	(Unaudited)			(Unaudited)			Hong Kong		
	Hong Kong		Total	Hong Kong		Total	Hong Kong		Total
	PRC	and overseas		PRC	and overseas		PRC	and overseas	
Operations	operations	RMB'000	Operations	operations	RMB'000	Operations	operations	RMB'000	
<b>Continuing operations</b>									
Revenue:									
Logistics services provided to enterprise customers	64,262	150,713	214,975	55,032	118,092	173,124	9,230	32,621	41,851
Service income from logistics services platforms	88,227	22,189	110,416	94,145	22,680	116,825	(5,918)	(491)	(6,409)
Value-added services	11,185	12,179	23,364	3,335	8,588	11,923	7,850	3,591	11,441
<b>Total</b>	<b>163,674</b>	<b>185,081</b>	<b>348,755</b>	<b>152,512</b>	<b>149,360</b>	<b>301,872</b>	<b>11,162</b>	<b>35,721</b>	<b>46,883</b>

## Enterprise Services

The revenue from enterprise services increased by 24.2% from RMB173.1 million for the six months ended June 30, 2021 to RMB215.0 million for the six months ended June 30, 2022. Our revenue represents the shipping fares charged by us to enterprises for shipment orders they place with us. The amount we pay for drivers' delivery services is recorded in our cost of revenue. The increase of the revenue was primarily because (i) our operations in most overseas markets returned to normal as the COVID-19 in these markets had been gradually controlled with the ease of travel restrictions since the beginning of 2022, specifically with strong growth from Korea (+38.1%) and India (+141.2%), (ii) the demand for logistics services from customers in the e-commerce industry continued to increase, and (iii) we continued to gain contracts from new customers across various industries.

## Platform Services

The revenue from platform services remained stable, amounting to RMB116.8 million and RMB110.4 million for the six months ended June 30, 2021 and 2022, respectively. We generate revenue from charging service fees to drivers for their use of our platform to provide logistics services for shippers. We cooperated with fleet operators, who use our platform to attract drivers to provide logistics services to shippers. We charged service fee from fleet operators, which was recorded as revenue generated from our value-added services according to our current accounting classification. The platform fleet operators service fee increased by approximately RMB9.4 million for the corresponding periods.

## Value-added Services

Revenue from value-added services increased by 96.6% from RMB11.9 million for the six months ended June 30, 2021 to RMB23.4 million for the six months ended June 30, 2022. Our value-added services mainly include fuel card services, advertising services, vehicles maintenance and repair services, and referral services, among others. The increase of revenue from value-added services was primarily due to an increase of platform fleet operators service fee of RMB9.4 million, an increase of sales of fuel card services of RMB1.2 million in overseas markets and the organic growth of our business scale.

## Cost of Revenue

Our cost of revenue increased by 21.3% from RMB195.0 million for the six months ended June 30, 2021 to RMB236.5 million for the six months ended June 30, 2022, mainly driven by the increase of subcontracting fees of RMB37.0 million, which was in line with the growth of our revenue during the same period. Our cost of revenue excluding share-based compensation expenses increased by 18.9% from RMB195.0 million for the six months ended June 30, 2021 to RMB231.8 million for the six months ended June 30, 2022.

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

	<b>Six months ended June 30,</b>			
	<b>2022</b>	2021	Period-to-period change	
	<b><i>RMB'000</i></b>	<i>RMB'000</i>	<i>RMB'000</i>	%
Subcontracting fee				
— logistics services providers	<b>181,614</b>	154,731	26,883	17.4
— others	<b>13,473</b>	3,406	10,067	295.6
Employee benefit expenses (including share-based compensation)	<b>11,958</b>	12,392	(434)	(3.5)
Depreciation and amortization	<b>8,957</b>	9,031	(74)	(0.8)
Payment of processing cost	<b>3,138</b>	3,713	(575)	(15.5)
Others	<b>17,404</b>	11,750	5,654	48.1
<b>Total</b>	<b><u>236,544</u></b>	<u>195,023</u>	<u>41,521</u>	<u>21.3</u>
<i>Deduction:</i>				
Share-based compensation	<b>4,719</b>	—	4,719	N/A
<b>Total (excluding share-based compensation)</b>	<b><u>231,825</u></b>	<u>195,023</u>	<u>36,802</u>	<u>18.9</u>

## Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded (i) a gross profit of RMB106.8 million and RMB112.2 million for the six months ended June 30, 2021 and 2022, respectively, and (ii) a gross profit margin of 35.4% and 32.2% for the same periods, respectively. Excluding the share-based compensation expenses, we recorded (i) a gross profit of RMB106.8 million and RMB116.9 million for the six months ended June 30, 2021 and 2022, respectively, and (ii) a gross profit margin of 35.4% and 33.5% for the same periods, respectively. Our gross profit margin decreased primarily because the growth in our cost of revenue outpaced the growth in our revenue as a result of the increase in subcontracting fees for logistics service providers as our enterprise services experienced a faster growth compared to our platform services.

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

	Six months ended June 30,			
	2022	2021	Period-to-period change	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	%
<b>Continuing operations</b>				
Revenue	348,755	301,872	46,883	15.5
Cost of revenue	(236,544)	(195,023)	(41,521)	21.3
<b>Gross profit</b>	<b>112,211</b>	<b>106,849</b>	<b>5,362</b>	<b>5.0</b>
Gross profit margin	32.2%	35.4%	(3.2%)	(9.1)

## Excluding share-based compensation

	Six months ended June 30,			
	2022	2021	Period-to-period change	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	%
<b>Continuing operations</b>				
Revenue	348,755	301,872	46,883	15.5
Cost of revenue (excluding share-based compensation)	(231,825)	(195,023)	(36,802)	18.9
<b>Gross profit (excluding share-based compensation)</b>	<b>116,930</b>	<b>106,849</b>	<b>10,081</b>	<b>9.4</b>
Gross profit margin (excluding share-based compensation)	33.5%	35.4%	(1.9%)	(5.3)

## Selling and Marketing Expenses

Our selling and marketing expenses increased by 43.9% from RMB116.7 million for the six months ended June 30, 2021 to RMB167.9 million for the six months ended June 30, 2022. The increase was primarily due to (i) an increase of share-based compensation expenses of RMB31.0 million, (ii) an increase of subcontracting fees for others of RMB16.9 million, mainly outsourced services costs, which was in line with the growth of our revenue and (iii) an increase of promotion and advertising fees of RMB5.7 million. Our selling and marketing expenses excluding share-based compensation expenses increased by 17.3% from RMB116.7 million for the six months ended June 30, 2021 to RMB136.9 million for the six months ended June 30, 2022.

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

	<b>Six months ended June 30,</b>			
	<b>2022</b>	2021	Period-to-period change	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	%
Subcontracting fee				
— Others	<b>19,197</b>	2,306	16,891	732.5
Employee benefit expenses (including share-based compensation)	<b>67,906</b>	37,406	30,500	81.5
Depreciation and amortization	<b>3,211</b>	3,241	(30)	(0.9)
Incentives to transacting users from platform services	<b>43,445</b>	47,249	(3,804)	(8.1)
Promotion and advertising	<b>22,166</b>	16,479	5,687	34.5
Professional service costs	<b>2,130</b>	1,178	952	80.8
Short term lease expenses	<b>3,181</b>	786	2,395	304.7
Travelling expenses	<b>1,978</b>	1,030	948	92.0
Office expenses	<b>1,606</b>	834	772	92.6
Management services fee charged by entities controlled by 58 Daojia	—	1,378	(1,378)	(100.0)
Others	<b>3,121</b>	4,847	(1,726)	(35.6)
<b>Total</b>	<b>167,941</b>	116,734	51,207	43.9
<i>Deduction:</i>				
Share-based compensation	<b>31,059</b>	48	31,011	64,606.3
<b>Total (excluding share-based compensation)</b>	<b>136,882</b>	116,686	20,196	17.3



## General and Administrative Expenses

Our general and administrative expenses increased by 858.1% from RMB67.5 million for the six months ended June 30, 2021 to RMB646.5 million for the six months ended June 30, 2022, primarily due to an increase of employee benefit expenses of RMB538.2 million, which was attributable to an increase of share-based compensation expenses of RMB517.2 million and an increase of employees' compensation of RMB21.0 million as the number of employees increased, and listing expenses of RMB33.5 million in relation to our listing on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing") in June 2022. Our general and administrative expenses excluding share-based compensation expenses and listing expenses increased by 48.3% from RMB58.7 million for the six months ended June 30, 2021 to RMB87.1 million for the six months ended June 30, 2022.

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

	<b>Six months ended June 30,</b>			
	<b>2022</b>	2021	Period-to-period change	
	<b>RMB'000</b>	RMB'000	RMB'000	%
Employee benefit expenses (including share-based compensation)	<b>576,334</b>	38,120	538,214	1,411.9
Depreciation and amortization	<b>3,041</b>	2,037	1,004	49.3
Professional service cost	<b>9,246</b>	4,888	4,358	89.2
Listing expenses	<b>41,023</b>	7,562	33,461	442.5
Auditor's remuneration	<b>5,145</b>	—	5,145	N/A
Office expenses	<b>3,298</b>	2,416	882	36.5
Short term lease expenses	<b>1,660</b>	1,417	243	17.1
Travelling expenses	<b>1,228</b>	361	867	240.2
Recruitment costs	<b>1,370</b>	986	384	38.9
Management services fee charged by entities controlled by 58 Daojia	—	2,014	(2,014)	(100.0)
Management services fee charged by entities controlled by Daojia limited	—	5,120	(5,120)	(100.0)
Others	<b>4,118</b>	2,549	1,569	61.6
<b>Total</b>	<b>646,463</b>	67,470	578,993	858.1
<i>Deduction:</i>				
Share-based compensation	<b>518,337</b>	1,164	517,173	44,430.7
Listing expenses	<b>41,023</b>	7,562	33,461	442.5
<b>Total (excluding share-based compensation &amp; listing expense)</b>	<b>87,103</b>	58,744	28,359	48.3

## Research and Development Expenses

Our research and development expenses increased by 158.9% from RMB18.3 million for the six months ended June 30, 2021 to RMB47.5 million for the six months ended June 30, 2022. The increase was primarily attributable to an increase of share-based compensation expenses of RMB27.7 million. Our research and development expenses excluding share-based compensation expenses increased by 8.1% from RMB18.3 million for the six months ended June 30, 2021 to RMB19.8 million for the six months ended June 30, 2022.

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

	Six months ended June 30,		Period-to-period change	
	2022	2021		
	RMB'000	RMB'000	RMB'000	%
Employee benefit expenses (including share-based compensation)	45,523	17,575	27,948	159.0
Depreciation and amortisation	853	163	690	423.3
Professional service costs	939	332	607	182.8
Others	195	279	(84)	(30.1)
<b>Total</b>	<b>47,510</b>	<b>18,349</b>	<b>29,161</b>	<b>158.9</b>
<i>Deduction:</i>				
Share-based compensation	27,683	—	27,683	N/A
<b>Total (excluding share-based compensation)</b>	<b>19,827</b>	<b>18,349</b>	<b>1,478</b>	<b>8.1</b>

## Reversal of Impairment Losses on Financial Assets

Our reversal of impairment losses on financial assets decreased by 35.5% from RMB0.9 million for the six months ended June 30, 2021 to RMB0.6 million for the six months ended June 30, 2022, primarily due to a decrease in expected credit loss rate.

## Other Income

Our other income increased by 185.3% from RMB2.1 million for the six months ended June 30, 2021 to RMB6.0 million for the six months ended June 30, 2022, primarily due to the increase of government subsidies in both overseas and mainland China and tax refund received in mainland China.

## Other Net Losses

Our other net losses decreased by 35.5% from RMB1.3 million for the six months ended June 30, 2021 to RMB0.9 million for the six months ended June 30, 2022 primarily due to foreign currency exchange loss and disposal of fixed assets.



## **Operating Loss**

As a result of the foregoing, our operating loss increased by 690.8% from RMB94.1 million for the six months ended June 30, 2021 to RMB744.0 million for the six months ended June 30, 2022. Our operating loss excluding share-based compensation expenses and listing expenses increased by 42.1% from RMB85.3 million for the six months ended June 30, 2021 to RMB121.2 million for the six months ended June 30, 2022.

## **Net Finance Income/(Cost)**

We recorded net finance costs of RMB0.6 million for the six months ended June 30, 2021, primarily due to the interest expenses on other borrowings from a Group company. We recorded net finance income of RMB1.1 million for the six months ended June 30, 2022, primarily due to the increase in our bank deposits as a result of our financing activities in 2021 and the first half of 2022.

## **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 RMB150.1 million for the six months ended June 30, 2021 and RMB308.1 million for the six months ended June 30, 2022, respectively, primarily due to an increase in the valuation of the Company.

## **Income Tax (Credit)/Expenses**

We had income tax expenses of RMB2.2 million for the six months ended June 30, 2021, primarily representing the income tax incurred by our profitable subsidiaries. We had income tax credit of RMB2.0 million for the six months ended June 30, 2022, primarily due to the decrease in our current income tax liabilities as the taxable income was nil for the same period.

## **Loss from Discontinued Operation**

We recorded loss from discontinued operation of RMB18,000 and nil for the six months ended June 30, 2021 and 2022, respectively. Loss from discontinued operation represents the net loss which we recorded for the operations of the now-dissolved subsidiary in Taiwan.

## **Total comprehensive loss for the period attributable to the equity holders of the Company**

As a result of the foregoing, we generated a loss of RMB246.9 million for the six months ended June 30, 2021 and a loss of RMB1,049.1 million for the six months ended June 30, 2022.

## **Non-IFRS Measures**

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

We define adjusted net loss (a non-IFRS measure) as loss for the period adjusted for (i) share-based compensation expenses, (ii) changes in fair value of financial liabilities at fair value through profit and loss, and (iii) listing expenses. In the first half of 2022, our adjusted net loss was RMB118.2 million, up by 34.2% compared to the corresponding period of 2021. Share-based compensation expenses consist of non-cash expenses arising from granting options, restricted shares and restricted share units to eligible individuals under the share incentive plan of the Company adopted on August 18, 2021 (the “**Share Incentive Plan**”). The convertible redeemable preferred shares have been automatically converted into ordinary shares upon our Listing on June 24, 2022, and there has been no changes in fair value of financial liabilities at fair value through profit or loss since June 24, 2022.

We define adjusted EBITDA as adjusted net loss for the period adjusted for (i) income tax (credit)/expenses, (ii) depreciation and amortization, and (iii) net finance (income)/costs. In the first half of 2022, our EBITDA was RMB105.2 million, up by 48.6% compared to the corresponding period of 2021.

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

	<b>Six months ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Loss for the period</b>	<b>(1,049,064)</b>	<b>(246,948)</b>
Adjusted for:		
Share-based compensation expenses	<b>581,799</b>	1,212
Changes in fair value of financial liabilities at fair value through profit or loss	<b>308,063</b>	150,090
Listing expenses	<b>41,023</b>	7,562
<b>Non-IFRS measures:</b>		
<b>Adjusted net loss for the period<sup>(1)</sup></b>	<b>(118,179)</b>	<b>(88,084)</b>
<b>Adjusted net loss for the period</b>	<b>(118,179)</b>	<b>(88,084)</b>
Adjusted for:		
Income tax (credit)/expenses	<b>(1,993)</b>	2,191
Depreciation and amortization	<b>16,063</b>	14,537
Finance (income)/costs, net	<b>(1,114)</b>	565
<b>Non-IFRS measures:</b>		
<b>Adjusted EBITDA for the period<sup>(2)</sup></b>	<b>(105,223)</b>	<b>(70,791)</b>

Notes:

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

## Capital Structure, Liquidity and Capital Resources

As at June 30, 2022, the Company's issued share capital was approximately US\$1,538.82 divided into 615,527,987 shares of US\$0.0000025 each, and the total equity of the Group was approximately RMB1,569.8 million.

For the six months ended June 30, 2022, we funded our cash requirements principally from cash generated from operating activities and equity financing activities. Our cash and cash equivalents represent cash and bank balances. We had cash and cash equivalents of RMB748.7 million as of June 30, 2022.

For the six months ended June 30, 2022, our capital expenditures were approximately RMB5.0 million (six months ended June 30, 2021: RMB0.5 million) and were primarily related to purchase of property, plant and equipment of RMB5.0 million.

The following table provides information regarding our cash flows for the six months ended June 30, 2022 and 2021:

	<b>For the six months ended June 30,</b>	
	<b>2022</b>	2021
	<b>RMB'000</b>	RMB'000
Net cash used in operating activities	<b>(147,318)</b>	(157,562)
Net cash (used in)/generated from investing activities	<b>(3,644)</b>	1,147
Net cash generated from financing activities	<b>566,305</b>	304,953
Net increase in cash and cash equivalents	<b>415,343</b>	148,538
Cash and cash equivalents at the beginning of the period	<b>312,997</b>	217,253
Effects of foreign exchange rate changes	<b>20,388</b>	775
Cash and cash equivalents at the end of the period	<b>748,728</b>	366,566

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 Listing. We currently do not have any other plans for material additional external financing.

## Significant Investments Held

The Group did not make or hold any significant investments during the six months ended June 30, 2022.

## Future Plans for Material Investments and Capital Assets

As of the date of this announcement, save for the “Future Plans and Use of Proceeds” disclosed in the Prospectus, the Group did not have any existing plan for acquiring other material investments or 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 during the six months ended June 30, 2022.

## Employee and Remuneration Policy

As of June 30, 2022, we had 1,071 full-time employees located in various jurisdictions in which we operate.

The following table sets forth the number of our employees categorized by function as of June 30, 2022.

Function	Number of Employees	% of Total Number
Sales and marketing	442	41.3
User services and operations	371	34.6
Research and development	131	12.2
Management and administration	127	11.9
Total	<u>1,071</u>	<u>100.0</u>

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.

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. In order to recognize and acknowledge the contributions made by certain of management members, employees and consultants, the Company has also adopted the Share Incentive Plan on August 18, 2021.

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

The total remuneration, including equity-settled share-based compensation, for the six months ended June 30, 2022 was RMB701.7 million, as opposed to RMB105.5 million for the six months ended June 30, 2021, representing a period-to-period increase of 565.1%.

### **Gearing Ratio**

As of June 30, 2022, the gearing ratio, calculated as total borrowings divided by total equity attributable to owners of the Company, was not applicable as the Company's borrowing amounted to nil as of the same date.

### **Foreign Exchange Risk**

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

### **Pledge of Assets**

As of June 30, 2022, restricted cash of RMB95.7 million was pledged, compared with RMB101.5 million as of December 31, 2021.

### **Contingent Liabilities**

As of June 30, 2022, we did not have any material contingent liabilities or guarantees.

### **Subsequent Events**

Save as disclosed in this announcement and as of the date of this announcement, there were no other significant events that might affect the Group since June 30, 2022.

### **Borrowings**

As of June 30, 2022, our outstanding borrowings amounted to nil.

## **USE OF PROCEEDS FROM THE GLOBAL OFFERING**

The shares of the Company were listed on the Stock Exchange on June 24, 2022 (the "**Listing Date**"). The net proceeds raised from the Company's global offering (the "**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 announcement, there was no change in the intended use of net proceeds and the expected timeline as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The following table sets forth a summary of the utilization of the net proceeds from the Global Offering as of June 30, 2022:

<b>Purpose</b>	<b>Net proceeds (HK\$ in million)</b>				<b>Expected timeline for full utilization of the remaining net proceeds</b>
	<b>Percentage to total amount</b>	<b>Net proceeds incurred from the Global Offering</b>	<b>Actual use of proceeds up to June 30, 2022</b>	<b>Unutilized amount as of June 30, 2022</b>	
Enlarge our user base and strengthen our brand awareness	40%	221.8	—	221.8	December 31, 2025
Develop new services and products to enhance our monetization capabilities	20%	110.9	—	110.9	December 31, 2025
Pursue strategic alliances, investments and acquisitions in overseas markets	20%	110.9	—	110.9	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	—	55.5	June 30, 2025
Working capital and general corporate purposes	10%	55.4	—	55.4	December 31, 2025
<b>Total</b>	<b>100%</b>	<b>554.5</b>	<b>—</b>	<b>554.5</b>	

## **INTERIM DIVIDEND**

The Board resolved not to declare an interim dividend for the six months ended June 30, 2022.

## **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 Corporate Governance Code (the “**Corporate Governance Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as its own code of corporate governance. Throughout the period from the Listing Date up to June 30, 2022 (the “**Relevant Period**”), the Company has complied with the code provisions as set out in Part 2 of the Corporate Governance Code except as disclosed below.

Code provision C.5.1 of the Corporate Governance Code provides that board meetings should be held at least four times a year at approximately quarterly intervals. As the Company was only listed on June 24, 2022, the Company did not hold any Board meetings throughout the Relevant Period.

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

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

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Relevant Period.

## **AUDIT COMMITTEE**

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

The Audit Committee has discussed with the management and reviewed the unaudited interim consolidated financial statements of the Group for the six months ended June 30, 2022.



## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([gogoxholdings.com](http://gogoxholdings.com)) and the interim report of the Company for the six months ended June 30, 2022 will be dispatched to the shareholders of the Company and published on the above websites in due course.

By order of the Board  
**GOGOX HOLDINGS LIMITED**  
**CHEN Xiaohua**  
*Chairman of the Board and  
Executive Director*

Hong Kong, August 26, 2022

*As at the date of this announcement, the executive Directors are Mr. CHEN Xiaohua, Mr. HE Song, Mr. LAM Hoi Yuen and Mr. HU Gang; the non-executive Directors are Mr. YE Wei, Mr. LEUNG Ming Shu, Mr. SHUAI Yong and Mr. WANG Ye; and the independent non-executive Directors are Mr. KWAN Ming Sang Savio, Mr. NI Zhengdong, Mr. TANG Shun Lam and Mr. ZHAO Hongqiang.*