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GOGO X HOLDINGS LIMITED

快狗打车控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2246)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2022

ANNUAL RESULTS HIGHLIGHTS

	Year ended December 31,		Year-on-year change (%)
	2022 RMB'000	2021 RMB'000	
Revenue	773,248	660,857	17.0
Gross profit	261,609	241,724	8.2
Loss before income tax	(1,217,915)	(872,576)	39.6
Loss for the year	(1,209,141)	(872,854)	38.5
Non-IFRS measures:			
Adjusted net loss for the year (non-audited) ⁽¹⁾	(228,900)	(277,304)	(17.5)
Adjusted EBITDA for the year (non-audited) ⁽²⁾	(206,263)	(248,627)	(17.0)

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, and (iii) listing expenses.
- (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/(expenses), (ii) depreciation and amortisation, and (iii) net finance income.

The board (the “**Board**”) of directors (the “**Directors**”) of GOGO X HOLDINGS LIMITED (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries and consolidated affiliated entities (the “**Group**”, “**we**”, “**us**” or “**our**”) for the year ended December 31, 2022 (the “**Reporting Period**”) together with the comparative figures for the year ended December 31, 2021 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2022

		Year ended December 31,	
		2022	2021
	Notes	RMB'000	RMB'000
Continuing operations			
Revenue	4	773,248	660,857
Cost of revenue	5	(511,639)	(419,133)
		<u>261,609</u>	<u>241,724</u>
Gross profit			
Selling and marketing expenses	5	(320,820)	(334,966)
General and administrative expenses	5	(792,866)	(186,828)
Research and development expenses	5	(72,239)	(34,748)
(Impairment losses)/reversal of impairment losses on financial assets		(4,248)	50
Other income		8,590	4,163
Other gains/(losses), net		7,674	(3,425)
		<u>(912,300)</u>	<u>(314,030)</u>
Operating loss			
Finance income, net		2,440	1,039
Changes in fair value of financial liabilities at fair value through profit or loss		(308,063)	(559,613)
Share of net profit of a joint venture accounted for using the equity method		8	28
		<u>(1,217,915)</u>	<u>(872,576)</u>
Loss before income tax			
Income tax credit/(expenses)	6	8,774	(259)
		<u>(1,209,141)</u>	<u>(872,835)</u>
Loss from continuing operations			
Loss from discontinued operation		–	(19)
		<u>(1,209,141)</u>	<u>(872,854)</u>
Loss for the year			

	Year ended December 31,	
	2022	2021
	RMB'000	RMB'000
Other comprehensive losses:		
<i>Items that will not be reclassified to profit or loss</i>		
Changes in fair value of convertible redeemable preferred shares due to own credit risk	(31,039)	32,141
Changes in fair value of other financial liabilities due to own credit risk	–	(504)
Currency translation differences	(158,452)	59,200
<i>Items that may be subsequently reclassified to profit or loss</i>		
Currency translation differences	33,434	(13,283)
Currency translation differences on discontinued operation	–	2
	<hr/>	<hr/>
Total other comprehensive (losses)/income	(156,057)	77,556
Total comprehensive loss for the year	<u>(1,365,198)</u>	<u>(795,298)</u>
Loss for the year attributable to:		
Equity holders of the Company	(1,205,408)	(872,854)
Non-controlling interests	(3,733)	–
	<hr/>	<hr/>
	(1,209,141)	(872,854)
Loss for the year attributable to the equity holders of the Company arises from:		
Continuing operations	(1,205,408)	(872,835)
Discontinued operation	–	(19)
	<hr/>	<hr/>
	(1,205,408)	(872,854)
Total comprehensive loss for the year attributable to:		
Equity holders of the Company	(1,361,327)	(795,298)
Non-controlling interests	(3,871)	–
	<hr/>	<hr/>
	(1,365,198)	(795,298)

		Year ended December 31,	
		2022	2021
	<i>Note</i>	RMB'000	RMB'000
Total comprehensive loss for the year			
attributable to the equity holders of the			
Company arisen from:			
Continuing operations		(1,361,327)	(795,281)
Discontinued operation		<u> –</u>	<u> (17)</u>
		<u>(1,361,327)</u>	<u>(795,298)</u>
Loss per share for loss from continuing operations			
attributable to the equity holders of the			
Company (expressed in RMB per share)			
Basic and diluted	7	<u>(2.40)</u>	<u>(2.16)</u>
Loss per share attributable to the equity			
holders of the Company (expressed in RMB			
per share)			
Basic and diluted	7	<u>(2.40)</u>	<u>(2.16)</u>

CONSOLIDATED BALANCE SHEET

As at December 31, 2022

		As at December 31,	
		2022	2021
	Note	RMB'000	RMB'000
Assets			
Non-current assets			
Right-of-use assets		21,046	8,467
Property, plant and equipment		6,938	5,116
Intangible assets		52,448	68,346
Goodwill		1,048,062	1,020,338
Investment in a joint venture		2,036	2,028
Prepayments, deposits and other receivables		7,113	3,061
		<u>1,137,643</u>	<u>1,107,356</u>
Current assets			
Accounts receivables	9	96,709	65,232
Prepayments, deposits and other receivables		30,613	36,940
Financial assets at fair value through profit or loss		258,342	–
Restricted cash		70,839	101,477
Cash and cash equivalents		330,734	312,997
		<u>787,237</u>	<u>516,646</u>
Total assets		<u>1,924,880</u>	<u>1,624,002</u>
Equity			
Share capital		10	6
Other reserves		7,730,903	2,513,753
Accumulated losses		(6,246,066)	(4,589,568)
Equity attributable to equity holders of the Company		<u>1,484,847</u>	<u>(2,075,809)</u>
Non-controlling interests		<u>(764)</u>	<u>–</u>
Total equity/(deficit)		<u>1,484,083</u>	<u>(2,075,809)</u>

		As at December 31,	
		2022	2021
	<i>Note</i>	RMB'000	RMB'000
Liabilities			
Non-current liabilities			
Convertible redeemable preferred shares		–	3,224,447
Lease liabilities		13,028	907
Deferred tax liabilities		11,402	15,092
		<u>24,430</u>	<u>3,240,446</u>
Current liabilities			
Accounts payables	10	51,832	43,594
Accruals and other payables		322,147	370,183
Contract liabilities		7,710	8,147
Current tax liabilities		17,791	22,694
Other tax liabilities		9,238	6,779
Lease liabilities		7,649	7,968
		<u>416,367</u>	<u>459,365</u>
Total liabilities		<u>440,797</u>	<u>3,699,811</u>
Total equity/(deficit) and liabilities		<u>1,924,880</u>	<u>1,624,002</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 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 PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.

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

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

2 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss, convertible redeemable preferred shares, warrants and convertible notes, which are measured at fair value.

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) Amendments to standards and accounting guidelines adopted by the Group

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

Amendments to International Accounting Standards (“ 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 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.

* *English names are translated for identification purpose only.*

(b) **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 January 1, 2022 and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
IFRS 17	Insurance contracts and the related amendments	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
Amendments to IFRS 4	Extension of the temporary exemption from applying IFRS 9	January 1, 2023
Amendments to IFRS 16	Leases on sale and leaseback	January 1, 2024
Amendments to IAS 1	Classification of liabilities as current or non-current	January 1, 2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

4 Segment reporting

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision maker (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 December 31, 2022 and 2021.

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.

	Year ended December 31,					
	2022			2021		
	Chinese mainland operations RMB'000	Hong Kong and overseas operations RMB'000	Total RMB'000	Chinese mainland operations RMB'000	Hong Kong and overseas operations RMB'000	Total RMB'000
Continuing operations						
Revenue:						
Logistics services provided to enterprise customers	127,977	344,339	472,316	123,359	249,447	372,806
Service income from logistics services platforms	192,476	51,617	244,093	210,803	47,342	258,145
Value-added services (<i>Note</i>)	27,411	29,428	56,839	9,398	20,508	29,906
	<u>347,864</u>	<u>425,384</u>	<u>773,248</u>	<u>343,560</u>	<u>317,297</u>	<u>660,857</u>
Timing of revenue recognition for revenue from contracts with customers:						
Over time	140,300	346,584	486,884	175,883	251,429	427,312
A point in time	207,564	78,800	286,364	167,677	65,868	233,545
Total	<u>347,864</u>	<u>425,384</u>	<u>773,248</u>	<u>343,560</u>	<u>317,297</u>	<u>660,857</u>

Note: The value-added services included rental income from vehicle rental business amounted to approximately RMB49,000 and nil for the years ended December 31, 2022 and 2021, respectively.

Valued-added services also included provision of fuel card services with the gross merchandise volume of approximately RMB146,525,000 and RMB91,777,000 for the years ended December 31, 2022 and 2021, respectively.

(a) Geographical information

The Group's operations are mainly located in Chinese mainland, Hong Kong, Korea and Singapore. Information about the Group's revenue from continuing operations is analysed by location of the services provided.

	Year ended December 31,	
	2022 RMB'000	2021 RMB'000
Chinese mainland	347,864	343,560
Hong Kong	210,976	173,331
Korea	107,993	81,890
Singapore	63,855	56,915
Other countries	42,560	5,161
	<u>773,248</u>	<u>660,857</u>

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 December 31,	
	2022	2021
	RMB'000	RMB'000
Continuing operations		
Chinese mainland	763,315	781,071
Hong Kong	357,815	319,672
Singapore	712	699
Korea	1,681	2,332
Other countries	7,263	521
Discontinued operation		
Taiwan	–	–
	<u>1,130,786</u>	<u>1,104,295</u>

5 Expenses by nature

	Year ended December 31,	
	2022	2021
	RMB'000	RMB'000
Continuing operations		
Auditor's remuneration		
– Audit services	7,500	485
– Non-audit services	559	–
Depreciation and amortisation	33,851	29,457
Employee benefit expenses (including share-based compensation expenses)	872,678	210,553
Incentives to transacting users from platform services	108,547	166,520
Listing expenses	45,664	33,812
Management services fee charged by entities controlled by 58 Daojia	–	3,449
Payment processing costs	7,678	8,084
Professional service costs	28,687	29,788
Promotion and advertising	44,256	49,392
Recruitment costs	2,924	2,447
Service charges	34,386	20,457
Short term lease expenses	6,740	5,095
Subcontracting fee		
– logistics services providers	382,067	309,708
– others	82,431	62,217
Travelling expenses	7,846	4,034
Others	31,750	40,177
	<u>1,697,564</u>	<u>975,675</u>
Total cost of revenue, selling and marketing expenses, research and development expenses and general and administrative expenses		

6 Income tax (credit)/expenses

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

	Year ended December 31,	
	2022	2021
	RMB'000	RMB'000
Continuing operations		
Current income tax	(4,820)	4,183
Deferred income tax	(3,954)	(3,924)
	<u>(8,774)</u>	<u>259</u>

7 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 December 31,	
	2022	2021
	RMB'000	RMB'000
Loss attributable to the equity holders of the Company used in calculating basic loss per share:		
– From continuing operations (in RMB'000)	(1,205,408)	(872,835)
– From discontinued operation (in RMB'000)	–	(19)
	<u>(1,205,408)</u>	<u>(872,854)</u>
Weighted average number of ordinary shares outstanding (in thousands of shares)	<u>503,293</u>	<u>403,342</u>
Basic loss per share		
– From continuing operations (in RMB)	(2.40)	(2.16)
– From discontinued operation (in RMB)	–	–
	<u>(2.40)</u>	<u>(2.16)</u>

(b) Diluted loss per share

During the years ended December 31, 2022 and 2021, the Company had dilutive potential ordinary shares including share options, convertible redeemable preferred shares, warrants and convertible notes.

As the Group incurred losses for the years ended December 31, 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 the years ended December 31, 2022 and 2021 were same as the basic loss per share for the respective years.

8 Dividends

No dividends have been paid or declared by the Company and its subsidiaries during the years ended December 31, 2022 and 2021.

9 Accounts receivables

	As at December 31,	
	2022	2021
	RMB'000	RMB'000
Accounts receivables	112,398	83,405
Less: loss allowance	(15,689)	(18,173)
	<u>96,709</u>	<u>65,232</u>
Accounts receivables, net	<u>96,709</u>	<u>65,232</u>

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 December 31,	
	2022	2021
	RMB'000	RMB'000
0 to 30 days	58,266	45,055
31 to 60 days	21,434	12,902
61 to 90 days	8,914	3,887
Over 90 days	8,095	3,388
	<u>96,709</u>	<u>65,232</u>

10 Accounts payables

	As at December 31,	
	2022	2021
	RMB'000	RMB'000
Accounts payables	<u>51,832</u>	<u>43,594</u>

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

	As at December 31,	
	2022	2021
	RMB'000	RMB'000
0 to 30 days	41,982	40,500
31 to 60 days	4,378	1,100
61 to 90 days	1,333	37
Over 90 days	4,139	1,957
	<u>51,832</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 360 cities across six countries and regions in Asia, namely Chinese mainland, Hong Kong, Singapore, Korea, India and Vietnam, we own and operate two highly-recognized, well-trusted brands in the online intra-city logistics space: Kuaigou Dache (快狗打車) in Chinese mainland 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 December 31, 2022, we had approximately 30.7 million registered shippers and 6.1 million registered drivers. In 2022, there were 26.4 million shipment orders fulfilled on our platform, generating a total gross transaction volume (“GTV”) of RMB2,540.7 million. For the year ended December 31, 2022, despite the negative impact of COVID-19, our total revenue was RMB773.2 million, increased by 17.0% compared to 2021. In the Reporting Period, our gross profit achieved a growth to RMB261.6 million, representing a 8.2% year-on-year increase, and our adjusted net loss decreased 17.5% from 2021 to RMB228.9 million in 2022.

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 year ended December 31, 2022, we facilitated approximately 24.6 million shipment orders through our platform services, representing a total GTV of approximately RMB2,058.0 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 December 31, 2022, we had cumulatively served more than 49,900 SMEs and large enterprises through our enterprise services. For the year ended December 31, 2022, we completed approximately 1.9 million logistics deliveries for our enterprise customers, representing a GTV of approximately RMB482.7 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 Chinese mainland, 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 card 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

As a major technology-driven intra-city logistics platform in Asia, we take corporate social responsibility as part of our core growth philosophy. We are committed to integrate sustainable development into our overall development strategies and daily operations.

We have established a three-tier Environmental, Social and Governance (“**ESG**”) governance structure to establish, review, adopt and execute the ESG related plans and policies. Our Board has a collective and overall responsibility for establishing, adopting and reviewing the ESG vision, policy and target of our Group, and evaluating, determining and addressing our ESG-related risks. Our ESG committee, which was set up in 2022 and led by our joint chief executive officers, is responsible for monitoring the major ESG-related issues for our Board's review. Our ESG working groups are dedicated to implementing and executing policies and plans in our day-to-day management and operations.

We leverage data and technology to build efficient supply chains, lower costs for shippers, increase earnings for drivers, and minimize environmental impact. We jointly established the Green Logistics Industry Alliance in association with other industry peers in 2021, aiming to create a low-carbon, environmental-friendly and sustainable industry chain system. In Chinese mainland, we pioneer to promoting the use of new energy vehicles (“NEV”) in logistics services. For example, we promote the sales of NEVs through our referral services, and facilitated sales of 1,625 vehicles in 2022, all of which were NEVs. In addition, in 2022, more than half of the orders on our platform in Chinese mainland were completed by NEVs. In particular, the percentage of orders completed by NEVs via our platform increased from 54.7% in January 2021 to 88.5% in December 2022 in Shenzhen. In Singapore and Korea, we provide emission-free deliveries with NEVs for certain enterprise customers to facilitate their vision of sustainable expansion. For our continuous efforts on sustainable development, we received Green Sustainability Contribution Award from International Green Zero-Carbon Festival in 2022.

We are also dedicated to improving the welfare and working environment of drivers. In Chinese mainland, we established Home of Drivers (司機之家) in more than 30 cities as of December 31, 2022. In addition to the Kuaigou Dache Freight Union we established in Tianjin in September 2021, we also launched Kuaigou Dache Zhengzhou Freight Union in September 2022, to provide a number of benefits to drivers who voluntarily participate.

In addition, we actively promote the concept of green office and adopt a variety of measures to enhance our employees’ awareness and create a green and low-carbon working environment. We have implemented various policies regarding the use of resources in office and closely monitor the level of our consumptions.

In the future, we will continue to reinforce our corporate governance, involving privacy protection, data and personal security, internal control and risk management, to achieve steady, consistent and sustainable growth of our Group.

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 year ended December 31, 2022, the Company achieved total revenue of RMB773.2 million, increased by 17.0% compared to the last year. In the Reporting Period, gross profit achieved a growth to RMB261.6 million, representing a 8.2% year-on-year increase. The adjusted net loss and adjusted EBITDA¹ were RMB228.9 million and negative RMB206.3 million, respectively, representing a year-on-year decrease of 17.5% and 17.0%, respectively. The basic and diluted loss per share were RMB216 cents and RMB240 cents for the years ended December 31, 2021 and 2022, respectively. Our capital expenditure was RMB6.7 million as at December 31, 2022.

Revenue

For the year ended December 31, 2022, the Company's revenue was RMB773.2 million. Despite the negative impact of the COVID-19, our revenue increased by 17.0% from RMB660.9 million for the year ended December 31, 2021, mainly due to the organic growth of our enterprise services and value-added services.

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, 2022			Year ended December 31, 2021			Year-on-year change		
	Chinese mainland operations RMB'000	Hong Kong and overseas operations RMB'000	Total RMB'000	Chinese mainland operations RMB'000	Hong Kong and overseas operations RMB'000	Total RMB'000	Chinese mainland operations RMB'000	Hong Kong and overseas operations RMB'000	Total RMB'000
Continuing operations									
Revenue:									
Logistics services provided to enterprise customers	127,977	344,339	472,316	123,359	249,447	372,806	4,618	94,892	99,510
Service income from logistics services platforms	192,476	51,617	244,093	210,803	47,342	258,145	(18,327)	4,275	(14,052)
Value-added services	27,411	29,428	56,839	9,398	20,508	29,906	18,013	8,920	26,933
Total	347,864	425,384	773,248	343,560	317,297	660,857	4,304	108,087	112,391

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, and (iii) listing expenses. Adjusted EBITDA represents adjusted net loss for the year before (i) income tax credit/(expenses), (ii) depreciation and amortisation, 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 to 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 increased by 26.7% from RMB372.8 million for the year ended December 31, 2021 to RMB472.3 million for the year ended December 31, 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 revenue surged in overseas markets and achieved organic growth in Chinese mainland, thanks to the global and nationwide lifting of COVID-19 and travel restrictions. For example, we witnessed strong growth from India (+704.3%) and Korea (+31.9%) as our service area expanded, (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 decreased by 5.4% from RMB258.1 million for the year ended December 31, 2021 to RMB244.1 million for the year ended December 31, 2022, primarily due to the reduced shipper activities as a result of the negative impact of COVID-19 in Chinese mainland. 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. For the year ended December 31, 2022, the platform fleet operators service fee increased by approximately RMB17.1 million for the corresponding periods.

Value-added Services

Revenue from value-added services increased by 90.0% from RMB29.9 million for the year ended December 31, 2021 to RMB56.8 million for the year ended December 31, 2022. Our value-added services mainly include fuel card services, advertising services, vehicle maintenance and repair services, and referral services, among others. The increase of revenue from value-added services was primarily due to (i) an increase of platform fleet operators service fee of RMB17.1 million, (ii) an increase of sales of fuel card services of RMB4.1 million in overseas markets and (iii) the organic growth of our business scale.

Cost of Revenue

Our cost of revenue increased by 22.1% from RMB419.1 million for the year ended December 31, 2021 to RMB511.6 million for the year ended December 31, 2022, mainly driven by the increase of subcontracting fees of RMB79.4 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 20.7% from RMB419.1 million for the year ended December 31, 2021 to RMB505.8 million for the year ended December 31, 2022.

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

	Year ended December 31,		Year-on-year change	
	2022	2021		
	RMB'000	RMB'000	RMB'000	%
Subcontracting fee				
– logistics services providers	382,067	309,708	72,359	23.4
– others	44,405	37,406	6,999	18.7
Employee benefit expenses (including share-based compensation expenses)	22,491	20,832	1,659	8.0
Depreciation and amortisation	18,122	17,967	155	0.9
Payment processing costs	7,601	7,934	(333)	(4.2)
Others	36,953	25,286	11,667	46.1
Total	511,639	419,133	92,506	22.1
<i>Deduction:</i>				
Share-based compensation expenses	5,823	–	5,823	N/A
Total (excluding share-based compensation expenses)	505,816	419,133	86,683	20.7

Gross Profit and Gross Profit Margin

As a result of the foregoing, we recorded (i) a gross profit of RMB241.7 million and RMB261.6 million for the years ended December 31, 2021 and 2022, respectively, and (ii) a gross profit margin of 36.6% and 33.8% for the same periods, respectively. Excluding the share-based compensation expenses, we recorded (i) a gross profit of RMB241.7 million and RMB267.4 million for the years ended December 31, 2021 and 2022, respectively, and (ii) a gross profit margin of 36.6% and 34.6% 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 our enterprise services, which recorded relatively lower gross profit margin, 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 years indicated.

	Year ended December 31,		Year-on-year change	
	2022 RMB'000	2021 RMB'000	RMB'000	%
Continuing operations				
Revenue	773,248	660,857	112,391	17.0
Cost of revenue	(511,639)	(419,133)	(92,506)	22.1
Gross profit	261,609	241,724	19,885	8.2
Gross profit margin	33.8%	36.6%	–	–

Excluding share-based compensation expenses

	Year ended December 31,		Year-on-year change	
	2022 RMB'000	2021 RMB'000	RMB'000	%
Continuing operations				
Revenue	773,248	660,857	112,391	17.0
Cost of revenue (excluding share-based compensation expenses)	(505,816)	(419,133)	(86,683)	20.7
Gross profit (excluding share-based compensation)	267,432	241,724	25,708	10.6
Gross profit margin (excluding share-based compensation expenses)	34.6%	36.6%	–	–

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 4.2% from RMB335.0 million for the year ended December 31, 2021 to RMB320.8 million for the year ended December 31, 2022. The decrease was primarily due to a decrease of incentives to transacting users from platform services of RMB58.0 million, which was partially offset by an increase of share-based compensation expenses of RMB29.8 million. Our selling and marketing expenses excluding share-based compensation expenses decreased by 13.1% from RMB334.9 million for the year ended December 31, 2021 to RMB291.0 million for the year ended December 31, 2022.

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

	Year ended		Year-on-year	
	December 31, 2022	2021	change	%
	RMB'000	RMB'000	RMB'000	%
Incentives to transacting users from platform services	108,547	166,520	(57,973)	(34.8)
Employee benefit expenses (including share-based compensation expenses)	100,455	68,186	32,269	47.3
Promotion and advertising	44,256	49,392	(5,136)	(10.4)
Others	67,562	50,868	16,694	32.8
Total	<u>320,820</u>	<u>334,966</u>	<u>(14,146)</u>	<u>(4.2)</u>
<i>Deduction:</i>				
Share-based compensation expenses	<u>29,867</u>	<u>67</u>	<u>29,800</u>	<u>44,477.6</u>
Total (excluding share-based compensation expenses)	<u>290,953</u>	<u>334,899</u>	<u>(43,946)</u>	<u>(13.1)</u>

General and Administrative Expenses

Our general and administrative expenses increased by 324.4% from RMB186.8 million for the year ended December 31, 2021 to RMB792.9 million for the year ended December 31, 2022, primarily due to (i) an increase of employee benefit expenses of RMB594.1 million, primarily including an increase of share-based compensation expenses of RMB560.7 million, and (ii) listing expenses of RMB11.9 million in relation to our listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in June 2022 (the “**Listing**”). Our general and administrative expenses excluding share-based compensation expenses and listing expenses increased by 22.2% from RMB151.0 million for the year ended December 31, 2021 to RMB184.5 million for the year ended December 31, 2022.

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

	Year ended December 31,		Year-on-year change	
	2022	2021		%
	RMB'000	RMB'000	RMB'000	
Employee benefit expenses (including share-based compensation expenses)	682,825	88,693	594,132	669.9
Listing expenses	45,664	33,812	11,852	35.1
Professional service costs	22,403	25,642	(3,239)	(12.6)
Depreciation and amortisation	6,784	4,423	2,361	53.4
Management services fee charged by entities controlled by 58 Daojia	–	1,667	(1,667)	–
Others	35,190	32,591	2,599	8.0
Total	792,866	186,828	606,038	324.4
<i>Deduction:</i>				
Share-based compensation expenses	562,732	2,058	560,674	27,243.6
Listing expenses	45,664	33,812	11,852	35.1
Total (excluding share-based compensation expenses & listing expenses)	184,470	150,958	33,512	22.2

Research and Development Expenses

Our research and development expenses increased by 107.9% from RMB34.7 million for the year ended December 31, 2021 to RMB72.2 million for the year ended December 31, 2022. The increase was primarily attributable to an increase of share-based compensation expenses of RMB28.1 million. Our research and development expenses excluding share-based compensation expenses increased by 27.0% from RMB34.7 million for the year ended December 31, 2021 to RMB44.1 million for the year ended December 31, 2022.

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

	Year ended December 31,		Year-on-year change	
	2022	2021		
	RMB'000	RMB'000	RMB'000	%
Employee benefit expenses (including share-based compensation expenses)	66,907	32,842	34,065	103.7
Others	5,332	1,906	3,426	179.7
Total	<u>72,239</u>	<u>34,748</u>	<u>37,491</u>	<u>107.9</u>
<i>Deduction:</i>				
Share-based compensation expenses	<u>28,092</u>	–	28,092	N/A
Total (excluding share-based compensation expenses)	<u>44,147</u>	<u>34,748</u>	<u>9,399</u>	<u>27.0</u>

(Impairment Losses)/Reversal of Impairment Losses on Financial Assets

We recorded reversal of impairment losses on financial assets of RMB50,000 for the year ended December 31, 2021. Our impairment losses on financial assets amounted to RMB4.2 million for the year ended December 31, 2022, primarily due to impairment in relation to the platform fleet operators services.

Other Income

Our other income increased by 106.3% from RMB4.2 million for the year ended December 31, 2021 to RMB8.6 million for the year ended December 31, 2022, primarily due to the increase of government subsidies in both overseas and Chinese mainland.

Other Gains/(Losses), Net

We recorded other net losses of RMB3.4 million for the year ended December 31, 2021 primarily due to foreign currency exchange loss and disposal of fixed assets. 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.

Operating Loss

As a result of the foregoing, our operating loss increased by 190.5% from RMB314.0 million for the year ended December 31, 2021 to RMB912.3 million for the year ended December 31, 2022. Our operating loss excluding share-based compensation expenses and listing expenses decreased by 13.7% from RMB278.1 million for the year ended December 31, 2021 to RMB240.1 million for the year ended December 31, 2022.

Net Finance Income

Our net finance income increased by 134.8% from RMB1.0 million for the year ended December 31, 2021 to RMB2.4 million for the year ended December 31, 2022, primarily due to the increase in our bank deposits as a result of our financing activities in 2021 and 2022, respectively.

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 RMB559.6 million for the year ended December 31, 2021 and RMB308.1 million for the year ended December 31, 2022, respectively, primarily in relation to the increased valuation of our Company due to our financing activities in 2021 and 2022, respectively.

Income Tax (Credit)/Expenses

We had income tax expenses of RMB0.3 million for the year ended December 31, 2021, primarily representing the income tax incurred by our profitable subsidiaries, which was partially offset by the amortisation of our deferred income tax liabilities which arose in connection with our acquisition of subsidiaries of GoGo Tech Holdings Limited. We had income tax credit of RMB8.8 million for the year ended December 31, 2022, primarily due to (i) the amortisation of our deferred income tax liabilities which arose in connection with our acquisition of subsidiaries of GoGo Tech Holdings Limited and (ii) the reversal of income tax liabilities according to relevant tax laws and regulations.

Loss from Discontinued Operation

We recorded loss from discontinued operation of RMB19,000 and nil for the years ended December 31, 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 Year Attributable to the Equity Holders of the Company

As a result of the foregoing, we generated a loss of RMB795.3 million for the year ended December 31, 2021 and a loss of RMB1,361.3 million for the year ended December 31, 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 year to 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, and (iii) listing expenses. In 2022, our adjusted net loss was RMB228.9 million, down by 17.5% compared to 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 we did not record any further gains or losses in relation to valuation changes in such instruments since June 24, 2022.

We define adjusted EBITDA as adjusted net loss for the year adjusted for (i) income tax credit/(expenses), (ii) depreciation and amortisation, and (iii) net finance income. In 2022, our adjusted EBITDA was negative RMB206.3 million, down by 17.0% compared to 2021.

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 periods.

	Year ended December 31,	
	2022	2021
	RMB'000	RMB'000
Loss for the year	(1,209,141)	(872,854)
Adjusted for:		
Share-based compensation expenses	626,514	2,125
Changes in fair value of financial liabilities at fair value through profit or loss	308,063	559,613
Listing expenses	45,664	33,812
Non-IFRS measures:		
Adjusted net loss for the year (non-audited)⁽¹⁾	(228,900)	(277,304)
	Year ended December 31,	
	2022	2021
	RMB'000	RMB'000
Adjusted net loss for the year (non-audited)	(228,900)	(277,304)
Adjusted for:		
Income tax (credit)/expenses	(8,774)	259
Depreciation and amortisation	33,851	29,457
Finance income, net	(2,440)	(1,039)
Non-IFRS measures:		
Adjusted EBITDA for the year (non-audited)⁽²⁾	(206,263)	(248,627)

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, and (iii) listing expenses.
- (2) Adjusted EBITDA for the year represents adjusted net loss for the year before (i) income tax credit/(expenses), (ii) depreciation and amortisation, and (iii) net finance income.

Capital Structure, Liquidity and Capital Resources

As at December 31, 2022, the Company's issued share capital was approximately US\$1,546.7, divided into 618,690,277 shares of US\$0.0000025 each, and the total equity of the Group was approximately RMB1,484.1 million.

For the year ended December 31, 2022, we funded our cash requirements principally from funds generated from operating activities and equity financing activities. Our cash and cash equivalents represent cash and bank balances. As of December 31, 2022, we had cash and cash equivalents of RMB330.7 million, which were primarily denominated in RMB, US dollars and HK dollars.

For the year ended December 31, 2022, our capital expenditures were approximately RMB6.7 million (the year ended December 31, 2021: RMB2.4 million) and were primarily related to purchase of property, plant and equipment of RMB6.2 million.

We intend to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, our policy is to regularly monitor our liquidity risk and to maintain adequate liquid assets including cash and cash equivalents or to retain adequate financing arrangements to meet our liquidity requirements.

Going forward, we believe that our liquidity requirements will be satisfied by using a combination of funds 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 year ended December 31, 2022.

Future Plans for Material Investments and Capital Assets

As of December 31, 2022, 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 year ended December 31, 2022.

Employee and Remuneration Policy

As of December 31, 2022, we had 1,126 (December 31, 2021: 1,169) full-time employees (inclusive of outsourced personnel) located in various jurisdictions in which we operate.

The following table sets forth the number of our employees categorized by function as of December 31, 2022.

	Number of Employees	% of Total Number
Sales and marketing	440	39.1
User services and operations	376	33.4
Research and development	170	15.1
Management and administration	140	12.4
Total	1,126	100.0

As required under regulations in Chinese mainland, 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 laws in Chinese mainland 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 Chinese mainland 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 Chinese mainland, pursuant to which we provide pre-employment and ongoing management and technical training to our employees.

The employee benefits expenses, which include (i) salaries and bonuses, (ii) welfare and other employee benefits and (iii) share-based compensation, were RMB872.7 million for the year ended December 31, 2022, as opposed to RMB210.6 million for the year ended December 31, 2021, representing a year-on-year increase of 314.4%.

Gearing Ratio

As of December 31, 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, HK 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 December 31, 2022, restricted cash of RMB70.8 million was pledged, compared with RMB101.5 million as of December 31, 2021.

Contingent Liabilities

As of December 31, 2022, we did not have any material contingent liabilities or guarantees.

Subsequent Events

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

Borrowings

As of December 31, 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 December 31, 2022:

Purpose	Percentage to total amount	Net proceeds (HK\$ in million)			Expected timeline for full utilization of the remaining net proceeds
		Net proceeds incurred from the Global Offering	Actual use of proceeds up to December 31, 2022	Unutilized amount as of December 31, 2022	
Enlarge our user base and strengthen our brand awareness	40%	221.8	109.8	112.0	December 31, 2025
Develop new services and products to enhance our monetization capabilities	20%	110.9	29.0	81.9	December 31, 2025
Pursue strategic alliances, investments and acquisitions in overseas markets	20%	110.9	0.7	110.2	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	40.1	June 30, 2025
Working capital and general corporate purposes	10%	55.4	34.4	21.0	December 31, 2025
Total	100%	554.5	189.3	365.2	

FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended December 31, 2022 (2021: Nil).

CLOSURE OF THE REGISTER OF MEMBERS

For the purpose of determining the entitlement of the shareholders of the Company (the “**Shareholders**”) to attend and vote at the annual general meeting of the Company to be held on Friday, June 2, 2023 (the “**AGM**”), the register of members of the Company will be closed from Tuesday, May 30, 2023 to Friday, June 2, 2023 (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 29, 2023.

CORPORATE GOVERNANCE

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 “**CG 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. Save as disclosed in this annual results announcement, the Company has, to the best knowledge of the Directors, complied with all applicable code provisions as set out in Part 2 of the CG Code during the period from the Listing Date to December 31, 2022 (the “**Relevant Period**”).

Code provision C.2.7 of the CG Code provides that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. As the Company was only listed on the Stock Exchange on June 24, 2022, the chairman of the Board did not hold any meeting with the independent non-executive Directors during the Relevant Period. As of the date of this announcement, the chairman of the Board has held one meeting with the independent non-executive Directors without the presence of other Directors.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors’ securities transactions. Having made specific enquiries of all 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 Relevant Period.

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

Save for the Global Offering, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Relevant Period.

REVIEW OF FINANCIAL INFORMATION

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 had, together with the management and external auditor of the Company, reviewed the accounting standards and practices adopted by the Group and the annual results of the Group for the year ended December 31, 2022. The Audit Committee considered that the annual results of the Group for the year ended December 31, 2022 are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

Scope of Work of the PricewaterhouseCoopers

The figures in respect of the Group’s consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2022, as set out in this annual results announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (gogoxholdings.com), and the annual report of the Company for the year ended December 31, 2022 containing all the information required by the Listing Rules will be dispatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, March 24, 2023

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. Leung Ming Shu and Mr. Wang Ye; and the independent non-executive Directors are Mr. Ni Zhengdong, Mr. Tang Shun Lam, Mr. Zhao Hongqiang and Ms. Mi Wenjuan.