



路歌  
LOGORY

LOGORY LOGISTICS  
TECHNOLOGY CO., LTD.  
合肥维天运通信息科技  
股份有限公司

A joint stock company incorporated in  
the People's Republic of China with limited liability

Stock Code : 2482

INTERIM REPORT  
2023





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# Corporate Information

## DIRECTORS

### Executive Directors

Mr. Feng Lei (馮雷) (*Chairman*)  
Mr. Du Bing (杜兵) (*Chief executive officer*)  
Mr. Ye Sheng (葉聖)  
Ms. Wang Yao (王瑤)

### Non-Executive Directors

Mr. Liu Junjie (劉俊傑)  
Mr. Chen Zhijie (陳志傑)

### Independent Non-Executive Directors

Mr. Dai Dingyi (戴定一)  
Mr. Li Dong (李東)  
Mr. Liu Xiaofeng (劉曉峰)

## SUPERVISORS

Ms. Liang Xiaojia (梁曉佳)  
Mr. Fan Hua (樊驊)  
Mr. Wang Yang (汪洋)

## AUDIT COMMITTEE

Mr. Li Dong (李東) (*Chairman*)  
Mr. Liu Xiaofeng (劉曉峰)  
Mr. Dai Dingyi (戴定一)

## REMUNERATION COMMITTEE

Mr. Liu Xiaofeng (劉曉峰) (*Chairman*)  
Mr. Li Dong (李東)  
Mr. Du Bing (杜兵)

## NOMINATION COMMITTEE

Mr. Dai Dingyi (戴定一) (*Chairman*)  
Mr. Liu Xiaofeng (劉曉峰)  
Mr. Feng Lei (馮雷)

## AUTHORISED REPRESENTATIVES

Ms. Wang Yao (王瑤)  
Mr. Long Ke (龍科)

## JOINT COMPANY SECRETARIES

Mr. Long Ke (龍科)  
Ms. Yuen Wing Yan, Winnie (袁穎欣) (*FCG, HKFCG(PE)*)

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## COMPLIANCE ADVISER

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## H SHARE REGISTRAR

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Hong Kong

## PRINCIPAL BANK

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Branch of Bank of Communication Co., Ltd.  
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Hefei, Anhui Province  
China

## COMPANY WEBSITE

[www.logory.com](http://www.logory.com)

## STOCK CODE

2482

# Management Discussion and Analysis



## MARKET OVERVIEW

According to the CIC, China has the world's largest road freight transportation market and the market size is expected to reach RMB7.5 trillion in 2023. The road freight transportation market can be further divided into three major segments according to freight weight — namely, express delivery, LTL, and FTL — where FTL comprises the largest segment in the road freight transportation market. The size of FTL market in China is expected to reach RMB4.2 trillion in 2023.

Despite the size of the FTL market, it remains highly fragmented overall. The traditional FTL market in China has encountered challenges including a lengthy and opaque transaction process, unmet needs in both stable supply, and stable demands in transportation resources, lack of control over the transportation resources provided by external truckers, lack of protection for truckers.

The emergence of digital freight platform brings new changes to China's FTL market. With the increasingly widespread accessibilities to mobile phones among market players, favorable government policies that encourage the digitalization of the FTL market, and the rise of GPS, IoT, and other emerging technologies, a new business model for China's FTL market, in the form of digital freight platforms, gradually emerged in the 2010s. The digital freight platform has the following characteristics: more efficient and transparent value chain, refined management of external truckers, better protection for the interests of truckers and assistance to enhance tax supervision. According to the statistics on digital freight transportation information interaction system published by the Ministry of Transport of the PRC, there were 2,818 enterprises operating digital freight platforms in the PRC as of the first half of 2023, representing an increase of approximately 24.3% as compared to the corresponding period in 2022. In addition, the number of shipping orders for the first half of 2023 also increased by approximately 23.5% as compared to the corresponding period in 2022, indicating intense competition in this industry. In terms of digital penetration, it is expected that the penetration rate (Online GTV for digital freight platforms as a percentage of the FTL market) will reach 13.1% by the end of 2023. However, the efficiency and digitalization of the FTL market is moderate, remaining a significant room for digital integration.

During the first half of 2023, the industries with more transportation demand such as manufacture, construction and energy industries have been affected by the moderate macroeconomic recovery. There are a series of economy stimulus measures and policies being gradually implemented, nevertheless, the recovery progress of demand in transportation was below expectation in the first half of 2023. Meanwhile, more logistics companies have strengthened the transportation cost control, hence resulting in more intense competition in the FTL market and the digital freight industry in 2023 as compared to previous years.

The digital freight transportation industry has been evolving from a rapid growth stage to a regulated development stage, and customers are paying more attention to the substantive value of digitalization. Meanwhile, the regulatory authorities are establishing monitoring system on digital freight transportation, with a view to regulate digital freight transportation by digital means and to speed up the digitalization of modern logistics industry, eventually promoting the "high-quality development" of the modern logistics industry.





# Management Discussion and Analysis

## GROUP OVERVIEW

We have built a digitalized ecosystem for road freight transportation in China. According to CIC, we operate one of the largest digital freight platforms in China in terms of Online GTV. Our platform provides digital freight services and solutions to shippers, such as logistics companies and cargo owners, as well as truckers in both inter-city and intra-city road freight transportation. To cater to different needs of shippers, we provide two types of services through our digital freight business, namely freight transportation services and freight platform services. We had served over 13,100 shippers and 3.0 million truckers who had completed an aggregate of over 42.0 million shipping orders on our platform from the inception of our digital freight business to June 30, 2023. The aggregate amount of shipping fees (including VAT) settled on our platform from transactions fulfilled through us as a statutory carrier under PRC law, which we refer to as our Online GTV, amounted to RMB16.4 billion during the six months ended June 30, 2023. Our platform has consistently maintained a high level of annual retention rate, with annual retention rates of 91.9% for our major shipper customers in the first half of 2023 as compared with the previous year.

In addition to our digital freight platform, we also operate Trucker Community, an “online + offline” community for truckers. It is the largest community for truckers in China and the largest community in the logistics industry in China, in terms of the number of registered users. As an exclusive platform for truckers to help each other, interact and exchange resources, we have accumulated a large and loyal user base of truckers over the past decade, which enabled us to establish in-depth collaboration with a variety of partners in order to resolve the problems truckers encountered in “business, production and life” and improve truckers’ social status, work environment and living conditions.

We seek to benefit and empower the participants in the ecosystem of road freight transportation industry, including shippers such as logistics companies and cargo owners, truckers, freight brokers, and other related service providers. We promote the collaboration between such ecosystem participants, enhance transparency and synergy in such collaboration through our digitalized services, and help such participants establish more balanced and reciprocal relationships through repeated transactions. On the one hand, our digital freight transportation solutions on the whole transportation process can, through digital transportation resources procurement, digital operation and digital financial settlement, enable logistics companies to establish online and offline interaction network in order to deliver transparent, efficient and stable logistics services. On the other hand, our digital freight transportation solutions on whole transportation process can also help logistics companies improve their capabilities in digitally-deliverable to cargo owners, by presenting the status during the entire order lifecycle and enabling cargo owners to access to the real-time order progress, which would demonstrate the ability of logistics companies to continuously provide cost-effective transportation services.

During the first half of 2023, we focused on providing digital service resolutions for specific key market segments of logistics industry. In traditional agriculture and live-stock farming industries, we helped our customers to realize the whole transportation process digitalization by providing portfolio services and solutions, and we provided them with stable and reliable trucks and drivers supply chain. In fast-moving consumer goods (“**FMCG**”) sectors, we extended our portfolio services and solutions to cargo owners and by R&D and planning in advance, we improved logistics companies’ capabilities in digitally-deliverable to cargo owners.

# Management Discussion and Analysis



## BUSINESS OVERVIEW

### Our Business Model and Service Offerings

We have cultivated a vibrant digital ecosystem for road freight transportation in China, and we are committed to providing a series of solutions to connect and serve various ecosystem participants. Our business primarily consists of three components: digital freight business, Trucker Community (卡友地带) and Truck Plus solutions (卡加车服).

### Digital Freight Business

We satisfy the freight needs of shippers through our digital freight business. We provide two types of services through our digital freight business, namely freight transportation services and freight platform services.

#### *Freight Transportation Services*

We provide digital freight transportation services as a carrier, as we address the shipping demand from the shippers with appropriate road freight transportation resources, based on our analysis of the shippers' business. Our freight transportation services are usually provided to customers in the industries with a high degree of standardization in logistics transportation such as bulk cargo. During the first half of 2023, we focused on satisfying the digitalization needs of bulk cargo freight in the ports of Bohai Sea Ring Area and in the energy industry in the northwest China by digitalizing the whole transportation process of logistics companies such as transportation resources procurement, business operation and financial settlement. We have an in-depth integration between our digital solutions for different business scenarios and the internal operation flow of the logistics companies. For the six months ended June 30, 2023, Online GTV of our freight transportation services amounted to approximately RMB2.7 billion.

#### *Freight Platform Services*

When we provide freight platform services, our focus is on connecting and facilitating the coordination between shippers and truckers. Our freight platform services mainly target shippers for consumer commodities who generally have customized requirements as the shipping process for consumer commodities is relatively complicated. We integrate the whole transportation process with the digital procurement of transportation resources, digital business operation and digital payment and settlement. We also collect and save the first-hand data automatically and safely, and deliver to the shippers on real-time basis. We provide services to logistics companies to ensure the safety of cargo during transportation and reduce operation costs. The digital products and solutions for the whole transportation process are designed to improve logistics companies' digitalization capabilities to and to deliver transparent, efficient, stable and modernized "trucks and drivers supply chain". For the six months ended June 30, 2023, Online GTV of our freight platform services amounted to approximately RMB13.7 billion.

### Trucker Community and Truck Plus solutions

We operate Trucker Community, a community in the logistics industry in China and the largest community for truckers in China. We are committed to creating a community for communication and mutual support among truckers in the road freight transportation industry to facilitate their communication, discovery of business opportunities and enjoying social life. Truckers can gain access to Trucker Community through a wide variety of portals, including the mobile application we developed for Trucker Community, our official accounts on social media platforms such as Douyin, Kuaishou, WeCom, and the offline activities organized by offline communities of Trucker Community.

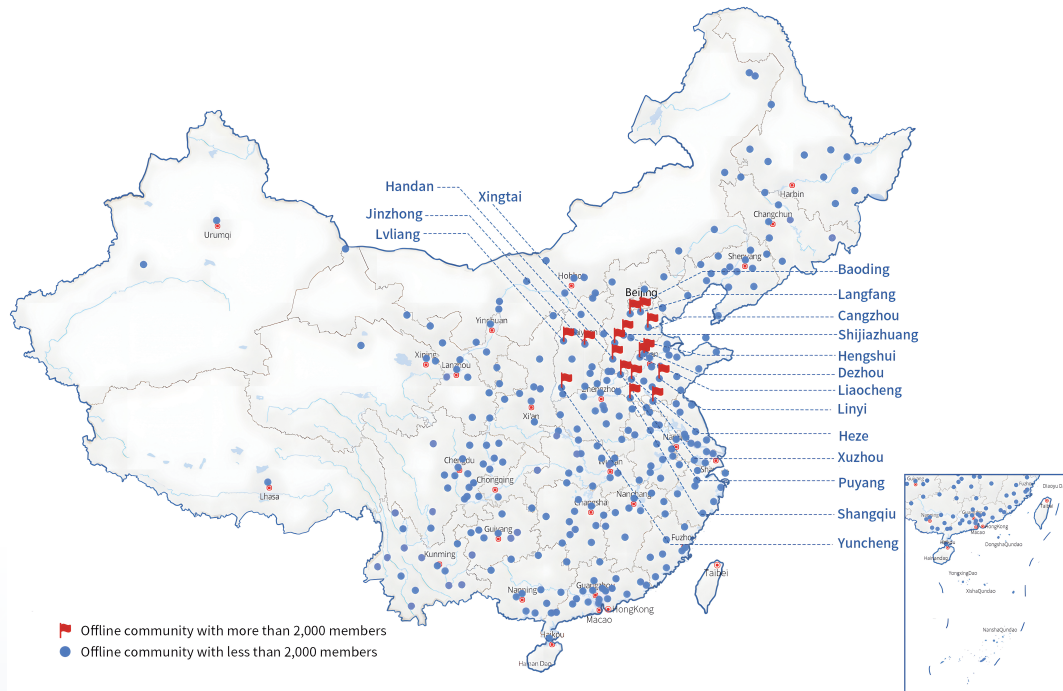
Through years operation, our Trucker Community has become as a reliable self-organized community. As of June 30, 2023, the number of registered users of Trucker Community amounted to approximately 3.4 million and the number of followers of our social media accounts amounted to approximately 3.75 million.



# Management Discussion and Analysis

We have established and assisted to manage offline communities of Trucker Community in 298 cities in the PRC, which are self-organized by local truckers.

The distribution of our offline communities is set out below:



We set up help centers in our online community to provide free legal aid to the truckers and help them resolve problems encountered in their business, work and life. We also collaborated with external partners to provide truckers with access to insurance coverage such as accidental hospitalization medical coverage and accidental injury and death medical coverage. We also advocate for transportation safety of truckers through our mobile application of Trucker Community and social media platforms to enhance the driver safety consciousness of truckers and hence lower the occupational risks of truckers.

# Management Discussion and Analysis



Our Trucker Community and Truck Plus solutions provide strategic value complement to our digital freight business, and such three business lines generate strong synergies. The large and loyal user base of Trucker Community provides stable and efficient supplemental road freight transportation resources for our digital freight platform. At the same time, our digital freight platform attracts more truckers to access, and become loyal members of, Trucker Community. In addition, the demands for truck sales and aftermarket services by truckers on our platform also underpin the significant market potentials for our Truck Plus solutions. The synergy among our business lines reinforces each other, allowing us to enhance our brand image and better serve our customers.

Set forth below are certain operating metrics of our Trucker Community during the Reporting Period:

	For the six months ended June 30, 2023
Number of Converted Truckers <sup>(1)</sup> (thousand)	160.9
Online GTV fulfilled by Converted Truckers (RMB billion)	3.4
Shipping orders fulfilled by Converted Truckers (thousand)	681.2
Breakdown by:	
Freight transportation services (thousand)	49.7
% of total freight transportation service shipping orders (%)	6.4
Freight platform services (thousand)	631.6
% of total freight platform service shipping orders (%)	16.4
Percentage of truckers converted from Trucker Community to our digital freight platform <sup>(2)</sup> (%)	20.8

Notes:

- (1) "Converted Truckers" refer to trucker users who fulfilled shipping orders on our digital freight platform after they registered on Trucker Community.
- (2) Defined as the ratio of the Converted Truckers as of the end of a given period to the total trucker users registered on Trucker Community as of the end of such period.

Truckers on our Trucker Community platform serve as supplemental resources in fulfilling shipping orders on our platform, while the majority of shipping orders are fulfilled by other truckers on our digital freight platform who have not joined Trucker Community. The number of Converted Truckers in the first half of 2023 remained at a steady level as compared with the corresponding period in 2022 and recorded approximately 160.9 thousand (first half of 2022: 170.8 thousand). The percentage of truckers converted from Trucker Community to our digital freight platform increased from 20.0% in the first half of 2022 to 20.8% in the first half of 2023 and remained at a reasonable level. In general, the performance of Trucker Community in terms of its conversion capabilities was within the expectation of the Company's management during the Reporting Period.



# Management Discussion and Analysis

## Our Ecosystem

We have cultivated an ecosystem through our platform, which connects truckers, shippers, freight brokers, truck sellers, truck aftermarket service providers and other participants in the ecosystem. We have cultivated an ecosystem that values the interests of all participants. We encourage and promote a solid cooperative relationship of mutual trust and benefits among all ecosystem participants through enhanced digitalization and transparency throughout the process. We enhanced the division of responsibilities among ecosystem participants and improved their synergies.

The following diagram illustrates the interaction among different participants within our ecosystem.



# Management Discussion and Analysis

Set forth below are the key participants that benefit from our ecosystem, and the value propositions our ecosystem offers them:

- **Shippers:** Shippers constitute the direct customers of our digital freight business. Our shipper customers primarily include logistics companies of all sizes and background. Besides, we also serve cargo owners with needs for freight transportation services. In the first half of 2023, shippers that had completed shipping orders on our digital freight platform amounted to 5,421; and as of June 30, 2023, the cumulative number of shippers that had completed shipping orders on our platform reached 13,191, representing an increase of 2,276 from the first half of 2022. In the first half of 2023, the number of shipping orders completed on our platform amounted to 4.6 million, and the Online GTV on our platform amounted to RMB16.4 billion.
- **Truckers:** Truckers constitute the suppliers of road freight transportation resources for our digital freight business. We strive to empower truckers with better business opportunities, social communities and work capacities through our digital freight business, Trucker Community and Truck Plus solutions, respectively. As of June 30, 2023, the number of truckers who had completed shipping orders on our platform amounted to 3.0 million, and the number of truckers who had registered on our Trucker Community platform amounted to 3.4 million, representing an increase of 301.5 thousand from the end of the first half of 2022.
- **Freight brokers:** Traditionally freight brokers serve as an intermediary between shippers and truckers, who select truckers for shippers and coordinate with both sides. In our case, the major function of freight brokers is to introduce truckers to our digital freight platform. In some cases, freight brokers also assist with the vetting of, and coordination with, such truckers. We believe that freight brokers play an important role in our ecosystem by bringing additional truckers to our platform and facilitating the coordination and communication with truckers.
- **Other ecosystem participants:** The digitalized transaction chain allows us to collect valuable data assets and collaborate with peripheral industry partners to build a healthy ecosystem for road freight transportation.

## Our Technology

We newly released DDCS (Digitalization-driven Customer Success) workspace. DDCS is a digital collaboration platform that achieves direct communication between customers, our internal operations, and product design and R&D teams. DDCS has largely reduced the time to address customers' needs and enhanced customers' satisfaction.

We are committed to continuously investing resources in research and development projects to enrich our services and solutions matrix and enhancing the competitiveness of our service and our capabilities to serve customers. We aim to facilitate the digitalization of the whole transportation process of logistics companies by continuously upgrading our products through research and development efforts.



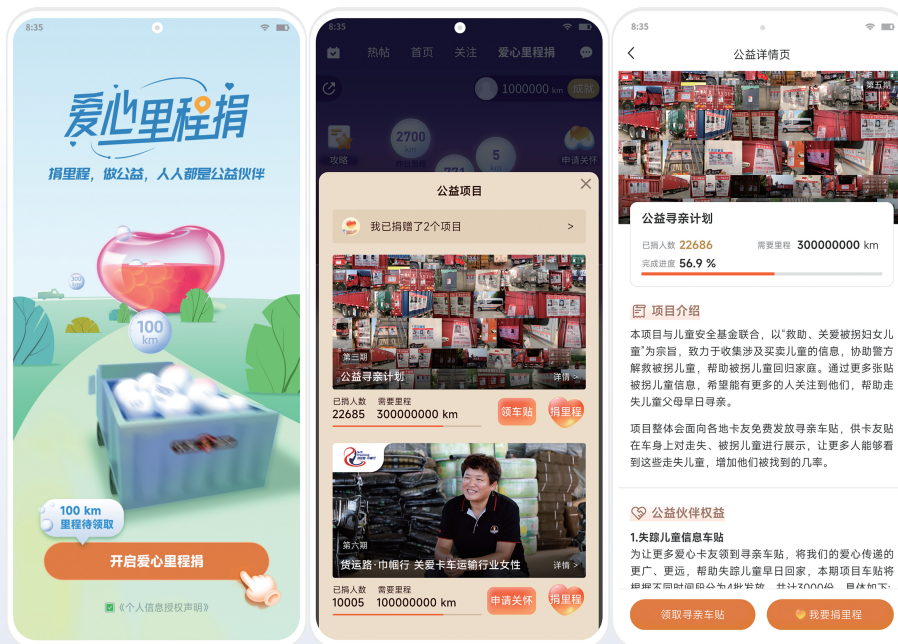
# Management Discussion and Analysis

## Our Corporate Social Responsibility

We launched a special event zone of Charitable Mileage Donation “愛心里程捐” in Trucker Community to conduct a series of charity campaigns to help truckers in need in logistics industry. As of June 30, 2023, approximately more than 290 thousand users have participated to donate their miles, which amounted to approximately 1,547 million kilometers, for the purpose of helping families in need in logistics industry including truckers and their families.

We launched Freight Road • Women Can “貨運路•巾幗行” campaign to help female truckers and wives of truckers to ease their burden in family life and work place. During the first half of 2023, we held four events of Freight Road • Women Can, during which we provided caring bags for female safety, tool kit for transportation and body-examination opportunities for the female. We also provided video courses on study of female workers in this industry produced by the China Woman Development Fund (中國婦女發展基金會) to help the female and their families in truck transportation industry to gain better development.

We have partnered with the China Children and Teenagers’ Fund to launch Charitable Family Search Plan “公益尋親計劃” to encourage truckers to actively participate in charity activities and to integrate charity activities with the real transportation environment. We provided the truck stickers of women and children who were victims of human trafficking to our truckers and encouraged them to post and disseminate the information. As of June 30, 2023, our platforms have despatched 21,841 truck stickers in total. Notably, 6 lost ones were found who were in the poster we despatched to our truckers.



The user interface of Charitable Mileage Donation “愛心里程捐” in our mobile application of Trucker Community

# Management Discussion and Analysis



## Our Milestones in the first half of 2023

### (1) The Group won honors and awards in 2023

On January 6, 2023, the Group was awarded the 2022 China Logistics Contribution Award for Keeping Smooth and Stable Chain (2022中國物流保暢穩鏈貢獻獎) and the 2022 China Logistics Social Responsibility Pioneer Enterprise (2022中國物流社會責任先鋒企業).

### (2) The Group cooperated with Cathay Insurance to launch the “Accidental Hospitalization Medical Insurance”

In February 2023, the Group and Cathay Insurance Company Limited (國泰財產保險有限責任公司) (“Cathay Insurance”) innovatively and jointly launched the first “Accidental Hospitalization Medical Insurance” for truckers in China, which protects truckers against medical expenses during their hospitalization due to accidents, and has served more than 25,000 truckers as of the end of the Reporting Period.

### (3) The completion of the initial public offering of the Company’s H Shares on the Stock Exchange

On March 9, 2023, the Company’s H Shares were listed on the Main Board of the Stock Exchange, making the Company “the first digital freight stock” in Hong Kong.

### (4) The Group was selected as an outstanding case in the China Logistics Investment and Financing Conference

In May 2023, at the 13th China Logistics Investment and Financing Conference, the highest level conference in the field of logistics investment and financing in China, the Group was selected as an “Outstanding Case of Digital Intelligence Innovation” (數智創新優秀案例) for empowering the digital transformation of traditional agriculture and animal husbandry industry with its digital freight solutions for the whole transportation process.

### (5) The Group successfully held the 9th I Love Trucker’s Day

In the first half of the year 2023, the Company successfully held the 9th “I Love Truckers’ Day (52卡友節)”, which covered 28 provinces and cities, with more than 50 offline venues and more than 10,000 truckers attending on-site. At the meeting, the Company released the “Initiative on the Protection of Truckers’ Employment”, and joined hands with a number of head enterprises in the logistics industry to issue an initiative to all walks of life, exploring an effective path to protect the rights and interests of workers in the new employment pattern, and improving the environment for truckers’ employment.





# Management Discussion and Analysis

## OUTLOOK

2023 is the first year after the successful listing of our H Shares on the Stock Exchange. Looking forward, we intend to seize the market opportunities in the digital freight industry in China and expand our businesses in the following directions.

- Given that digital freight is an integral part of digital China, and the new logistics industry formed under the “integration of digital economy and real economy (數實融合)” has taken the lead in the regulated development stage, we intend to be deeply involved in formulation and implementation of the relevant industry standards, association standards, business management norms so as to drive the regulated development of the industry as well as to usher the expansion with “high-quality development” of our digital freight platforms.
- We will leverage advantages of our digital freight platforms and collaborate with our premium customers to expand our digital freight services to more enterprises in supply chain and manufacturing business and to improve our profitability by expanding our customer base.
- We will integrate industrial resources and social resources from the entire society to strengthen our community and commercial services for truckers and to build a digital service system for truckers.
- We will upgrade our digital solutions for the whole transportation process and expand our footage in the specific key segment markets of digital freight industry.

We are committed to seizing the opportunities and leveraging advantages brought by our listing status to achieve the leapfrog in our business development in 2023.

## FINANCIAL REVIEW

The Group generated revenue predominantly from our digital freight business, by providing freight transportation services and freight platform services. During the Reporting Period, the Group’s total revenue was approximately RMB2,611.2 million, representing a decrease of approximately RMB415.9 million, or approximately 13.7%, from approximately RMB3,027.1 million for the six months ended June 30, 2022. The decrease in revenue was mainly due to the decline in the Online GTV of the Company in the first half of 2023 as the recovery of logistics demand was below expectations and the competition became more intense under the current market environment compared with the previous year.

# Management Discussion and Analysis



The table below sets forth the revenue by types of goods or services, shown in actual amounts and as percentage to total revenue for the periods indicated:

	For the six months ended 30 June			
	2023		2022	
	RMB'000 (unaudited)	%	RMB'000 (unaudited)	%
Revenue from freight transportation services	2,475,284	94.79	2,866,156	94.68
Revenue from freight platform services	123,132	4.72	150,568	4.97
Sale of goods	2,561	0.10	5,688	0.19
Others <sup>(1)</sup>	10,225	0.39	4,682	0.16
Total	2,611,202	100	3,027,094	100

Note:

(1) Others primarily include referral services for the sale of second-hand trucks, advertisement services, rental income and other value-added services.

## Cost of revenue

During the Reporting Period, the Group's cost of revenue was approximately RMB2,471.7 million, representing a decrease of approximately RMB392.8 million, or approximately 13.7%, from approximately RMB2,864.5 million for the six months ended June 30, 2022. This was mainly due to the decline in the Online GTV of the Company in the first half of 2023 which resulted in a corresponding decrease in shipping cost paid by the Company to truckers.

## Gross profit and gross profit margin

During the Reporting Period, gross profit decreased by approximately RMB23.1 million or approximately 14.2% from approximately RMB162.6 million for the six months ended June 30, 2022 to approximately RMB139.5 million for the six months ended June 30, 2023. The decrease in gross profit was in line with the decrease in revenue during the Reporting Period. Gross profit margin remained relatively stable at approximately 5.37% for the six months ended June 30, 2022 and approximately 5.34% for the six months ended June 30, 2023.

## Other income and gains

Other income and gains of the Group decreased by approximately RMB1.0 million or approximately 6.5% from approximately RMB15.3 million for the six months ended June 30, 2022 to approximately RMB14.3 million for the six months ended June 30, 2023. which is comprised of: (i) bank interest income of approximately RMB9.0 million; (ii) the government grants (other than those related to digital freight businesses) of approximately RMB4.7 million; and (iii) others of RMB0.6 million. Such decrease was primarily attributable to the decrease in income from wealth management products of banks.



# Management Discussion and Analysis

## Selling and marketing expenses

During the Reporting Period, the Group's selling and marketing expenses amounted to approximately RMB62.2 million, representing a decrease of approximately RMB8.2 million, or approximately 11.6%, from approximately RMB70.4 million for the six months ended June 30, 2022, mainly due to the decrease in staff costs and travel expenses as a result of a decrease in headcount.

## Administrative expenses

Our administrative expenses primarily consists of staff costs, share-based payments, depreciation and amortization and office expenses, among others. During the Reporting Period, the Group's administrative expenses amounted to approximately RMB56.2 million, representing an increase of approximately RMB11.3 million, or approximately 25.2%, from approximately RMB44.9 million for the six months ended June 30, 2022, mainly due to the increases in listing expenses and share-based payments.

## Research and development expenses

During the Reporting Period, the Group's research and development expenses amounted to approximately RMB39.2 million, representing an increase of approximately RMB1.8 million, or approximately 4.8%, from approximately RMB37.4 million for the six months ended June 30, 2022, mainly due to the increase in staff costs for research and development personnel.

## Impairment losses of financial and contract assets, net

During the Reporting Period, the Group's impairment losses of financial and contract assets was approximately RMB0.2 million, which mainly consists of loss on account receivables and receivables from shippers for shipping fees resulted from the credit impairments of our customers, while we recorded a net reversal of impairment of financial and contracts assets of approximately RMB3.9 million for the six months ended June 30, 2022.

## Other expenses

During the Reporting Period, the Group's other expenses mainly consist of taxes and surcharges, impairment loss of assets and financial charges and amounted to approximately RMB19.8 million, representing an increase of approximately RMB2.5 million, or approximately 14.5%, from approximately RMB17.3 million for the six months ended June 30, 2022, mainly due to the increase in taxes and surcharges.

## Finance costs

Our finance costs mainly consist of interest on bank loans and other borrowings. During the Reporting Period, the Group's finance costs amounted to approximately RMB0.8 million, representing a decrease of approximately RMB2.1 million, or approximately 72.4%, from approximately RMB2.9 million for the six months ended June 30, 2022. Such decrease was mainly due to the reduction of discount of notes of the Company in 2023.

## Income tax expense

During the Reporting Period, the Group recorded income tax expense of approximately RMB1.0 million, while the income tax expense for the six months ended June 30, 2022 was approximately RMB4.7 million. This was mainly due to the decrease in taxable profit of the Company during the Reporting Period.



# Management Discussion and Analysis



## Loss/Profit for the period

During the Reporting Period, loss attributable to owners of the Company was approximately RMB26.2 million (for the six months ended June 30, 2022: profit of approximately RMB3.1 million).

## Other financial information (Non-IFRS measures): Adjusted net profit/(loss)

To supplement the Group's consolidated results which are prepared and presented in accordance with IFRSs, we also use adjusted profit or loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with the IFRS. We believe that adjusted profit or loss (non-IFRS measure) provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted profit or loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of adjusted profit or loss (non-IFRS measure) is presented herein as an analytical tool for illustrative purposes only, and should not be considered in isolation from, or as a substitute for analysis of, our results of operations or financial condition as reported under the IFRSs.

The following table sets forth reconciliations of the Group's non-IFRS measures for the six months ended June 30, 2023 and 2022 to the nearest measures prepared in accordance with IFRSs.

	For the six months ended June 30,			
	2023 RMB'000 (unaudited)	% of total revenue %	2022 RMB'000 (unaudited)	% of total revenue %
<b>Profit/(Loss) for the period</b>	<b>(26,166)</b>	<b>(1.00)</b>	3,140	0.10
Adding back or excluding				
Share-based payments <sup>(1)</sup>	10,096	0.39	6,848	0.23
Listing expenses related to the Global Offering	12,654	0.48	8,520	0.28
<b>Non-IFRS measures</b>				
<b>Adjusted net profit/(loss) (unaudited)</b>	<b>(3,416)</b>	<b>(0.13)</b>	18,508	0.61

Note:

- (1) We operate share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of our operations. Such share-based payments are non-cash in nature.

Our adjusted loss (non-IFRS measure) during the Reporting Period amounted to approximately RMB3.4 million, representing a decrease of approximately RMB21.9 million, or approximately 118.4%, from an adjusted profit (non-IFRS measure) of approximately RMB18.5 million for the six months ended June 30, 2022, which was mainly due to the decline in the Online GTV of the Company in the first half of 2023 as the recovery of logistics demand was below expectations and competition became more intense under the current market environment compared with the previous year.



# Management Discussion and Analysis

## Liquidity, Financial Resources, Treasury Policies and Capital Structure

As of June 30, 2023, the Group's cash and cash equivalents amounted to approximately RMB569.6 million (December 31, 2022: RMB520.7 million) which is mainly funded from the cash flows generated from operating activities (e.g. collection of accounts receivables). As of June 30, 2023, the Group had other borrowings of approximately RMB0.1 million (December 31, 2022: RMB0.5 million) and bank borrowings of RMB40.0 million (December 31, 2022: nil), of which RMB20.0 million were fixed-interest rate borrowings with an interest rate of 3.5%. The Group monitors and maintains cash and cash equivalents to a level that management believes to be sufficient to meet the Group's operating needs. The Group's bank and other borrowings, cash and cash equivalents are mainly denominated in RMB.

As of June 30, 2023, the Group had current assets of approximately RMB2,077.7 million (December 31, 2022: RMB2,069.7 million), representing an increase of approximately RMB8.0 million, or 0.4%, mainly due to the increases in cash and cash equivalents, prepayments, other receivables and other assets, partly offset by the decreases in trade and notes receivables and financial assets at fair value through profit or loss. The Group had current liabilities of approximately RMB1,536.5 million as of June 30, 2023 (December 31, 2022: RMB1,617.9 million), representing a decrease of approximately RMB81.4 million, or 5.0%, mainly due to the decrease in other payables and accruals. The current ratio was 1.35 at June 30, 2023, as compared with 1.28 at December 31, 2022, equals to total current assets divided by total current liabilities as of the end of the period.

The Group has adopted a prudent financial management approach towards its treasury policies to ensure the liquidity requirements from daily operation as well as capital expenditures are met. The Board closely monitors the Group's liquidity positions, while surplus cash will be invested appropriately with the consideration of the credit risks, liquidity risks and market risks of the financial instruments.

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital since the Listing Date and up to the date of this report.

The H Shares have been listed on the Stock Exchange since the Listing Date. There has been no change in the capital structure of the Company since the Listing Date and up to June 30, 2023. The capital of the Company comprises ordinary shares including Domestic Shares and H Shares.

## Capital Expenditures

During the Reporting Period, the Group's capital expenditures amounted to approximately RMB1.8 million, which primarily consist of purchase of properties, plants and equipment and purchase of intangible assets. We funded our capital expenditure requirements during the Track Record Period mainly from cash generated from operating activities.

## Inventories

As of June 30, 2023, the Group's inventories amounted to approximately RMB1.0 million, representing a decrease of approximately RMB1.4 million, or approximately 58.3%, from approximately RMB2.4 million as of December 31, 2022, mainly due to the reduction of inventory of the Company during the Reporting Period.

# Management Discussion and Analysis



## Trade and Notes Receivables

As of June 30, 2023, the Group's trade and notes receivable amounted to approximately RMB93.5 million, representing a decrease of approximately RMB30.4 million, or approximately 24.5%, from approximately RMB123.9 million as of December 31, 2022, mainly due to the enhancement in settlement of trade and notes receivables in 2023.

## Trade Payables

As of June 30, 2023, the Group's trade payables remained stable at approximately RMB109.1 million as compared with RMB108.7 million as of December 31, 2022.

## Prepayments, Other Receivables and Other Assets

As of June 30, 2023, the Group's prepayments, other receivables and other assets amounted to approximately RMB1,399.2 million, representing an increase of approximately RMB34.8 million, or approximately 2.6%, from approximately RMB1,364.4 million as of December 31, 2022, mainly due to the increase in outstanding receivables from shippers for shipping fees in 2023.

## EMPLOYEES AND REMUNERATION POLICIES

As of June 30, 2023, we had 948 full-time employees, all of whom were based in China. The number of employees employed by the Group may change from time to time as required and employee emoluments are determined with reference to market conditions and the performance, qualifications and experience of individual employees.

As part of our human resources strategies, we are committed to establishing a competitive and fair remuneration and benefits system. Compensation for our employees typically consists of basic salary and performance-based bonus. We provide our employees with benefits such as pension scheme, medical insurance, workplace injury insurance, unemployment insurance and housing providence funds in accordance with relevant PRC laws and regulations. We offer employees additional benefits such as additional commercial insurance, among other things. In order to effectively motivate our staff, we continually refine our remuneration and incentive policies through market research.

We provide training sessions tailored to the needs of our employees in different functions. Topics covered by such training sessions include our corporate culture, internal rules and policies and professional knowledge, know-hows and skills. We also provide training to management and administrative personnel at all levels, in order to enhance their leadership capabilities. Such training sessions are conducted in both online and offline forms.

## PLEDGE OF ASSETS

As of June 30, 2023, the Group did not pledge any assets as collateral for bank borrowings or any other financing activities (December 31, 2022: nil).

## CONTINGENT LIABILITIES

As of June 30, 2023, the Group did not have any material contingent liabilities.

## SHARE PLEDGE

During the Reporting Period, there is no pledge by our Controlling Shareholders of their interests in the Shares to secure the Company's debts or to secure guarantees or other support of its obligation before the Listing.





# Management Discussion and Analysis

## **BORROWING AND GEARING RATIO**

As of June 30, 2023, the Group had interest-bearing bank and other borrowings of approximately RMB40.1 million (December 31, 2022: RMB0.5 million).

As of June 30, 2023, our gearing ratio, calculated as dividing net liabilities (including borrowings and lease liabilities) by total equity as at the end of the period, was approximately 6.5% (December 31, 2022: 0.4%), mainly due to the increase in bank borrowings of RMB40.0 million in the first half of 2023.

## **MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

For the six months ended June 30, 2023, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

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

## **EXPOSURE TO FLUCTUATIONS IN FOREIGN EXCHANGE RATES**

The Group's business operations are mainly conducted in the PRC with most of the transactions settled in RMB, being the Group's functional currency. The Board considers that the Group's business is not exposed to any significant foreign exchange risk as there are no significant financial assets or liabilities of the Group that are denominated in the currencies other than the respective functional currencies of the Group's entities.

During the Reporting Period, the Group neither took part in any derivatives activities nor entered into any hedging activities in respect of foreign exchange risk.

## **SHARE OPTION SCHEME AND TRAINING PROGRAM**

During the Reporting Period, the Group has no share option scheme. The Group provides its employees with a comprehensive training program which it believes will enable them to effectively acquire the necessary skills and professional ethics. The Group participates in mandatory employee social security scheme organized by provincial and municipal governments in accordance with PRC laws, including endowment insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing provident fund. The Group and its employees are required to pay a specified percentage of the cost of the social security scheme. The Group is required to contribute directly to the employee social security scheme at a specified percentage of the employees' salaries, bonuses and certain allowances in accordance with PRC laws, and the amount of contribution shall not exceed the maximum amount prescribed by the local government from time to time.

## **SIGNIFICANT INVESTMENT AND MATERIAL EVENT DURING THE REPORTING PERIOD**

The Board is not aware of any significant investment and events which could have a material impact on our operating and financial performance for the six months ended June 30, 2023.

## **EVENTS AFTER THE END OF THE REPORTING PERIOD**

The Group is not aware of any significant events which could have a material impact on our operating and financial performance after the Reporting Period.

# Corporate Governance and Other Information



The Board is pleased to present the Corporate Governance and Other Information for the six months ended June 30, 2023.

## CORPORATE GOVERNANCE PRACTICE

The Company 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 code provisions of the CG Code as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

During the period from the Listing Date to June 30, 2023, the Company has complied with all the principles and applicable code provisions contained in Part 2 of the CG Code.

In addition, the balance of power and authority is ensured by the operation of the senior management and the Board, which comprises experienced and high-caliber individuals. The Board currently consists of four executive Directors, two non-executive Directors and three independent non-executive Directors. Therefore, we consider that the Board has a fairly strong independence element in its composition.

The Directors will review the corporate governance policies and compliance with the CG Code and other applicable legal and regulatory requirements so as to maintain a high standard of corporate governance of the Company each financial year.

## SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code to regulate all dealings by the Directors, the Supervisors and relevant employees of securities in the Company and other matters covered by the Model Code since the Listing Date. Having made specific enquiry with all the Directors and Supervisors of the Company, all the Directors and Supervisors confirmed that they have strictly complied with the required standards set out in the Model Code during the period from the Listing Date to the date of this interim report.

## GLOBAL OFFERING

On March 9, 2023, the H Shares of the Company were listed on the Main Board of the Stock Exchange in a global offering of 43,211,000 H Shares, comprising a Hong Kong public offering of 12,964,000 H Shares and an international offering of 30,247,000 H Shares (as adjusted in the Company's allotment results announcement dated March 8, 2023). The H Shares were issued and subscribed to Hong Kong and overseas investors at an Offer Price of HK\$2.9 per H Share (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, the Stock Exchange transaction fee of 0.00565% and Accounting and Financial Reporting Council transaction levy of 0.00015%) by way of an initial public offering. The over-allotment option as described in the Prospectus was not exercised by the overall coordinator (for itself and on behalf of the International Underwriters). For details of the Global Offering, please refer to the Prospectus, the allotment results announcement of the Company dated March 8, 2023 and the announcement of the Company dated April 3, 2023 in relation to, among others, lapse of the over-allotment option.

# Corporate Governance and Other Information

## USE OF PROCEEDS

The net proceeds from the Global Offering (after deducting the underwriting fees and commissions and related cost and expenses) amounted to approximately HK\$63.1 million. There is no change to the intended use of net proceeds and the expected implementation timetable as previously disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As of June 30, 2023, the Company had utilized approximately HK\$2.6 million of net proceeds from the Global Offering, representing approximately 4.1% of the total net proceeds from the Global Offering, in accordance with the intended use set out in the Prospectus. The following table sets out breakdown of the use of proceeds from the Global Offering. As of June 30, 2023, the unutilized net proceeds have been placed in licensed banks and/or authorized financial institution as defined under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and laws in the relevant jurisdictions (where applicable). For details of the use of net proceeds from the Global Offering, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

Use of net proceeds	Percentage of net proceeds	Estimated net proceeds allocated as disclosed in the Prospectus (HK\$ million)	Allocated net proceeds from the Global Offering <sup>(Note)</sup> (HK\$ million)	Net proceeds utilized since the Listing and up to June 30, 2023 (HK\$ million)	Expected timeline of full utilization of net proceeds	Remaining amount (HK\$ million)
<b>To further upgrade and enhance our digital freight business, with a goal to address more in-depth demands from our customers under more diversified business scenarios and to relentlessly improve the user experience for our digital freight business.</b>	<b>45.0%</b>	<b>34.2</b>	<b>28.4</b>	<b>0.9</b>	<b>2031</b>	<b>27.5</b>
(i) To acquire additional customers for our freight transportation services and freight platform services	15.0%	11.4	9.5	0.3	2031	9.2
(ii) To improve our penetration into our existing customer base	15.0%	11.4	9.5	0.5	2027	9.0
(iii) To promote our involvement of other participants in our ecosystem and exploring additional opportunities for synergistic development within our ecosystem	15.0%	11.4	9.4	0.1	2031	9.3



# Corporate Governance and Other Information



Use of net proceeds	Percentage of net proceeds	Estimated net proceeds allocated as disclosed in the Prospectus (HK\$ million)	Allocated net proceeds from the Global Offering <sup>(Note)</sup> (HK\$ million)	Net proceeds utilized since the Listing and up to June 30, 2023 (HK\$ million)	Expected timeline of full utilization of net proceeds	Remaining amount (HK\$ million)
<b>To further expand our Trucker Community and Truck Plus solutions</b>	<b>15.0%</b>	<b>11.4</b>	<b>9.5</b>	<b>0.3</b>	<b>2031</b>	<b>9.2</b>
(i) To explore and improve the commercialization of Trucker Community, including attracting registered members and enhancing commercialization opportunities through Truck Plus	7.5%	5.7	4.7	0.1	2027	4.6
(ii) To foster and maintain the nationwide service network of authorized stores for Truck Plus solutions	5%	3.8	3.2	0.1	2031	3.1
(iii) To strengthen the supply chain system that supports our Truck Plus solutions	2.5%	1.9	1.6	0.1	2027	1.5
<b>To enhance our research and development efforts and to strengthen our technological capabilities</b>	<b>20.0%</b>	<b>15.2</b>	<b>12.6</b>	<b>1.0</b>	<b>2025</b>	<b>11.6</b>
(i) To reinforce our technological strengths in big data	15.0%	11.4	9.4	0.6	2025	8.8
(ii) To improve our existing research and development capacities in the high-tech fields	5.0%	3.8	3.2	0.4	2024	2.8
<b>To recruit additional sales, marketing and operational personnel</b>	<b>10.0%</b>	<b>7.6</b>	<b>6.3</b>	<b>0.2</b>	<b>2026</b>	<b>6.1</b>
<b>Working capital and other general corporate purposes</b>	<b>10.0%</b>	<b>7.6</b>	<b>6.3</b>	<b>0.2</b>	<b>2027</b>	<b>6.1</b>

Note: The net proceeds finally received from the Global Offering was lower than the estimated net proceeds as disclosed in the Prospectus. A difference of approximately HK\$12.8 million has been adjusted in the same manner and in the same proportion to the use of proceeds as disclosed in the Prospectus.

The Company does not have any intention to change the purposes of the proceeds from the Global Offering as set out in the Prospectus, and will gradually utilize the net proceeds from the Global Offering with the intended purposes.



# Corporate Governance and Other Information

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the Reporting Period and up to the date of this interim report, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

## **MATERIAL LEGAL PROCEEDINGS**

During the Reporting Period and up to the date of this interim report, no member of the Group was involved in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## **AUDIT COMMITTEE**

The Audit Committee, which comprises three independent non-executive Directors, namely, Mr. Li Dong (chairman of the Audit Committee), Mr. Liu Xiaofeng and Mr. Dai Dingyi, has adopted written terms of reference which clearly set out its duties and obligations (the terms of reference are available on the websites of the Company and the Stock Exchange).

The Audit Committee has considered and reviewed, with no disagreement, with the management the unaudited interim consolidated results for the six months ended June 30, 2023 and confirmed that the applicable accounting principles, standards and requirements have been complied with, and that adequate disclosures have been made. The Audit Committee considers that the interim consolidated results for the six months ended June 30, 2023 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

## **INTERIM DIVIDEND**

The Board resolved not to recommend the payment of an interim dividend for the six months ended June 30, 2023 (for the six months ended June 30, 2022: nil).

# Corporate Governance and Other Information



## INTERESTS AND SHORT POSITIONS OF EACH OF OUR DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As of June 30, 2023, the interests or short positions of the Directors, Supervisors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which was required pursuant to Section 352 of the SFO to be entered in the register referred to therein or which was otherwise required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code were as follows:

Name of Director/ Supervisor/Chief Executive	Position	Nature of interest	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the total issued Shares of the Company <sup>(2)</sup>
Mr. Feng Lei	Chairman and Executive Director	Beneficial owner	Domestic Shares	273,447,680	31.56%	19.62%
		Interest in controlled corporation <sup>(3)</sup>	Domestic Shares	4,970,665	0.57%	0.36%
		Interest held jointly with another person <sup>(3)</sup>	Domestic Shares	273,447,680	31.56%	19.62%
		Interest in controlled corporation <sup>(3)</sup>	H Shares	8,062,151	1.53%	0.58%
<b>Sub-total</b>				559,928,176		40.17%
Mr. Du Bing	Chief executive officer and Executive Director	Beneficial owner	Domestic Shares	273,447,680	31.56%	19.62%
		Interest in controlled corporation <sup>(3)</sup>	Domestic Shares	4,970,665	0.57%	0.36%
		Interest held jointly with another person <sup>(3)</sup>	Domestic Shares	273,447,680	31.56%	19.62%
		Interest in controlled corporation <sup>(3)</sup>	H Shares	8,062,151	1.53%	0.58%
<b>Sub-total</b>				559,928,176		40.17%
Mr. Ye Sheng	Executive Director	Beneficial owner	Domestic Shares	9,763,739	1.13%	0.70%
		Interest in controlled corporation <sup>(4)</sup>	Domestic Shares	18,523,737	2.14%	1.33%
		Beneficial owner	H Shares	15,836,261	3.00%	1.14%
		Interest in controlled corporation <sup>(4)</sup>	H Shares	30,044,503	5.70%	2.16%
<b>Sub-total</b>				74,168,240		5.32%
Mr. Fan Hua	Supervisor	Interest in controlled corporation <sup>(5)</sup>	Domestic Shares	505,988	0.06%	0.04%
		Interest in controlled corporation <sup>(5)</sup>	H Shares	820,684	0.16%	0.06%
<b>Sub-total</b>				1,326,672		0.10%



# Corporate Governance and Other Information

## Notes:

- (1). The calculation is based on a total number of 866,444,180 Domestic Shares in issue and a total number of 527,431,924 H Shares in issue as of June 30, 2023.
- (2). The calculation is based on the total number of 1,393,876,104 Shares in issue as of June 30, 2023.
- (3). As of June 30, 2023, Shanghai Chuyan directly holds 13,032,816 Shares, representing approximately 0.93% of the enlarged registered share capital of our Company. Mr. Feng Lei is the general partner of Shanghai Chuyan and owns 52% of the equity interests of Shanghai Chuyan. Mr. Du Bing is the sole limited partner of Shanghai Chuyan and owns 48% of the equity interests of Shanghai Chuyan. As such, both Mr. Feng Lei and Mr. Du Bing are deemed under the SFO to be interested in the Shares held by Shanghai Chuyan.  
  
By virtue of the Concert Party Agreement entered into by and between Mr. Feng Lei and Mr. Du Bing, Mr. Feng Lei and Mr. Du Bing are deemed under the SFO to be interested in each other's interests in the Shares.
- (4). Mr. Ye Sheng is the general partner of and has full control over Tianjin Mingyin, Tianjin Mingtong, Tianjin Mingyun and Tianjin Mingwei. As such, Mr. Ye Sheng is deemed under the SFO to be interested in the Shares held by Tianjin Mingyin, Tianjin Mingtong, Tianjin Mingyun and Tianjin Mingwei.
- (5). Hainan Fanrong No.2 Investment Center (Limited Partnership)\* (海南樊榮二號投資中心(有限合夥)) (“**Fanrong No.2**”) is owned as to (i) 1.0% by Duolinuo (Beijing) Engineering Consultancy Co., Ltd.\* (多利諾(北京)工程諮詢有限公司) (as the general partner) which is wholly owned by Mr. Fan Hua, and (ii) 99% by Mr. Fan Hua (as the sole limited partner). As such, Mr. Fan Hua has full control over Fanrong No.2 and is therefore deemed under the SFO to be interested in the Shares held by Fanrong No.2.
- (6). All interests stated are long positions.

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

## ARRANGEMENTS FOR PURCHASE OF SHARES OR DEBENTURES

At no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouse or children under the age of 18 had any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.



# Corporate Governance and Other Information



## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2023, to the best knowledge of the Directors, the following persons (other than a Director, Supervisor or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder/ Ultimate Controller	Nature of interest	Class of Shares	Number of Shares held	Approximate percentage of shareholding in the relevant class of Shares <sup>(1)</sup>	Approximate percentage of shareholding in the total issued Shares of the Company <sup>(2)</sup>
Shanghai Yunxin	Beneficial owner	Domestic Shares	72,103,345	8.32%	5.17%
	Beneficial owner	H Shares	116,947,759	22.17%	8.39%
<b>Sub-total</b>			189,051,104		13.56%
Ant Group	Interest in controlled corporation <sup>(3)</sup>	Domestic Shares	72,103,345	8.32%	5.17%
	Interest in controlled corporation <sup>(3)</sup>	H Shares	116,947,759	22.17%	8.39%
<b>Sub-total</b>			189,051,104		13.56%
Hangzhou Yunbo	Interest in controlled corporation <sup>(3)</sup>	Domestic Shares	72,103,345	8.32%	5.17%
	Interest in controlled corporation <sup>(3)</sup>	H Shares	116,947,759	22.17%	8.39%
<b>Sub-total</b>			189,051,104		13.56%
Mr. Jack Ma (馬雲)	Interest in controlled corporation <sup>(3)</sup>	Domestic Shares	72,103,345	8.32%	5.17%
	Interest in controlled corporation <sup>(3)</sup>	H Shares	116,947,759	22.17%	8.39%
<b>Sub-total</b>			189,051,104		13.56%
Mr. Eric Jing (井賢棟)	Interest in controlled corporation <sup>(3)</sup>	Domestic Shares	72,103,345	8.32%	5.17%
	Interest in controlled corporation <sup>(3)</sup>	H Shares	116,947,759	22.17%	8.39%
<b>Sub-total</b>			189,051,104		13.56%
Mr. Simon Hu (胡曉明)	Interest in controlled corporation <sup>(3)</sup>	Domestic Shares	72,103,345	8.32%	5.17%
	Interest in controlled corporation <sup>(3)</sup>	H Shares	116,947,759	22.17%	8.39%
<b>Sub-total</b>			189,051,104		13.56%
Ms. Fang Jiang (蔣芳)	Interest in controlled corporation <sup>(3)</sup>	Domestic Shares	72,103,345	8.32%	5.17%
	Interest in controlled corporation <sup>(3)</sup>	H Shares	116,947,759	22.17%	8.39%
<b>Sub-total</b>			189,051,104		13.56%



# Corporate Governance and Other Information

## Notes:

- (1). The calculation is based on a total number of 866,444,180 Domestic Shares in issue and a total number of 527,431,924 H Shares in issue as of June 30, 2023.
- (2). The calculation is based on the total number of 1,393,876,104 Shares in issue as of June 30, 2023.
- (3). Shanghai Yunxin is a direct wholly-owned subsidiary of Ant Group, which is in turn owned as to (i) approximately 31% equity interest by Hangzhou Junhan Equity Investment Partnership (Limited Partnership) (杭州君瀚股權投資合夥企業(有限合夥)) and (ii) approximately 22% equity interest by Hangzhou Junao Equity Investment Partnership (Limited Partnership) (杭州君澳股權投資合夥企業(有限合夥)). Hangzhou Yunbo is the executive partner and general partner of, and controls, Hangzhou Junhan Equity Investment Partnership (Limited Partnership) and Hangzhou Junao Equity Investment Partnership (Limited Partnership). Mr. Jack Ma (馬雲) held a 34% equity interest in Hangzhou Yunbo and each of Mr. Eric Jing (井賢棟), Mr. Simon Hu (胡曉明) and Ms. Fang Jiang (蔣芳) held a 22% equity interest in Hangzhou Yunbo. Pursuant to a concert party agreement entered into among Mr. Jack Ma, Mr. Eric Jing, Mr. Simon Hu and Ms. Fang Jiang and the articles of association of Hangzhou Yunbo. As such, each of (i) Ant Group, (ii) Hangzhou Yunbo, (iii) Mr. Jack Ma, (iv) Mr. Eric Jing, (v) Mr. Simon Hu and (vi) Ms. Fang Jiang, shall be deemed under the SFO to be interested in the Shares held by Shanghai Yunxin.

Pursuant to certain agreements entered into in January 2023, there will be changes to the voting structure of Ant Group's major shareholders which will take effect upon satisfaction of the conditions set out in such agreements (including the approval of or filing with relevant government authorities), and as a result, none of direct or indirect shareholders of Ant Group, alone or jointly with other parties, will have control over Ant Group. As of June 30, 2023, the changes to the voting structure of Ant Group's major shareholders were not effective as conditions set out in such agreements have not been fully satisfied (including approval of or filing with relevant government authorities).

- (4). All interests stated are long positions.

# Corporate Governance and Other Information



## APPOINTMENT AND RE-ELECTION OF DIRECTORS AND SUPERVISORS

Given that the term of office of the Directors of the fourth session of the Board had expired, the Board considered and approved the re-election and appointment of members of the fifth session of the Board. At the annual general meeting held on June 20, 2023, Mr. Feng Lei (馮雷), Mr. Du Bing (杜兵), Mr. Ye Sheng (葉聖) and Ms. Wang Yao (王瑤) were re-elected as executive Directors of the fifth session of the Board, Mr. Liu Junjie (劉俊傑) and Mr. Chen Zhijie (陳志傑) were re-elected non-executive Directors of the fifth session of the Board and Mr. Dai Dingyi (戴定一), Mr. Li Dong (李東) and Mr. Liu Xiaofeng (劉曉峰) as independent non-executive Directors of the fifth session of the Board.

Details of the biographies of members of the fifth session of the Board as well as other information relating to their appointments that are required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules were set out in the circular of annual general meeting dated May 19, 2023. There has been no change to the composition of the fifth session of the Board since the annual general meeting held on June 20, 2023 and up to June 30, 2023.

Given that the term of office of the Supervisors of the fourth session of the Board of Supervisors had expired, the Board of Supervisors considered and approved the re-election of members of the fifth session of the Board of Supervisors. Ms. Liang Xiaojia (梁曉佳) was re-elected as an employee representative Supervisor of the fifth session of the Board of Supervisors. According to the Articles of Association and the Company Law of the People's Republic of China (中華人民共和國公司法), Ms. Liang Xiaojia has been elected as the employee representative Supervisor of the fifth session of the Board of Supervisors democratically by employees of the Company at the employee representatives' meeting of the Company on March 30, 2023, and was not subject to approval by the Shareholders. At the annual general meeting held on June 20, 2023, Mr. Fan Hua (樊驊) and Mr. Wang Yang (汪洋) were re-elected as Shareholders' representative Supervisors of the fifth session of the Board of Supervisors.

Details of the biographies of members of the fifth session of the Board of Supervisors as well as other information relating to their appointments that are required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules were set out in the circular of annual general meeting dated May 19, 2023. There has been no change to the composition of the fifth session of the Board of Supervisors since the annual general meeting held on June 20, 2023 and up to June 30, 2023.

On April 27, 2023, Mr. Li Dong (李東), one of our independent non-executive Directors, was appointed as an independent non-executive director of ZJLD Group Inc, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 6979).

On August 11, 2023, Mr. Liu Xiaofeng (劉曉峰), one of our independent non-executive Directors, resigned as an independent non-executive director of AAG Energy Holdings Ltd. after its privatization.

Save as disclosed above, the Company is not aware of the changes to information in respect of the Directors, Supervisors and senior management of the Company required to be disclosed pursuant to Rule 13.51(B)(1) of the Listing Rules.

## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of the expansion of business scope of the Company, amendments have been made to the Company's Articles of Association and were duly passed at the annual general meeting held on June 20, 2023. The full text of the amended Articles of Association can be downloaded on the website of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.logory.com](http://www.logory.com)).

# Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)

	Notes	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
<b>REVENUE</b>	4	<b>2,611,202</b>	3,027,094
Cost of revenue	5	<b>(2,471,696)</b>	(2,864,507)
<b>GROSS PROFIT</b>		<b>139,506</b>	162,587
Other income and gains	4	<b>14,314</b>	15,295
Selling and marketing expenses	5	<b>(62,202)</b>	(70,418)
Administrative expenses	5	<b>(56,244)</b>	(44,915)
Research and development expenses	5	<b>(39,168)</b>	(37,380)
Impairment on financial and contract assets, net	5	<b>(242)</b>	3,912
Other expenses	5	<b>(19,767)</b>	(17,345)
Finance costs	6	<b>(835)</b>	(2,933)
Share of losses of associates		<b>(552)</b>	(962)
<b>(LOSS)/PROFIT BEFORE TAX</b>		<b>(25,190)</b>	7,841
Income tax expense	7	<b>(976)</b>	(4,701)
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<b>(26,166)</b>	3,140
Attributable to:			
Owners of the parent		<b>(26,166)</b>	3,140
Non-controlling interests		–	–
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic and diluted (RMB)		<b>(0.02)</b>	–





# Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
(LOSS)/PROFIT FOR THE PERIOD	(26,166)	3,140
OTHER COMPREHENSIVE INCOME		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Equity investments designated at fair value through other comprehensive income		
Changes in fair value	–	–
Income tax effect	–	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(26,166)	3,140
Attributable to:		
Owners of the parent	(26,166)	3,140
Non-controlling interests	–	–

# Interim Condensed Consolidated Statement of Financial Position (Unaudited)

	Notes	<b>30 June 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>62,047</b>	65,808
Right-of-use assets		<b>5,929</b>	6,859
Intangible assets		<b>1,494</b>	1,720
Investments in associates		<b>8,814</b>	9,396
Prepayments, other receivables and other assets	9	<b>2,486</b>	2,211
Deferred tax assets		<b>17,062</b>	17,306
<b>Total non-current assets</b>		<b>97,832</b>	103,300
<b>CURRENT ASSETS</b>			
Inventories		<b>962</b>	2,413
Trade and notes receivables	8	<b>93,471</b>	123,945
Contract assets		<b>3,219</b>	6,362
Prepayments, other receivables and other assets	9	<b>1,396,691</b>	1,362,188
Financial assets at fair value through profit or loss ("FVTPL")		<b>10,000</b>	50,000
Pledged deposits		<b>3,701</b>	4,063
Cash and cash equivalents		<b>569,637</b>	520,714
<b>Total current assets</b>		<b>2,077,681</b>	2,069,685
<b>CURRENT LIABILITIES</b>			
Trade payables	11	<b>109,103</b>	108,695
Other payables and accruals	10	<b>1,365,588</b>	1,487,197
Contract liabilities		<b>14,614</b>	12,375
Interest-bearing bank and other borrowings		<b>40,117</b>	500
Lease liabilities		<b>850</b>	816
Tax payable		<b>6,267</b>	8,283
<b>Total current liabilities</b>		<b>1,536,539</b>	1,617,866
<b>NET CURRENT ASSETS</b>		<b>541,142</b>	451,819
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>638,974</b>	555,119
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>541</b>	626
<b>Total non-current liabilities</b>		<b>541</b>	626
<b>NET ASSETS</b>		<b>638,433</b>	554,493



# Interim Condensed Consolidated Statement of Financial Position (Unaudited)

	<b>30 June 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
EQUITY		
Equity attributable to owners of the parent		
Share capital	<b>87,117</b>	84,417
Reserves	<b>551,316</b>	470,076
<b>TOTAL EQUITY</b>	<b>638,433</b>	554,493

# Interim Condensed Consolidated Statement of Change in Equity (Unaudited)

	Attributable to owners of the parent									
	Share capital	Capital reserve	Special reserve	Share-based payments reserve	Statutory surplus reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	84,417	489,105	1,725	135,221	625	(8,288)	(148,312)	554,493	-	554,493
Issue of shares (unaudited)	2,700	97,310	-	-	-	-	-	100,010	-	100,010
Total comprehensive income for the year (unaudited)	-	-	-	-	-	-	(26,166)	(26,166)	-	(26,166)
Equity-settled share-based payments (unaudited)	-	-	-	10,096	-	-	-	10,096	-	10,096
Appropriation of special reserve	-	-	822	-	-	-	(822)	-	-	-
At 30 June 2023	87,117	586,415	2,547	145,317	625	(8,288)	(175,300)	638,433	-	638,433

	Attributable to owners of the parent									
	Share capital	Capital reserve	Special reserve	Share-based payments reserve	Statutory surplus reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2022	84,417	489,105	-	117,556	625	(8,288)	(147,980)	535,435	-	535,435
Issue of shares (unaudited)	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year (unaudited)	-	-	-	-	-	-	3,140	3,140	-	3,140
Equity-settled share-based payments (unaudited)	-	-	-	6,848	-	-	-	6,848	-	6,848
At 30 June 2022	84,417	489,105	-	124,404	625	(8,288)	(144,840)	545,423	-	545,423





# Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

	Notes	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit before tax		<b>(25,191)</b>	7,841
Adjustments for:			
Finance costs	6	<b>835</b>	2,933
Interest income	4	<b>(3,210)</b>	(3,122)
Investment income arising from financial investments		<b>(601)</b>	(2,516)
Share of losses of associates		<b>552</b>	962
Equity-settled share-based payments expenses		<b>10,096</b>	6,848
Loss on disposal of items of property, plant and equipment, net	5	<b>93</b>	259
Loss on revision of lease terms		<b>(18)</b>	11
Depreciation of property, plant and equipment	5	<b>4,945</b>	6,250
Depreciation of right-of-use assets	5	<b>1,436</b>	1,477
Amortisation of intangible assets	5	<b>226</b>	180
Impairment of financial and contract assets, net	5	<b>242</b>	(3,912)
Impairment of inventories	5	<b>–</b>	355
Decrease/(increase) in inventories		<b>1,451</b>	(384)
Decrease in trade and notes receivables		<b>29,170</b>	73,987
Decrease in contract assets		<b>3,204</b>	2,315
(Increase)/decrease in prepayments, other receivables and other assets		<b>(25,423)</b>	35,357
Decrease/(increase) in pledged deposits		<b>363</b>	(363)
Increase in trade payables		<b>407</b>	3,744
Decrease in other payables and accruals		<b>(121,373)</b>	(221,905)
Increase in contract liabilities		<b>2,238</b>	2,175
Cash used in operations		<b>(120,558)</b>	(87,508)
Interest received		<b>3,210</b>	3,122
Income tax paid		<b>(11,102)</b>	(11,590)
Net cash flows used in operating activities		<b>(128,450)</b>	(95,976)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		<b>(1,816)</b>	(5,845)
Purchase of intangible assets		<b>–</b>	(516)
Investments in associates		<b>–</b>	(4,600)
Purchase of FVTPL financial assets		<b>(550,000)</b>	(2,182,000)
Proceeds from disposal of items of property, plant and equipment		<b>306</b>	283
Maturity or disposal of FVTPL financial assets		<b>590,631</b>	2,154,516
Net cash flows from/(used in) investing activities		<b>39,121</b>	(38,162)

# Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	100,010	–
Proceeds from interest-bearing bank and other borrowings	40,117	206,692
Repayment of interest-bearing bank and other borrowings	(500)	(289,678)
Interest paid	(818)	(1,946)
Principal portion of lease payments	(557)	(521)
Net cash flows from/(used in) financing activities	138,252	(85,453)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	48,923	(219,591)
Cash and cash equivalents at beginning of period	520,714	728,838
CASH AND CASH EQUIVALENTS AT END OF PERIOD	569,637	509,247
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	573,338	509,610
Restricted bank deposits	(3,701)	(363)
CASH AND CASH EQUIVALENTS AS STATED IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND STATEMENTS OF CASH FLOWS	569,637	509,247

# Notes to Interim Condensed Consolidated Financial Information

## 1. CORPORATE INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China ("PRC"). On 9 March 2023, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 2482.HK). The registered office of the Company is located at No. 2700 ChuangXin Avenue, High-tech District, Hefei, Anhui Province, China.

During the Reporting Period, the Company and its subsidiaries were principally engaged in digital freight businesses including freight transportation services and freight platform services.

### Information about subsidiaries

Particulars of the Company's principal subsidiaries are set out below:

Name of subsidiaries	Place and date of incorporation/ registration and place of operations	Nominal value of registered share capital	Percentage of effective equity interest attributable to the Company	Principal activities
<b>Directly held:</b>				
Hubei Log Logistics Co., Ltd. ("Hubei Log") (湖北路歌物流有限公司)	PRC 3 November 2014	RMB12,000,000	100%	Digital freight businesses
Anhui Jinwang Express Logistics Technology Co., Ltd. ("Anhui Jinwang Express") (安徽金網運通物流科技有限公司)	PRC 12 August 2016	RMB50,000,000	100%	Digital freight businesses
Anhui Yuntongda Logistics Technology Co., Ltd. ("Anhui Yuntongda") (安徽運通達物流科技有限公司)	PRC 7 September 2017	RMB50,000,000	100%	Digital freight businesses
Shaanxi Zhongcheng Technology Logistics Co., Ltd. ("Shaanxi Zhongcheng") (陝西眾誠科技物流有限公司)	PRC 3 April 2018	RMB10,000,000	100%	Digital freight businesses
Anhui Qiantong Logistics Technology Co., Ltd. ("Anhui Qiantong") (安徽乾通物流科技有限公司)	PRC 13 April 2018	RMB50,000,000	100%	Digital freight businesses
Fujian Huilian Logistics Technology Co., Ltd. ("Fujian Huilian") (福建慧連物流科技有限公司)	PRC 25 May 2018	RMB50,000,000	100%	Digital freight businesses
Sichuan Quanwang Express Logistics Technology Co., Ltd. ("Sichuan Quanwang Express") (四川全網運通物流科技有限公司)	PRC 12 July 2018	RMB10,000,000	100%	Digital freight businesses
Ma'anshan Cloud Net Logistics Technology Co., Ltd. ("Ma'anshan Cloud Net") (馬鞍山雲網物流科技有限公司)	PRC 11 January 2019	RMB30,000,000	100%	Digital freight businesses

# Notes to Interim Condensed Consolidated Financial Information

## 1. CORPORATE INFORMATION (CONTINUED)

### Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are set out below: (continued)

Name of subsidiaries	Place and date of incorporation/ registration and place of operations	Nominal value of registered share capital	Percentage of effective equity interest attributable to the Company	Principal activities
<b>Directly held: (continued)</b>				
Anhui Log Transportation Co., Ltd. ("Anhui Log") (安徽路歌運輸有限公司)	PRC 2 March 2020	RMB50,000,000	100%	Digital freight businesses
Huainan Log Express Logistics Co., Ltd. ("Huainan Log") (淮南路歌物流運輸有限公司)	PRC 2 March 2022	RMB30,000,000	100%	Digital freight businesses
Tianjin Log Logistics Technology Co., Ltd. ("Tianjin Log Logistics") (天津路歌物流科技有限公司)	PRC 3 August 2021	RMB50,000,000	100%	Digital freight businesses
Huangshan Log Logistics Technology Co., Ltd. ("Huangshan Log") (黃山路歌物流科技有限公司)	PRC 24 June 2022	RMB10,000,000	100%	Digital freight businesses
Sichuan Jinwang Logistics Technology Co., Ltd. ("Sichuan Jinwang") (四川金網物流科技有限公司)	PRC 2 April 2022	RMB10,000,000	100%	Digital freight businesses
<b>Indirectly held:</b>				
Fujian Jinwang Express Logistics Technology Co., Ltd. ("Fujian Jinwang Express") (福建金網運通物流科技有限公司)	PRC 10 August 2018	RMB50,000,000	100%	Digital freight businesses
Anqing Jinwang Express Transportation Co., Ltd. ("Anqing Jinwang Express") (安慶金網運通運輸有限公司)	PRC 25 December 2018	RMB50,000,000	100%	Digital freight businesses
Hefei Huika Automobile Service Co., Ltd. ("Hefei Huika") (合肥惠卡汽車服務有限公司)	PRC 23 April 2018	RMB2,000,000	100%	Sale of trucks and accessories

The English names of all group companies registered in the PRC represent the best efforts made by management of the Company to translate the Chinese names of these companies as they do not have official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note: All of the above principal subsidiaries of the Company are limited companies incorporated under the laws of the People's Republic of China.



# Notes to Interim Condensed Consolidated Financial Information



## 2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and International Accounting Standards and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee and the disclosure requirements of the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

### Basis of consolidation

The consolidated financial statements include the interim condensed consolidated financial information of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

# Notes to Interim Condensed Consolidated Financial Information

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following revised IFRSs for the first time for the current period's financial information.

Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
Amendments to IAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>
Amendments to IAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 17	<i>Insurance Contracts</i>
Amendment to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 — Comparative Information</i>
Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>

The revised standards have had no significant financial effect on these financial statements.

## 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current<sup>1</sup></i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants<sup>1</sup></i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback<sup>1</sup></i>
Amendments to IFRS 10 and IAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>2</sup></i>
Amendments to IFRS 7 and IAS 7	<i>Disclosure of supplier finance arrangements<sup>1</sup></i>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group has expected that these standards will not have significant effect on the Group's financial performance and financial position.

# Notes to Interim Condensed Consolidated Financial Information



## 3. OPERATING SEGMENT INFORMATION

No operating segment information is presented as the Group's revenue and reported results during each of reporting period, and the Group's total assets as at the end of reporting period were derived from one single operating segment, i.e., provision of digital freight businesses and related services.

### Geographical information

No further geographical information is presented as the Group's revenue from the external customers is derived solely from its operation in Mainland China and no non-current assets of the Group are located outside Mainland China.

### Information about major customers

No revenue from sales to a single customer or a group of customers under common control accounted for 10% or more of the Group's revenue for each of reporting period.

## 4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Revenue from contracts with customers	2,611,180	3,026,986
Revenue from other sources		
Rental income	22	108
	2,611,202	3,027,094

### Revenue from contracts with customers

#### (i) Disaggregated revenue information

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
<i>Types of goods or services</i>		
Revenue from freight transportation services	2,475,284	2,866,156
Revenue from freight platform services*	123,132	150,568
Sale of goods	2,561	5,688
Others	10,225	4,682
Total revenue from contracts with customers	2,611,202	3,027,094

### Geographical markets

All of the Group's revenues were generated from customers located in Mainland China during each of reporting period.

\* The revenue from freight platform services mainly represents the difference between the contract amount to be received from the shipper and the net freight cost, which is the contract amount to be paid to the trucker, net of the government grants related to digital freight businesses. Such government grants are presented in line with revenue of an amount of RMB503,032,546 (as of 30 June 2022: RMB560,543,586) as of 30 June 2023.

# Notes to Interim Condensed Consolidated Financial Information

## 4. REVENUE, OTHER INCOME AND GAINS (CONTINUED)

### Revenue from contracts with customers *(continued)*

#### (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

##### *Freight transportation services*

The performance obligation is satisfied over time as services are rendered and payment is generally due upon delivery of the shipments and issuance of the invoice to the customers.

##### *Freight platform services*

The main performance obligation is satisfied at the point in time as services are rendered and payment is generally due upon fulfilment of the shipping order by a trucker and issuance of the invoice to the customers.

##### *Sale of goods*

The performance obligation is satisfied upon delivery of the goods and payment is generally due upon delivery of goods.

An analysis of other income and gains is as follows:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
<b>Other income and gains</b>		
Bank interest income	8,960	3,122
Other government grants* — related to income	4,748	9,471
Others	606	2,702
	<b>14,314</b>	15,295

\* The government grants other than those related to digital freight businesses are recognised in other income and gains. There are no unfulfilled conditions or contingencies relating to these government grants.



# Notes to Interim Condensed Consolidated Financial Information



## 5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	Notes	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Cost of freight transportation services	(i)	2,450,209	2,836,253
Cost of assistance from logistics cooperation partners	(ii)	2,381	9,909
Other cost of digital freight businesses	(iii)	16,821	13,304
Cost of inventories sold		2,285	5,041
<b>Cost of revenue</b>		<b>2,471,696</b>	<b>2,864,507</b>
Taxes and surcharges	(iv)	19,137	15,771
Depreciation of property, plant and equipment		4,945	6,250
Depreciation of right-of-use assets		1,436	1,477
Amortisation of intangible assets		226	180
Impairment of trade and notes receivables		1,305	2,680
Reversal of impairment of contract assets		(61)	(96)
Reversal of Impairment of financial assets included in prepayments, other receivables and other assets		(1,002)	(6,497)
Impairment of inventories		–	355
Employee benefit expense			
Salaries, bonuses, allowances and benefits in kind		76,110	79,352
Pension scheme contributions and social welfare	(v)	16,590	15,381
Equity-settled share-based payments expenses		10,096	6,848
Lease payments not included in the measurement of lease liabilities		803	685
Loss on disposal of items of property, plant and equipment		93	259
Auditor's remuneration		44	16

(i) Cost of freight transportation services provided mainly represents costs incurred with contracted truckers for freight transportation, net of the government grants related to digital freight businesses, the amount of which is RMB99,502,286 (as of 30 June 2022: RMB120,155,989) as of 30 June 2023.

(ii) The portion of the Group's day-to-day contact with its shippers is through its network of independent logistics cooperation partners. The logistics cooperation partners could arrange temporary truckers on short notice, multiple pick-up and delivery points and drop-and-hook operations. Costs to logistics cooperation partners are directly related to the freight transportation and freight platform services, and then are recognised as costs of the Group.

(iii) Other costs of digital freight businesses mainly represent staff cost and cost incurred with third party suppliers for the digital freight businesses, such as location service cost, short message service cost, and payment channels service cost.

(iv) It mainly represents taxes and surcharges, net of the government grants related to digital freight businesses, the amount of which is RMB138,995,965 (as of 30 June 2022: RMB176,894,853) as of 30 June 2023.

(v) As at 30 June 2023, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years.

# Notes to Interim Condensed Consolidated Financial Information

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Interest on bank loans and other borrowings	818	2,853
Interest on lease liabilities	17	80
	<b>835</b>	2,933

## 7. INCOME TAX EXPENSE

The income tax expense of the Group during the period is as follows:

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Current	733	8,471
Deferred tax	243	(3,770)
Total tax charge for the period	<b>976</b>	4,701

# Notes to Interim Condensed Consolidated Financial Information



## 8. TRADE AND NOTES RECEIVABLES

	<b>As at 30 June 2023 RMB'000 (unaudited)</b>	As at 31 December 2022 RMB'000 (audited)
Notes receivables	200	2,282
Trade receivables	95,982	123,069
Less: ECLs	(2,711)	(1,406)
	<b>93,471</b>	123,945

An ageing analysis of the trade and notes receivables as at the end of the reporting period, based on the transaction date and net of ECLs, is as follows:

	<b>As at 30 June 2023 RMB'000 (unaudited)</b>	As at 31 December 2022 RMB'000 (audited)
Within 1 year	93,471	123,918
1 to 2 years	–	27
	<b>93,471</b>	123,945

The movements in the expected credit losses for trade and notes receivables are as follows:

	<b>As at 30 June 2023 RMB'000 (unaudited)</b>	As at 31 December 2022 RMB'000 (audited)
At the beginning of the year/period	1,406	1,258
ECLs	1,305	1,059
Amounts written off as uncollectible	–	(911)
At the end of the year/period	<b>2,711</b>	1,406

# Notes to Interim Condensed Consolidated Financial Information

## 9. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited)
<b>Non-current:</b>		
Prepaid expenses	2,486	2,211
<b>Current:</b>		
Other receivables from shippers for shipping fees (i)	821,435	752,183
Government grants receivables (ii)	520,973	567,553
Advances to suppliers	24,427	26,156
Rental and business deposits	8,810	9,486
Due from related parties	249	507
Prepaid tax	12,660	4,308
Prepaid expenses	349	1,253
Others	15,708	9,666
Less: ECLs	(7,921)	(8,924)
	<b>1,396,691</b>	1,362,188
	<b>1,399,177</b>	1,364,399

(i) Other receivables from shippers for shipping fees mainly represent the shipping fees uncollected from shippers upon fulfilment of the shipping orders under the freight platform services.

(ii) Government grants receivables represent the government grants from local government authorities to support the Group's digital freight businesses.



# Notes to Interim Condensed Consolidated Financial Information

## 10. OTHER PAYABLES AND ACCRUALS

	<b>As at 30 June 2023 RMB'000 (unaudited)</b>	As at 31 December 2022 RMB'000 (audited)
Other payables to truckers for shipping fees (i)	758,582	718,128
Other taxes payable	318,043	460,697
Advances from shippers (ii)	123,785	142,584
Due to related parties	1	10
Employee benefit payables	22,612	31,540
Deposits	100,933	118,126
Accrued expenses	15,498	2,324
Others	26,134	13,788
	<b>1,365,588</b>	1,487,197

- (i) Other payables to truckers for transportation fees represent transportation fees collected from shippers but yet to be paid to truckers under freight platform services.
- (ii) Mainly representing the refundable prepayments from shippers for future shipping arrangements under freight transportation services and freight platform services. Upon signing of the contract, the amounts which will be recognised as revenue will be reclassified to contract liabilities.

All the other payables and accruals of the Group are non-interest-bearing and unsecured.

## 11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>As at 30 June 2023 RMB'000 (unaudited)</b>	As at 31 December 2022 RMB'000 (audited)
Within 1 year	109,103	108,695

Trade payables are unsecured and interest-free and are normally settled within 1 year.

# Notes to Interim Condensed Consolidated Financial Information

## 12. RELATED PARTY TRANSACTIONS

- (i) Details of the Group's related parties that had transactions and/or balances with the Group during the reporting period are as follows:

Company	Relationship with the Group
Mr. Feng Lei	Shareholder with significant influence over the Group
Mr. Du Bing	Shareholder with significant influence over the Group
Ms. Liu Fei	Close family member of a shareholder with significant influence over the Group
Qingkong Shoulu Supply Chain Management (Tianjin) Co., Ltd. (" <b>Qingkong Shoulu</b> ")	An associate of the Group
Wuhu Luge Logistics Technology Co., Ltd. (" <b>Wuhu Luge</b> ")	An associate of the Group
Xinjiang Zhongya Log Digital Technology Co., Ltd. (" <b>Xinjiang Zhongya</b> ")	An associate of the Group

The Group had the following transactions with related parties during the reporting period:

	Notes	Six months ended 30 June	
		2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Provision of services:			
Qingkong Shoulu	(a)	–	91
Xinjiang Zhongya	(a)	221	144
Wuhu Luge	(a)	548	204

Notes:

- (a) The provision of services to related parties was made according to the published prices and conditions offered to the major customers of the Group

- (ii) Guarantees:

The Group has no pledge nor guarantee provided by or to its related parties as at 30 June 2023.

The Group has no pledge nor guarantee provided by or to its related parties as at 30 June 2022.

# Notes to Interim Condensed Consolidated Financial Information

## 12. RELATED PARTY TRANSACTIONS (CONTINUED)

(iii) Outstanding balances with related parties:

### (a) Prepayments, other receivables and other assets

	<b>As at 30 June 2023 RMB'000 (unaudited)</b>	As at 31 December 2022 RMB'000 (audited)
Wuhu Luge	135	139
Xinjiang Zhongya	114	368
	<b>249</b>	507

### (b) Other payables and accruals

	<b>As at 30 June 2023 RMB'000 (unaudited)</b>	As at 31 December 2022 RMB'000 (audited)
Qingkong Shoulu	–	10
Xinjiang Zhongya	1	–
	<b>1</b>	10

All the balances with related parties are unsecured, interest-free and repayable on demand.

(iv) Compensation of key management personnel of the Group:

	<b>Six months ended 30 June</b>	
	<b>2023 RMB'000 (unaudited)</b>	2022 RMB'000 (unaudited)
Salaries, bonuses, allowances and benefits in kind	<b>2,066</b>	2,054
Pension scheme contributions and social welfare	<b>138</b>	128
Equity-settled share-based payment expenses	<b>5,735</b>	4,378
Total compensation paid to key management personnel	<b>7,939</b>	6,560

# Notes to Interim Condensed Consolidated Financial Information

## 12. RELATED PARTY TRANSACTIONS (CONTINUED)

(v) Transactions between the Company and its subsidiaries

### (a) Transactions with subsidiaries

	Six months ended 30 June	
	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Platform service fees charged from subsidiaries	92,278	71,037

### (b) Outstanding balances with subsidiaries

	As at 30 June 2023 RMB'000 (unaudited)	As at 31 December 2022 RMB'000 (audited)
	Prepayments, other receivables and other assets	320,713
Other payables and accruals	207,820	215,976



# Definitions



In this interim report, the following expressions have the meanings set out below unless the context otherwise requires:

“Ant Group”	Ant Group Co., Ltd. (螞蟻科技集團股份有限公司), a joint stock limited liability company established under the laws of the PRC on October 19, 2000
“Articles of Association”	the articles of association of our Company adopted on October 28, 2021 with effect on the Listing Date, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	board of directors of the Company
“Board of Supervisors”	board of supervisors of the Company
“CG Code”	the Corporate Governance Code as set out in Part 2 of Appendix 14 to the Listing Rules
“China” or “the PRC”	the People’s Republic of China, unless otherwise stated, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan of China herein
“CIC”	China Insights Industry Consultancy Limited, a market research and consulting company, which is an independent third party
“Company” or “our Company” “the Company”	Logory Logistics Technology Co., Ltd. (合肥維天運通信息科技股份有限公司), a joint stock company with limited liability incorporated in the PRC on June 23, 2010 and whose H Shares are listed on the Stock Exchange (Stock code: 2482)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and in the context of this interim report, refers to the controlling shareholders of our Company, namely Mr. Feng Lei, Mr. Du Bing and Shanghai Chuyan
“Director(s)”	director(s) of the Company
“Domestic Shares”	ordinary share(s) in the registered share capital of the Company, with a nominal value of RMB0.0625 each, which are subscribed for and paid up in Renminbi by domestic investors
“FTL”	full truckload shipping, a transportation service in which the delivery involves a dedicated shipment of a full truckload, typically shipped directly from the point of departure to the point of destination through linehaul with the freight weight over 3 tons



## Definitions

“Global Offering”	an offering of 43,211,000 H Shares, comprising a final Hong Kong public offering of 12,964,000 H Shares and a final international public offering of 30,247,000 H Shares
“GPS”	the Global Positioning System
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
“H Share(s)”	overseas listed shares in the share capital of our Company with a nominal value of RMB0.0625 each, to be subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“Hangzhou Yunbo”	Hangzhou Yunbo Investment Consultancy Co., Ltd. (杭州雲鉞投資諮詢有限公司), a limited liability company established under the laws of the PRC, the executive partner and general partner of Hangzhou Junhan and Hangzhou Junao
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$” or “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“IoT”	Internet of things
“IFRS”	International Financial Reporting Standards
“Listing”	listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	March 9, 2023, the date on which the H Shares of the Company were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LTL”	less than truckload shipping, a transportation service in which the shipment is less or lighter than a full truckload, and typically placed together with other shipments into a full truckload with the freight weight between 30 kg to 3 tons
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transaction by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules

# Definitions



“Online GTV”	online gross transaction volume, the aggregate amount of shipping fees (including VAT) settled on a digital freight platform for shipping transactions fulfilled through such platform as a statutory carrier under PRC law
“Prospectus”	the prospectus of the Company dated February 27, 2023
“Reporting Period”	the six months ended June 30, 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Chuyan”	Shanghai Chuyan Enterprise Management Partnership (Limited Partnership)* (上海褚岩企業管理合夥企業(有限合夥)), a limited partnership formed under the laws of the PRC on December 16, 2020 and is a Controlling Shareholder. As of June 30, 2023, Shanghai Chuyan was owned as to 52% by Mr. Feng Lei and 48% by Mr. Du Bing
“Shanghai Yunxin”	Shanghai Yunxin Venture Capital Company Limited* (上海雲鑫創業投資有限公司), a limited liability company established under the laws of the PRC on February 11, 2014 and is one of the Pre-IPO Investors. As of June 30, 2023, Shanghai Yunxin was directly wholly owned by Ant Group Co., Ltd. (螞蟻科技集團股份有限公司)
“Share(s)”	ordinary share(s) of the Company with nominal value of RMB0.0625 each including the Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	member(s) of the board of Supervisors of the Company
“Tianjin Mingtong”	Tianjin Mingtong Enterprise Management Partnership (Limited Partnership)* (天津明通企業管理合夥企業(有限合夥)), a limited partnership formed under the laws of the PRC on November 6, 2020, and an employee shareholding platform of our Company
“Tianjin Mingwei”	Tianjin Mingwei Enterprise Management Partnership (Limited Partnership)* (天津明維企業管理合夥企業(有限合夥)), a limited partnership formed under the laws of the PRC on October 30, 2020, and an employee shareholding platform of our Company
“Tianjin Mingyin”	Tianjin Mingyin Enterprise Management Partnership (Limited Partnership)* (天津明印企業管理合夥企業(有限合夥)), a limited partnership formed under the laws of the PRC on December 13, 2018, and an employee shareholding platform of our Company



## Definitions

“Tianjin Mingyun”	Tianjin Mingyun Enterprise Management Partnership (Limited Partnership)* (天津明運企業管理合夥企業(有限合夥)), a limited partnership formed under the laws of the PRC on November 6, 2020, and an employee shareholding platform of our Company
“VAT”	Value-added tax
“%”	per cent