GOGOX HOLDINGS LIMITED
快狗打车控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2246)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2024

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		Period-to-period change
	2024	2023	
	RMB'000	*RMB'000*	*(%)*
	(Unaudited)	*(Unaudited)*	
Revenue	**324,188**	371,758	(12.8)
Gross profit	**112,737**	119,333	(5.5)
Loss before income tax	**(84,001)**	(645,010)	(87.0)
Loss for the period	**(82,904)**	(642,938)	(87.1)
Non-IFRS measure:			
Adjusted net loss for the period(1)	**(33,848)**	(121,260)	(72.1)
Adjusted EBITDA for the period(2)	**(21,194)**	(106,338)	(80.1)

Notes:

(1) Represents loss for the period before (i) share-based compensation expenses, and (ii) impairment of goodwill.

(2) Represents adjusted net loss for the period before (i) income tax credit, (ii) depreciation and amortization and (iii) net finance income.

The board (the "**Board**") of directors (the "**Directors**") of GOGOX HOLDINGS LIMITED (the "**Company**") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries and consolidated affiliated entities (the "**Group**", "**we**", "**us**" or "**our**") for the six months ended June 30, 2024 (the "**Reporting Period**") together with the comparative figures for the corresponding period in 2023, as follows:

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

For the six months ended June 30, 2024

		Six months ended June 30,	
	Notes	**2024**	2023
		RMB'000	*RMB'000*
		(Unaudited)	*(Unaudited)*
Revenue	*4*	**324,188**	371,758
Cost of revenue	*5*	**(211,451)**	(252,425)
Gross profit		**112,737**	119,333
Selling and marketing expenses	*5*	**(69,289)**	(110,557)
General and administrative expenses	*5*	**(77,375)**	(118,249)
Research and development expenses	*5*	**(11,552)**	(22,392)
Reversal of impairment losses/(impairment losses) on financial assets		**4,389**	(2,924)
Impairment of goodwill	*10*	**(51,000)**	(513,525)
Other income		**4,371**	1,162
Other gains, net		**3,251**	1,943
Operating loss		**(84,468)**	(645,209)
Finance income, net	*6*	**467**	803
Share of net loss of a joint venture accounted for using the equity method		**—**	(604)
Loss before income tax		**(84,001)**	(645,010)
Income tax credit	*7*	**1,097**	2,072
Loss for the period		**(82,904)**	(642,938)

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)

For the six months ended June 30, 2024

	Notes	**Six months ended June 30, 2024** *RMB'000* *(Unaudited)*	2023 *RMB'000* *(Unaudited)*
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Exchange difference on translation of the Company's financial statements		**454**	11,490
Items that are reclassified or may be reclassified subsequently to profit or loss			
Exchange difference on translation of functional currency to presentation currency		**615**	2,052
Total other comprehensive income		**1,069**	13,542
Total comprehensive loss for the period		**(81,835)**	(629,396)
Loss for the period attributable to:			
Equity holders of the Company		**(82,354)**	(642,475)
Non-controlling interests		**(550)**	(463)
		(82,904)	(642,938)
Total comprehensive loss for the period attributable to:			
Equity holders of the Company		**(81,508)**	(628,900)
Non-controlling interests		**(327)**	(496)
		(81,835)	(629,396)
Loss per share attributable to the equity holders of the Company (expressed in RMB per share)			
Basic and diluted	*8*	**(0.13)**	(1.03)

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS

As at June 30, 2024

	Notes	**As at June 30, 2024**	As at December 31, 2023
		RMB'000	*RMB'000*
		(Unaudited)	*(Audited)*
Assets			
Non-current assets			
Right-of-use assets		**19,222**	26,152
Property, plant and equipment		**5,919**	6,687
Intangible assets		**32,605**	37,203
Goodwill	*10*	**155,919**	206,894
Investment in a joint venture		**—**	—
Prepayments, deposits and other receivables		**4,026**	2,941
		217,691	279,877
Current assets			
Accounts receivables	*11*	**73,035**	83,758
Prepayments, deposits and other receivables		**30,836**	26,854
Financial assets at fair value through profit or loss	*12*	**—**	206,765
Restricted cash		**51,650**	62,539
Term deposits		**2,235**	877
Cash and cash equivalents		**362,991**	206,308
		520,747	587,101
Total assets		**738,438**	866,978

UNAUDITED CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS (CONTINUED)

As at June 30, 2024

	Notes	As at June 30, 2024 RMB'000 (Unaudited)	As at December 31, 2023 RMB'000 (Audited)
Equity			
Share capital		**11**	11
Other reserves		**7,862,601**	7,863,596
Accumulated losses		**(7,464,571)**	(7,382,201)
Equity attributable to equity holders of the Company		**398,041**	481,406
Non-controlling interests		**(2,058)**	(1,731)
Total equity		**395,983**	479,675
Liabilities			
Non-current liabilities			
Lease liabilities		**7,460**	12,413
Deferred tax liabilities		**6,955**	8,040
Employee benefit obligations		**652**	652
		15,067	21,105
Current liabilities			
Accounts payables	*13*	**43,124**	48,377
Accruals and other payables		**223,890**	258,932
Contract liabilities		**21,534**	19,342
Current tax liabilities		**18,597**	18,591
Other tax liabilities		**8,095**	6,456
Lease liabilities		**12,148**	14,500
		327,388	366,198
Total liabilities		**342,455**	387,303
Total equity and liabilities		**738,438**	866,978

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2024

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Cash flows from operating activities		
Cash used in operations	**(41,833)**	(125,527)
Increase in client segregated accounts	**(1,373)**	(2,477)
Income tax paid, net	**—**	(59)
Net cash used in operating activities	**(43,206)**	(128,063)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(864)**	(2,933)
Purchase of intangible assets	**(408)**	(10)
Purchase of financial assets at fair value through profit or loss	**(56,121)**	(99,000)
Proceeds from disposal of property, plant and equipment	**—**	14
Proceeds from disposal of financial assets at fair value through profit or loss	**263,907**	101,297
Decrease in term deposits with initial terms of over three months	**(1,358)**	—
Interest received from bank deposits	**1,080**	1,543
Net cash generated from investing activities	**206,236**	911
Cash flows from financing activities		
Proceeds from exercise of share options	**87**	2,021
Repayment of principal portions of lease liabilities	**(7,997)**	(6,639)
Repayment of interest portions of lease liabilities	**(613)**	(740)
Net cash used in financing activities	**(8,523)**	(5,358)

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS (CONTINUED)

For the six months ended June 30, 2024

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Net increase/(decrease) in cash and cash equivalents	**154,507**	(132,510)
Cash and cash equivalents at the beginning of the period	**204,425**	330,734
Exchange differences on cash and cash equivalents	**803**	1,567
Cash and cash equivalents at the end of the period	**359,735**	199,791
Representing:		
Cash and bank balances as stated in the condensed consolidated interim balance sheets	**362,991**	202,296
Less: client segregated accounts	**(3,256)**	(2,505)
Cash and cash equivalents at the end of the period	**359,735**	199,791

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended June 30, 2024

1 General information

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

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

The unaudited condensed consolidated interim financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

2 Basis of preparation

The unaudited condensed consolidated interim financial information of the Group for the six months period ended June 30, 2024 (the "**Interim Financial Information**") has been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting", issued by the International Accounting Standards Board (the "**IASB**").

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. Accordingly, this Interim Financial Information should be read in conjunction with the consolidated financial statements of the Company which have been prepared in accordance with IFRS Accounting Standards for the year ended December 31, 2023.

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty are consistent with those used in the annual consolidated financial statements for the year ended December 31, 2023.

3 Change in accounting policy and disclosures

The accounting policies as adopted by the Group are consistent with those set out in the Group's consolidated financial statements for the year ended 31 December 2023, except for the adoption of new/amended standards and also the changes in an accounting policy as described below.

(a) New and amended standards adopted by the Group

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

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

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

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

Certain new and amended standards have been issued but are not yet effective for the year beginning on January 1, 2024 and have not been early adopted by the Group during the period ended June 30, 2024.

Amendments to IAS 21	Lack of Exchangeability [1]
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments [2]
IFRS 18	Presentation and Disclosure in Financial Statements [3]
IFRS 19	Subsidiaries without Public Accountability: Disclosures [3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 The effective date to be determined

The Group is in the process of making an assessment of the impact of these new and amended standards, but are not yet in a position to reasonably estimate their impact on the Group's results and financial position.

4 Segment reporting

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

4 Segment reporting (Continued)

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

The CODM assesses the performance of the operating segments mainly based on revenue of each operating segment. Thus, segment result would present revenues for each segment only, which is in line with the CODM's performance review. There were no material inter-segment revenue during six months ended June 30, 2024 and 2023.

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

	Six months ended June 30, 2024 *(Unaudited)*			Six months ended June 30, 2023 *(Unaudited)*		
	Chinese mainland operations *RMB'000*	**Hong Kong and overseas operations** *RMB'000*	**Total** *RMB'000*	Chinese mainland operations *RMB'000*	Hong Kong and overseas operations *RMB'000*	Total *RMB'000*
Revenue:						
Logistics services provided to enterprise customers	**37,230**	**174,351**	**211,581**	52,715	175,784	228,499
Service income from logistics services platforms	**47,952**	**33,114**	**81,066**	82,239	27,256	109,495
Value-added services *(Note)*	**4,519**	**27,022**	**31,541**	13,241	20,523	33,764
	89,701	**234,487**	**324,188**	148,195	223,563	371,758
Timing of revenue recognition for revenue from contracts with customers:						
Over time	**45,357**	**178,259**	**223,616**	56,304	179,691	235,995
A point in time	**44,344**	**56,228**	**100,572**	91,891	43,872	135,763
Total	**89,701**	**234,487**	**324,188**	148,195	223,563	371,758

Note: Valued-added services included provision of fuel card services with the gross merchandise volume of approximately RMB76,830,000 and RMB72,862,000 for six months ended June 30, 2024 and 2023, respectively.

5 Expenses by nature

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Auditor's remuneration		
— Audit services	**2,000**	3,720
— Non-audit services	**—**	223
Depreciation and amortisation	**14,218**	17,797
Employee benefit expenses (including share-based compensation expenses)	**93,263**	147,495
Incentives to transacting users from platform services	**10,498**	35,404
Payment of processing costs	**2,430**	3,350
Professional service costs	**14,352**	15,650
Promotion and advertising	**5,876**	12,282
Recruitment costs	**2,825**	1,846
Service charges	**4,789**	9,590
Short term lease expenses	**782**	1,122
Subcontracting fee		
— logistics services providers	**189,028**	207,698
— others	**14,324**	24,444
Travelling expenses	**2,481**	4,122
Others	**12,801**	18,880
Total cost of revenue, selling and marketing expenses, research and development expenses and general and administrative expenses	**369,667**	503,623

6 Finance income, net

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Finance income:		
Interest income from bank deposit	**1,080**	1,543
Finance costs:		
Interest expense on lease liabilities	**(613)**	(740)
Finance income, net	**467**	803

7 Income tax credit

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

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Current income tax	**—**	67
Deferred income tax	**1,097**	2,005
	1,097	2,072

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

The income tax provision of the Group in respect of its operations in Chinese mainland was calculated at a tax rate of 25% on the assessable profits for the periods presented, based on the existing legislation, interpretations and practices in respect thereof. The Chinese mainland income tax rate of all Chinese mainland subsidiaries during six months ended June 30, 2024 and 2023 was 25% on their taxable profits.

According to the relevant laws and regulations promulgated by the State Council of the Chinese mainland that was effective from October 2022, enterprises engaging in research and development activities were entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("**Super Deduction**"). For the period ended June 30, 2024 and 2023, the Group decided to claim the Super Deduction for the Tianjin 58 Daojia Technology Co., Ltd..

7 Income tax credit (Continued)

(b) Hong Kong

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

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profit subject to Hong Kong profits tax during six months ended June 30, 2024 and June 30, 2023.

(c) Other countries

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

The Group entities established under the International Business Companies Acts of British Virgin Islands ("**BVI**") are exempted from BVI income taxes.

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

(d) OECD Pillar Two model rules

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted or substantively enacted in several jurisdictions in which the Group operates, including South Korea and Vietnam and have been come into effect on or after 1 January 2024. According to the preliminary assessment, the impact of enacted or substantively enacted legislation for each jurisdiction is insignificant to the Group.

8 Loss per share

(a) Basic loss per share

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

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Loss attributable to the equity holders of the Company used in calculating basic loss per share	**(82,354)**	(642,475)
Weighted average number of ordinary shares outstanding (in thousands of shares)	**628,468**	625,541
Basic loss per share (in RMB per share)	**(0.13)**	(1.03)

(b) Diluted loss per share

During six months ended June 30, 2024, the Company did not have any dilutive potential ordinary shares (six months ended June 30, 2023: same).

As the Group incurred losses for six months ended June 30, 2024 and 2023, the potential ordinary shares were not included in the calculation of dilutive losses per share, which would be anti-dilutive. Accordingly, dilutive losses per share for six months ended June 30, 2024 and 2023 was same as the basic loss per share for the respective periods.

9 Dividends

No dividends have been paid or declared by the Company and its subsidiaries during six months ended June 30, 2024 and 2023.

10 Goodwill

	As at June 30, 2024	As at December 31, 2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Audited)*
Carrying amount		
Opening net book amount	**206,894**	1,048,062
Impairment	**(51,000)**	(843,500)
Exchange differences	**25**	2,332
Closing net book amount	**155,919**	206,894
Cost	**1,050,419**	1,050,394
Impairment	**(894,500)**	(843,500)
Net book amount	**155,919**	206,894

(a) Impairment test for goodwill

Goodwill mainly arose from the acquisition of the subsidiaries and Structured Entities of GoGo Tech Holdings Limited (collectively referred to as "**GoGoVan**") in 2017. GoGoVan is primarily engaged in the provision of logistics services and platform services in the Chinese mainland, Hong Kong and other Asian countries. Goodwill is attributable to the acquired market shares, future expansion prospect, economies of scale and synergies expected to be derived from combining the resources and operations of the Group following the acquisition.

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

Management reviews the business performance and monitors goodwill resulted from the acquisition on operating segment level. The Group performed impairment test on goodwill by comparing the recoverable amounts of cash-generating unit ("**CGU**") or group of CGUs to the respective carrying amounts.

An impairment review of goodwill has been conducted by management annually or more frequently if events or changes in circumstances indication of a significant impairment. For the purpose of the impairment review, the recoverable amounts of the CGUs are determined by the higher of value-in-use calculations and fair value less cost of disposal by using discounted cash flow model based on a financial forecast covering a five-year period (the "**Five Years Forecast**").

10 Goodwill (Continued)

(a) Impairment test for goodwill (Continued)

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

	As at June 30, 2024 *RMB'000* *(Unaudited)*	As at December 31, 2023 *RMB'000* *(Audited)*
Chinese mainland operations	**152,452**	203,452
Hong Kong and overseas operations	**3,467**	3,442
	155,919	206,894

Due to the decrease in the Group's revenue in the Chinese mainland market and decrease in expected growth of the logistics industry in the Chinese mainland resulting from continuously increasing challenging market conditions in the Chinese mainland, the Group did not meet its originally anticipated growth in revenue and earnings during the six months period ended June 30, 2024. In response to the latest market situation, the management revised the Five Years Forecast and re-estimated the recoverable amount of Chinese mainland operations CGU as at June 30, 2024. In respect of Hong Kong and overseas operations CGU, the management considers there is no indication of impairment as at June 30, 2024.

The following table sets out the key assumptions of the Chinese mainland operations CGU with significant goodwill allocated:

	As at June 30, 2024	As at December 31, 2023
Compound annual growth rate of revenue	**7.28%**	8.23%
Compound annual growth rate of operating cost and expenses	**3.44%**	5.38%
Long term growth rate	**2.20%**	2.20%
Post-tax discount rate	**15.00%**	15.00%

Based on the result of the impairment assessment, management assessed and determined that the recoverable amount of the Chinese mainland operations CGU was lower than its carrying amount and therefore, an impairment loss of RMB51,000,000 has been recognised to profit or loss during the six months period ended June 30, 2024 (December 31, 2023: the Group recognised impairment for goodwill for the (i) Chinese mainland operations and (ii) Hong Kong and overseas operations amounting to RMB517,451,000 and RMB326,049,000 respectively).

11 Accounts receivables

	As at June 30, 2024 *RMB'000* *(Unaudited)*	As at December 31, 2023 *RMB'000* *(Audited)*
Accounts receivables	**94,274**	110,455
Less: loss allowance	**(21,239)**	(26,697)
Accounts receivables, net	**73,035**	83,758

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

	As at June 30, 2024 *RMB'000* *(Unaudited)*	As at December 31, 2023 *RMB'000* *(Audited)*
0 to 30 days	**58,866**	59,642
31 to 60 days	**5,205**	12,724
61 to 90 days	**5,644**	4,662
Over 90 days	**3,320**	6,730
	73,035	83,758

12 Financial assets at fair value through profit or loss

	As at June 30, 2024 *RMB'000* *(Unaudited)*	As at December 31, 2023 *RMB'000* *(Audited)*
Wealth management products	**—**	206,765

The wealth management products which were unlisted and carry interest at fixed rates ranging from 1.2% to 1.6% per annum and redeemable on demand. During the period, the Group has redeemed all these wealth management products and recognised a gain on disposal of RMB190,000.

13 Accounts payables

	As at June 30, 2024 *RMB'000* *(Unaudited)*	As at December 31, 2023 *RMB'000* *(Audited)*
Accounts payables	**43,124**	48,377

As at June 30, 2024 and December 31, 2023, the aging analysis of accounts payables based on invoice date are as follows:

	As at June 30, 2024 *RMB'000* *(Unaudited)*	As at December 31, 2023 *RMB'000* *(Audited)*
0 to 30 days	**36,535**	40,549
31 to 60 days	**2,475**	4,182
61 to 90 days	**832**	742
Over 90 days	**3,282**	2,904
	43,124	48,377

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

We have become a leader in the logistics technology sector, committed to achieving seamlessly connection between customers and drivers through cutting-edge digital solutions. By integrating real-time tracking and transparent pricing mechanisms, we have revolutionized the traditional logistics and transportation process, making it more transparent, efficient and trustworthy. Our mission extends beyond just logistics; we further aim to provide technology-driven, user-centric solutions that contribute to social good and sustainable development. Currently, we have operations in six countries and regions in Asia, including Chinese mainland, Hong Kong, Singapore, Korea, India and Vietnam, covering more than 370 cities. We manage two highly recognized and trusted brands: Kuaigou Dache (快狗打車) in Chinese mainland and GoGoX in other Asian markets, both of which excel in the online intra-city logistics space.

We offer a diverse portfolio of platform services, enterprise logistics solutions, and a series of value-added services to meet the evolving needs of individual users, small businesses, and large corporate clients, ensuring that we remain at the forefront of the logistics industry.

During the Reporting Period, our revenue amounted to RMB324.2 million, down compared to RMB371.8 million in the same period last year. This decrease was primarily due to reduced revenue caused by dampened spending sentiment in Chinese mainland. However, Hong Kong and overseas markets continued to demonstrate stable growth, achieving RMB234.5 million in revenue for the Reporting Period, a 4.9% increase compared to RMB223.6 million in the same period last year. In contrast, the Chinese mainland market was significantly impacted by the overall market sentiment in the region, resulting in a 39.5% decline in revenue to RMB89.7 million for the six months ended June 30, 2024, compared to RMB148.2 million for the same period last year. As of June 30, 2024, we had over 33.70 million registered users and 6.80 million registered drivers, reflecting strong engagement across Chinese mainland, Hong Kong and overseas markets.

Additionally, we fulfilled 7.50 million shipment orders, generating a total gross transaction volume (GTV) of RMB822.1 million. Despite the decline in GTV, this was primarily due to our strategic decisions, which aimed at optimizing service offerings and improving profitability. In the face of these challenges, we have stepped up our strategies in Southeast Asia region so that the revenue from Hong Kong and overseas markets now account for 72.3% of total revenue, while Chinese mainland accounts for 27.7%. On the path to sustainable profitability, we have significantly optimized our operational and cost efficiency, achieving a gross profit of RMB112.7 million for the Reporting Period.

Notably, our loss for the period was decreased by 87.1% to RMB82.9 million. The significant improvement is a direct result of several strategic initiatives. We implemented rigorous cost optimization measures, including streamlining operations and reducing overheads, which greatly improved our operational efficiency. Additionally, we strategically focused on higher-margin services and products, which further enhanced our overall profitability. We also managed to significantly reduce our fixed and variable costs while expanding in key and more profitable markets. Combined with effective sales strategies, we have achieved significant revenue growth while keeping costs constant. These combined efforts have positioned us on a strong path toward sustained profitability.

Platform Services

Platform services lies at the heart of our operations, providing a state-of-the-art logistics platform that has thoroughly transformed the way of shipping transactions. It enhances transparency and efficiency of transactions, offering real-time shipment tracking and clear pricing to users. This growth has been supported by various strategic initiatives such as the GoGoX Reserve Membership plan introduced in Hong Kong, which offers variable commission fee options to drivers based on their membership tier. This initiative significantly reduced advertising expenses while increases commissions. In Chinese mainland, the launch of an online driver learning platform has further enhanced service quality by improving driver familiarity with platform rules and service standards.

During the Reporting Period, the platform services generated RMB81.1 million in revenue, contributing approximately 25.0% to the Group's total revenue. Among them, revenue from the Hong Kong and overseas markets amounted to RMB33.1 million, a significant 21.5% increase from RMB27.3 million in the same period last year. GTV from platform services was RMB606.8 million, and the Group facilitated 6.8 million shipment orders, an approximately 40% reduction in shipment orders volume compared with in same period last year. We believe that by focusing on higher-margin services, our long-term financial health will be stronger, despite a reduction in transaction volumes. Moreover, intensified competition and shifts in customer preferences also contributed to the decline. However, we view these challenges as opportunities to refine our approach, and we are confident that our ongoing initiatives will drive future growth and restore GTV momentum.

To strengthen our market position in Hong Kong, we launched a campaign focused on delivering fast and high-quality service, including the introduction of a Premium Van service that connects users with premium vans and premium drivers to meet the growing demand for premium transportation options. We have also applied artificial intelligence (AI) and machine learning to our operations, significantly enhancing order dispatch efficiency and the quality customer service, while gaining valuable insights into customer behavior, further strengthening long-term loyalty from customers. In Chinese mainland, we implemented strict driver management strategies and achieved a 28% period-to-period reduction in negative feedback rate and a significant increase in user satisfaction through competitive pricing. Additionally, we maintain strong risk awareness and have implemented robust mitigation strategies in technology and cybersecurity.

Enterprise Services

The Enterprise Services is designed to meet the logistics needs of large corporate clients, offering scalable intra-city logistics solutions that are essential for industries such as furniture retail and freight forwarding. Our enterprise services are distinguished by their ability to handle complex logistics requirements, particularly in urban hubs. As of June 30, 2024, we had served a cumulative total of 63,839 enterprise clients, and secured major contracts with supermarket chains and logistics providers in key Chinese cities.

Enterprise Services generated RMB211.6 million in revenue as of June 30, 2024, which remained stable compared to RMB228.5 million in the same period last year. This stability is attributed to the comprehensive service quality provided by us to corporate clients, making the Segment an important source of sustainable revenue, accounting for 65.3% of total revenue. During the period, the Hong Kong and overseas markets contributed RMB174.4 million in revenue for the segment, maintaining essentially unchanged compared to RMB175.8 million in the same period last year. The stability of revenue from our enterprise services is largely due to our long-term contracts and strategic partnerships with major corporate clients, which provide a predictable revenue stream. Despite strong competition, our overseas market continued to grow strongly. For example, revenue in Vietnam market grew by 42.8% as of June 30, 2024, while revenue in Korea market experienced an 11.6% increase during the Reporting Period. Meanwhile, our operations in India have grown significantly, highlighting our ability to capitalize on emerging opportunities in this rapidly developing market.

By leveraging our technological capabilities and innovative solutions, we have enhanced our service offerings, making us an indispensable partner for our clients. This combination of factors contributes to the steady performance and reliable returns from our enterprise services.

Value-Added Services

Our Value-Added Services effectively complements our core logistics offerings by providing a range of additional services, such as insurance, fuel cards, and other essential services that enhance the overall logistics ecosystem. Revenue from this segment during the Reporting Period was RMB31.5 million, down 6.6% compared to the same period last year, contributing approximately 9.7% to the Group’s total revenue.

However, in Hong Kong and overseas markets, our value-added service revenue grew by 31.7%, reaching RMB27.0 million. This increase is largely attributable to the successful integration of these services with our platform and enterprise solutions, as well as improved cost structures. In addition, we secured more favorable discounts from our suppliers by consistently meeting targeted sales volumes. Our customer service team has also been successful in re-engaging some of our customers who had not been working with us for a while, particularly in the fuel card business, leading to higher gross profit margins. A successful marketing campaign in collaboration with a major oil and gas company also increased fuel card user engagement by 9.1%.

In the Chinese mainland market, we continued to expand our partnerships with dealerships and fleets, particularly in the area of vehicle sales, which has been continuing to bring in extra revenue to the value-added services.

Business Outlook

Looking ahead, we are going to maintain strategic focus, dedicate ourselves to enhancing platform services, expand our enterprise client base, and growing our range of value-added services. We plan to fully leverage advanced technologies, such as artificial intelligence (AI) and machine learning, to further optimize operations and improve the quality of service delivery. Key opportunities include expansion in the Asia-Pacific (APAC) region, the introduction of new premium service offerings, and continued innovation in value-added services, all of which are expected to drive future growth. While we remain highly vigilant regarding potential risks such as technological disruptions and cybersecurity threats, we have implemented robust mitigation strategies to address these challenges. Overall, we are well-prepared to capitalize on our strengths and continue our trajectory of sustainable growth, further solidifying our position as a leading player in the global logistics industry.

FINANCIAL REVIEW

Overview

For the six months ended June 30, 2024, the Company achieved total revenue of RMB324.2 million, decreased by 12.8% as compared to the corresponding period of last year. In the same reporting period, gross profit is RMB112.7 million, representing a 5.5% period-to-period decrease. During six months ended June 30, 2024, the adjusted net loss and adjusted net loss before interest, taxes, depreciation and amortization ("**EBITDA**")[1] were RMB33.8 million and RMB21.2 million, respectively. The basic and diluted losses per share were 13 cents and 103 cents for the six months ended June 30, 2024 and 2023, respectively.

In the first half of 2024, the Company's net cash used in operating activities was RMB43.2 million. Capital expenditure was RMB1.3 million for the six months ended June 30, 2024.

Revenue

In the first half of 2024, the Company's revenue was RMB324.2 million, decreased by 12.8% from RMB371.8 million for the six months ended June 30, 2023.

[1] Adjusted net loss represents loss for the period before (i) share-based compensation expenses, and (ii) impairment of goodwill. Adjusted EBITDA represents adjusted net loss for the period before (i) income tax credit, (ii) depreciation and amortization, and (iii) net finance income.

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

Revenue Reporting

	Six months ended June 30, 2024			Six months ended June 30, 2023			Period-to-period change		
	Chinese mainland operations	**Hong Kong and overseas operations**	**Total**	Chinese mainland operations	Hong Kong and overseas operations	Total	Chinese mainland operations	Hong Kong and overseas operations	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	***(Unaudited)***	***(Unaudited)***	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*			
Revenue:									
Logistics services provided to enterprise customers	**37,230**	**174,351**	**211,581**	52,715	175,784	228,499	(15,485)	(1,433)	(16,918)
Service income from logistics services platforms	**47,952**	**33,114**	**81,066**	82,239	27,256	109,495	(34,287)	5,858	(28,429)
Value-added services	**4,519**	**27,022**	**31,541**	13,241	20,523	33,764	(8,722)	6,499	(2,223)
Total	**89,701**	**234,487**	**324,188**	148,195	223,563	371,758	(58,494)	10,924	(47,570)

Enterprise services

The revenue from enterprise services decreased by 7.4% from RMB228.5 million for the six months ended June 30, 2023 to RMB211.6 million for the six months ended June 30, 2024, primarily in relation to the reduction of shipping volume from corporate clients in the Chinese mainland market.

Platform services

The revenue from platform services decreased by 26.0%, amounting to RMB109.5 million and RMB81.1 million for the six months ended June 30, 2023 and 2024, primarily in relation to the intensified competition and the shift of strategic decisions aimed at optimizing our service offerings and improving profitability in the Chinese mainland market.

Value-added services

Revenue from value-added services decreased by 6.6% from RMB33.8 million for the six months ended June 30, 2023 to RMB31.5 million for the six months ended June 30, 2024, primarily due to the decrease in Chinese mainland market, and partially off-set by the increase in Hong Kong and overseas market.

Cost of revenue

Our cost of revenue decreased by 16.2% from RMB252.4 million for the six months ended June 30, 2023 to RMB211.5 million for the six months ended June 30, 2024, mainly due to (i) a decrease of RMB22.5 million in subcontracting fees in line with the decreased number of shipment orders in Chinese mainland market, (ii) a decrease of employee benefit expenses (including share-based compensation) of RMB4.1 million, and (iii) a decrease of services charges of RMB4.5 million.

Gross profit and gross profit margin

As a result of the foregoing, we recorded (i) a gross profit of RMB112.7 million and RMB119.3 million for the six months ended June 30, 2024 and 2023, respectively, and (ii) a gross profit margin of 34.8% and 32.1% for the same periods, respectively.

Selling and marketing expenses

Our selling and marketing expenses decreased by 37.3% from RMB110.6 million for the six months ended June 30, 2023 to RMB69.3 million for the six months ended June 30, 2024. The decrease was primarily due to (i) a decrease of incentives to transacting users from platform services of RMB24.9 million, (ii) a decrease of promotion and advertising of RMB 6.4 million and (iii) a decrease of outsourced services cost of RMB6.3 million.

General and administrative expenses

Our general and administrative expenses decreased by 34.6% from RMB118.2 million for the six months ended June 30, 2023 to RMB77.4 million for the six months ended June 30, 2024, primarily due to the decrease of employee benefit expenses (including share-based compensation).

Research and development expenses

Our research and development expenses decreased by 48.4% from RMB22.4 million for the six months ended June 30, 2023 to RMB11.6 million for the six months ended June 30, 2024. The decrease was primarily attributable to the decrease of employee benefit expenses (including share-based compensation expenses).

Reversal of impairment losses/(impairment losses) on financial assets

Our impairment losses on financial assets amounted to RMB2.9 million for the six months ended June 30, 2023. We recorded a reversal of impairment losses on financial assets of RMB4.4 million for the six months ended June 30, 2024, primarily due to the improvement of account receivable management, the decreased long-aging accounts receivables and the reduction of total accounts receivables balance.

Impairment of goodwill

We recorded impairment loss of goodwill of RMB51.0 million in relation to the Chinese mainland operations cash-generating unit ("**CGU**") for the six months ended June 30, 2024, as compared to RMB513.5 million for the corresponding period in 2023 both in relation to the Chinese mainland operations CGU and the Hong Kong and overseas operations CGU. Given that the overall economic recovery fell short of expectation, the intensified competition especially for Chinese mainland operations, and the shift of strategic decisions aimed at optimizing our service offerings and improving profitability, the growth in revenue and earnings of the Group's Chinese mainland operations for the first half of 2024 did not meet the original growth expectation. In light of the above, the management of the Company revised the five years forecast of future revenue growth for our enterprise services and platform services with the expectation that recoverable amounts of such CGU will decline and become lower than the carrying amounts, resulting in an impairment loss on goodwill in relation to the Chinese mainland operations CGU in current period. And we considered there is no indication of impairment in relation to the Hong Kong and overseas operation CGU as at June 30, 2024 and thus, no impairment on goodwill in relation to the Hong Kong and overseas operation CGU had been recorded during the current period.

Other income

Our other income increased by 276.2% from RMB1.2 million for the six months ended June 30, 2023 to RMB4.4 million for the six months ended June 30, 2024, primarily due to the increase of government subsidies we received in Chinese mainland in the first half of 2024.

Other net gains

We recorded other net gains of RMB3.3 million for the six months ended June 30, 2024, primarily due to exchange rate gains. We recorded other net gains of RMB1.9 million for the six months ended June 30, 2023, primarily representing fair value gains from financial assets at fair value through profit or loss.

Operating loss

As a result of the foregoing, our operating loss decreased by 86.9% from RMB645.2 million for the six months ended June 30, 2023 to RMB84.5 million for the six months ended June 30, 2024.

Net finance income

Our net finance income decreased by 41.8% from RMB0.8 million for the six months ended June 30, 2023 to RMB0.5 million for the six months ended June 30, 2024, primarily due to the decrease of interest income from bank deposit.

Income tax credit

Our income tax credit decreased by 47.1% from RMB2.1 million for the six months ended June 30, 2023 to RMB1.1 million for the six months ended June 30, 2024, primarily in relation to utilisation of deferred income tax liabilities.

Loss for the period

Our loss for the period decreased by 87.1% from RMB642.9 million for the six months ended June 30, 2023 to RMB82.9 million for the six months ended June 30, 2024.

Non-IFRS Measures

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

In the first half of 2024, our adjusted net loss was RMB33.8 million, down by 72.1% as compared to the corresponding period of 2023. We define adjusted net loss (a non-IFRS measure) as loss for the period adjusted for (i) share-based compensation expenses, and (ii) impairment of goodwill. In particular, we consider these non-IFRS measures as an additional analytical tool to assess our operating results without the effect of certain non-cash items, such as share-based compensation expenses and impairment of goodwill. Further, impairment of goodwill are typically one-off and non-recurring in nature. Share-based compensation expenses consist of non-cash expenses arising from granting share options, restricted shares and restricted share units to eligible individuals under the share incentive plan of the Company adopted on August 18, 2021 (the "**Share Incentive Plan**"). For details of our goodwill impairment, see "Management Discussion and Analysis — Financial Review — Impairment of Goodwill" in this announcement.

In the first half of 2024, our adjusted EBITDA was negative RMB21.2 million, representing a decrease of 80.1% as compared to the corresponding period of 2023. We define adjusted EBITDA as adjusted net loss for the period adjusted for the netting of the following: (i) income tax credit, (ii) depreciation and amortization, and (iii) net finance income.

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

	Six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Loss for the period	**(82,904)**	(642,938)
Adjusted for:		
Share-based compensation expenses	**(1,944)**	8,153
Impairment of goodwill	**51,000**	513,525
Non-IFRS measure:		
Adjusted net loss for the period(1)	**(33,848)**	(121,260)
Adjusted net loss for the period	**(33,848)**	(121,260)
Adjusted for:		
Income tax credit	**(1,097)**	(2,072)
Depreciation and amortization	**14,218**	17,797
Finance income, net	**(467)**	(803)
Non-IFRS measure:		
Adjusted EBITDA for the period(2)	**(21,194)**	(106,338)

Notes:

(1) Represents loss for the period before (i) share-based compensation expenses, and (ii) impairment of goodwill.

(2) Represents adjusted net loss for the period before (i) income tax credit, (ii) depreciation and amortization and (iii) net finance income.

Capital Structure, Liquidity and Capital Resources

As at June 30, 2024, the Company's issued share capital was approximately US$1,571.3 divided into 628,507,372 shares of US$0.0000025 each, and the total equity of the Group was approximately RMB396.0 million.

For the six months ended June 30, 2024, we satisfied our cash requirements principally from cash generated from daily operations and equity financing activities in relation to the Listing. Our cash and cash equivalents represent cash and bank balances. We had cash and cash equivalents of RMB363.0 million as of June 30, 2024.

For the six months ended June 30, 2024, our capital expenditures were approximately RMB1.3 million (six months ended June 30, 2023: approximately RMB2.9 million) and were primarily related to purchase of property, plant and equipment and intangible asset.

The following table provides information regarding our cash flows for the six months ended June 30, 2024 and 2023:

	For six months ended June 30,	
	2024	2023
	RMB'000	*RMB'000*
	(Unaudited)	*(Unaudited)*
Net cash used in operating activities	**(43,206)**	(128,063)
Net cash generated from investing activities	**206,236**	911
Net cash used in financing activities	**(8,523)**	(5,358)
Net increase/(decrease) in cash and cash equivalents	**154,507**	(132,510)
Cash and cash equivalents at the beginning of the period	**204,425**	330,734
Exchange differences on cash and cash equivalents	**803**	1,567
Cash and cash equivalents at the end of the period	**359,735**	199,791
Representing:		
Cash and bank balances as stated in the condensed consolidated interim balance sheets	**362,991**	202,296
Less: Client segregated accounts	**(3,256)**	(2,505)
	359,735	199,791

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

Significant Investments Held

We recorded financial assets at fair value through profit or loss amounting to nil as of June 30, 2024 (as of December 31, 2023: RMB206.8 million). The financial assets at fair value through profit or loss primarily include wealth management products previously purchased from different segregated portfolio companies that are independent from the Company and independent from each other, and were redeemed before June 30, 2024 for the purpose of the Company's fund management. Such wealth management products are principal-guaranteed and carry interest at fixed rates ranging from 1.2% to 1.6% per annum. The investment scope of such products is primarily cash, bank deposits, U.S. treasury bonds and other money market instruments.

Save as disclosed above, the Group did not make or hold any significant investments during the six months ended June 30, 2024.

Future Plans for Material Investments and Capital Assets

As of June 30, 2024, we did not have any other plans for material investments and capital assets.

Material Acquisitions and/or Disposals of Subsidiaries and Affiliated Companies

The Group did not have any material acquisitions and/or disposals of subsidiaries and affiliated companies for the six months ended June 30, 2024.

Employee and Remuneration Policy

As of June 30, 2024, we had 728 (June 30, 2023: 1,004) full-time employees (inclusive of outsourced personnel) located in various jurisdictions in which we operate.

The following table sets forth the number of our employees categorized by function as of June 30, 2024.

Function Area	**Number of Employees**	**% of Total**
Sales and marketing	259	35.6
User services and operations	276	37.9
Research and development	93	12.8
Management and administration	100	13.7
Total	728	100.0

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

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

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

The employee benefit expenses, including share-based compensation expenses, for the six months ended June 30, 2024 were RMB93.3 million, as compared to RMB147.5 million for the six months ended June 30, 2023, representing a period-to-period decrease of 36.7%.

Gearing Ratio

As of June 30, 2024, the gearing ratio, calculated as total borrowings divided by total equity attributable to owners of the Company, was not applicable as the Company's borrowing amounted to nil as of the same date.

Foreign Exchange Risk

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

Pledge of Assets

As of June 30, 2024, restricted cash of RMB51.7 million was pledged, as compared with RMB62.5 million as of December 31, 2023.

Contingent Liabilities

As of June 30, 2024, we did not have any material contingent liabilities or guarantees.

Subsequent Events

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

Borrowings

As of June 30, 2024, our outstanding borrowings amounted to nil.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

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

As of the date of this announcement, there was no change in the intended use of net proceeds and the expected timeline as previously disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus. The following table sets forth a summary of the utilization of the net proceeds from the Global Offering as of June 30, 2024:

		Net proceeds (HK$ in million)				
Purpose	**Percentage to total amount**	**Net proceeds incurred from the Global Offering**	**Actual use of proceeds up to June 30, 2024**	**Actual use of proceeds during the six months ended June 30, 2024**	**Unutilized amount as of June 30, 2024**	**Expected timeline for full utilization of the remaining net proceeds**
Enlarge our user base and strengthen our brand awareness	40%	221.8	196.8	6.9	25.0	December 31, 2025
Develop new services and products to enhance our monetization capabilities	20%	110.9	104.8	12.4	6.1	December 31, 2025
Pursue strategic alliances, investments and acquisitions in overseas markets	20%	110.9	4.2	0.0	106.7	December 31, 2025
Advance our technological capabilities and enhance our research and development capabilities, including upgrade our information and technology systems and procure advanced technologies from third-party service providers	10%	55.5	42.4	0.6	13.1	June 30, 2025
Working capital and general corporate purposes	10%	55.4	51.0	1.2	4.4	December 31, 2025
Total	100%	554.5	399.2	21.1	155.3	

INTERIM DIVIDEND

The Board resolved not to declare any interim dividends for the six months ended June 30, 2024.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**Corporate Governance Code**") set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own code of corporate governance. The Company has, to the best knowledge of the Directors, complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code during the Reporting Period.

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

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

In addition, under the supervision of the Board which, apart from Mr. Lam being an executive Director, comprise one executive Director, two non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks and balances to protect the interests of the Company and its shareholders.

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry to all Directors, each of the Directors confirmed that he/she has complied with the required standards as set out in the Model Code during the Reporting Period.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sales of treasury shares) during the Reporting Period. As at June 30, 2024, the Company did not hold any treasury shares.

AUDIT COMMITTEE

The Company has established the audit committee (the "**Audit Committee**"), which comprises two independent non-executive Directors, namely Mr. Zhao Hongqiang and Mr. Tang Shun Lam, and one non-executive Director, Mr. Leung Ming Shu. Mr. Zhao Hongqiang is the chairman of the Audit Committee. The primary functions of the Audit Committee are to review and supervise the financial reporting process, internal control and risk management system of the Group, oversee the audit process, provide advice and comments to the Board, perform other duties and responsibilities as may be assigned by the Board, and review and oversee the risk management of the Company.

The Audit Committee has discussed with the management of the Company and reviewed the unaudited consolidated interim financial statements of the Group for the six months ended June 30, 2024 and this interim results announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (gogoxholdings.com), and the interim report of the Company for the six months ended June 30, 2024 containing all the information required under the Listing Rules will be dispatched to the shareholders of the Company (if applicable) and published on the respective websites of the Stock Exchange and the Company in due course.

On behalf of the Board
GOGOX HOLDINGS LIMITED
LAM Hoi Yuen
Chairman and Executive Director

Hong Kong, August 29, 2024

As at the date of this announcement, the executive Directors are Mr. Lam Hoi Yuen and Mr. He Song; the non-executive Directors are Mr. Leung Ming Shu and Mr. Wang Ye; and the independent non-executive Directors are Mr. Tang Shun Lam, Mr. Zhao Hongqiang and Ms. Norma Ka Yin Chu.